

August 31, 2022

Via e-mail only

Mr. Kevin Ratkus
Senior Planner
Alachua County Environmental
Protection Department
408 W. University Avenue, Suite 106
Gainesville, Florida 32601

**Re Purchase from Betty and Joel Matthews
 Title Letter
 Our File No.: 18-1160.7 KN**

Dear Kevin:

Following your request, this letter addresses certain title exceptions included in the August 18, 2022 Title Insurance Commitment covering the subject property issued on behalf the Chicago Title Insurance Company. Specifically, the title exceptions discussed below are included at Schedule B-II (4), (5), (6), (7), (8) and (9). The opinions offered below are made generally; the County's specific management plan or use of the subject property may in fact cause the County to arrive at a contrary opinion. All instruments are recorded in the Public Records of Alachua County, Florida.

Schedule B-II(4). This item excepts from title certain interests for (a) oil, gas, and minerals ("OGM") and (b) road rights of way ("ROW"), both in favor of the Trustees of the Internal Improvement [Trust] Fund of the State of Florida ("TIIF") as reserved in the instrument recorded at O.R. Book 226, Page 462. This instrument covers approximately 156 acres in Section 28, Township 6 South, Range 18 East.

OGMs The retained interests include an undivided one-half (1/2) interest in oil and gas products; an undivided three-fourths (3/4) interest in all other minerals; and the right (without landowner consent for properties outside of a municipality) to explore for, mine, and develop these resources within the property burdened by the instrument's reservations. As a holder of these OGM interests, the State further holds in perpetuity the "right of entry" to access the OGMs over and through the surface of the property to locate and extract (if any) the OGMs. This activity assumes the State is required to, and does in fact, secure the necessary permits and approvals from the appropriate governing bodies (county, federal, etc.). These rights could be exercised

either by the State directly, or through successors in interest to the State through lease or sale of the OGM interests.

Section F.S. 270.11 permits the TIIF to release at its discretion any reserved interest (like the OGMs) or any portion thereof (i.e., the right of entry) in or as to any particular parcel of land. Such release may be made following application by the owner of the title to the particular parcel of land with a statement of reason justifying such release.

For the subject property, since the Section 28 lands in the TIIF deed appear to be more than 20 acres (~156 acres), the right of entry for the OGMs would be active (unless it was previously released by the TIIF). Accordingly, upon closing, the County would hold title subject to the OGMs, including the right of entry from and through the land surface.

ROW These ROW reservations allow the State (and presumably its successors or assigns) to use and develop for state road right of way purposes those certain lands lying within 100 feet either side of the centerline of the state roadway existing on the date of the TIIF deed.

From the initial mapping, it appears the subject property does not lie within 100 feet of the centerline of what would have been a state road right of way in 1946. Accordingly, it is unlikely the subject property would be burdened by the ROW reservation.

These specific OGM and ROW reservations appear to be the standard reservations included in TIIF deeds. The County has encountered similar such TIIF reservations in previous conservation lands purchases – most recently in both the Hitchcock’s Ranch conservation easement and the Lochoosa Slough – Fox Pen Connector projects. The County accepted the title for those two project properties with the TIIF deed reservation title exceptions in place.

Opinion: Considering the County’s recent precedent, exception Schedule B-II(4) appears acceptable. For the OGMs, the County may consider applying to the State after closing for a release of the OGM or the right of entry interests in the subject property. We do not have the information to form an opinion on the chances the State would release all or any of these interests.

Schedule B-II(5). This item excepts from title certain interests for (a) oil, gas, and minerals (“**OGM**”) and (b) road rights of way (“**ROW**”), both in favor of the Trustees of the Internal Improvement Trust Fund of the State of Florida (“**TIIF**”) as reserved in the instrument recorded at O.R. Book 902, Page 160. This instrument covers a portion (less than 20 acres) of the subject property lying within Section 33, Township 6 South, Range 18 East.

OGMs See OGM discussion above.

Since the portion of the subject property located in the section of land covered by the instant TIIF deed appears to be less than 20 acres, the State’s right of entry is released automatically for that

portion pursuant to F.S. 270.11. The Title Insurance Commitment notes (and therefore insures) the right of entry is released for this TIIF reservation.

ROW See ROW discussion above.

From the initial mapping, it appears the subject does not lie 100 feet of the centerline of what would have been a state road right of way in 1974. Accordingly, it is unlikely the subject property would be burdened by the ROW reservation.

Opinion: As discussed above, considering the County's recent precedent; the title policy will insure the right of entry is released; and that the ROW reservations likely do not affect the subject property, exception Schedule B-II(5) appears acceptable. For the OGMs, the County may consider applying to the State after closing for a release of the OGM interest in the subject property. We do not have the information to form an opinion on the chances the State would release all or any of these interests.

Schedule B-II(6). This item excepts from title certain interests for (a) oil, gas, and minerals ("OGM") and (b) road rights of way ("ROW"), both in favor of the Trustees of the Internal Improvement Trust Fund of the State of Florida ("TIIF") as reserved in the instrument recorded at O.R. Book 925, Page 231. This instrument covers approximately 120 acres in Section 28, Township 6 South, Range 18 East.

OGMs See OGM discussion above.

For the subject property, since the Section 28 lands in the TIIF deed appear to be more than 20 acres (~120 acres), the right of entry for the OGMs would be active (unless it was previously released by the TIIF). Accordingly, upon closing, the County would hold title subject to the OGMs, including the right of entry from and through the land surface.

ROW See ROW discussion above.

From the initial mapping, it appears the subject property does not lie within 100 feet of the centerline of what would have been a state road right of way in 1946. Accordingly, it is unlikely the subject property would be burdened by the ROW reservation.

Opinion: As discussed above, considering the County's recent precedent, exception Schedule B-II(6) appears acceptable. For the OGMs, the County may consider applying to the State after closing for a release of the OGM or the right of entry interests in the subject property. We do not have the information to form an opinion on the chances the State would release all or any of these interests.

Schedule B-II(7). This item excepts from title certain matters appearing in or arising out of that Boundary Agreement instrument recorded at O.R. Book 983, Page 97. This instrument appears to cover land in the Francis R. Sanchez Grant located in Section 28 and Section 33, Township 6

South, Range 18 East. The instrument establishes the boundary line between the properties described in the instrument. A survey is necessary to understand the location and implications of the document. On its face, the instrument does not appear to impact negatively marketability of title to the subject property.

Opinion: Exception Schedule B-II(7) appears acceptable.

Schedule B-II(8). This item excepts from title certain matters appearing in or arising out of that certain Easement deed instrument recorded at O.R. Book 1044, Page 901. This instrument is an easement in favor of the County. Accordingly, any portion of the easement encumbering the subject property will merge with the County's title. A survey is necessary to understand the location and impact of the easement interest.

Opinion: Exception Schedule B-II(8) appears acceptable.

Schedule B-II (9). This item excepts from title coverage that certain Oil, Gas, And Mineral Lease set out in the instrument recorded at O.R. Book 1426, Page 687. From what can be determined (the document is barely legible), the lease grants the tenant a right to explore and extract oil, gas, and hydrocarbons. The premises is approximately 68 acres lying in the east one-half of Section 28, Township 6 South, Range 18 East. A survey is required to confirm the location of the premises. It appears the Lease was set to expire after ten (10) years from the date of the Lease, so on or about June 23, 1992.

In our experience, title underwriters generally will remove these OGM lease exceptions if the current owner executes an affidavit (with indemnity) based on personal knowledge that the lease is not active and that no OGM extraction and exploration is occurring and has not recently occurred. Current information suggests that the owner of the property is willing and able to sign such an affidavit. If so, the exception can be deleted from the title policy. A note to this effect is included in the Title Commitment.

Opinion: With an affidavit from the owner, exception Schedule B-II(9) appears acceptable.

Following your review, please contact me with questions.

Sincerely,

A handwritten signature in black ink, appearing to read "David E. Menet", with a stylized flourish at the end.

David E. Menet