

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Nuclear Power Plant Cost Recovery Clause

Docket No. 080009

FPSC Audit – Levy Units 1 & 2
Audit Control No. 08-087-2-1

EXHIBIT B

COM _____
ECR _____
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ADM _____
CLK _____

DOCUMENT NUMBER - DATE

06956 AUG-7 08

FPSC-COMMISSION CLERK

AUDIT FINDING NO. 1

SUBJECT: LAND AND LAND RIGHTS

AUDIT ANALYSIS: The company's filing and general ledger include the following balances for land and land rights for the Levy Units 1 and 2 nuclear plant projects.

<u>Acct No.</u>	<u>Project No.</u>	<u>Description</u>	<u>Land Cost</u>	<u>Other Cost</u>	<u>Total Land</u>
1071000	20059051	Land - Generation	\$52,008,983	\$521,276	\$52,530,259
1071000	20064886	Land - Transmission	8,930,645	10,780	8,941,425
1071000	20065752	Land - Held for Future Use	<u>27,667,950</u>	<u>0</u>	<u>27,667,950</u>
Total Land			\$88,607,578	\$532,056	\$89,139,634

The "Other Cost" balances above include company cost outside of the closing process related to the land purchased.

The company's calculations of the above future use and transmission use land balances are displayed below.

<u>Land Purchases</u>	<u>Amount</u>	<u>Acres</u>	<u>Price/Acre</u>
Rayonier land price	\$46,579,500	3,105.00	\$15,000
Closing cost	<u>1,617,172</u>		
Totals	\$48,196,672		
Lybass land price	\$39,084,959	2,159.00	\$18,103
Closing cost	<u>1,325,947</u>		
Totals	\$40,410,906		

<u>Lybass purchase</u>	<u>Land Use</u>	<u>Total Percent</u>	<u>Used/Useful Percent</u>
Generation	94.08	4.36%	29.92%
Transmission	220.39	10.21%	<u>70.08%</u>
Future Use	<u>1,844.53</u>	<u>85.43%</u>	
Totals	2,159.00	100.00%	100.00%

<u>Future Use</u>	<u>Amount</u>
Fair market value	\$15,000
Future use acreage	<u>1,844.53</u>
Total Future Use Value	\$27,667,950

<u>Transmission Use</u>	<u>Amount</u>
Total Lybass Cost	\$40,410,906
Future Use Value	<u>27,667,950</u>
Remaining Value	\$12,742,956
Transmission Percent	<u>70.08%</u>
Total Transmission Value	\$8,930,645

(Small differences are attributed to rounding errors)

The company cited 18 CFR 101, Electric Plant Instruction 7G as justification and support for its valuation and allocation methodology.

When the purchase of land for electric operations requires the purchase of more land than needed for such purposes, the charge to the specific land account shall be based

DOCUMENT NUMBER - DATE
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 FPSC - COMMISSION CLERK

upon the cost of the land purchased, less the fair market value of that portion of the land which is not to be used in electric operations.

The company asserts that the purchase price it paid for the Lybass property was above its fair market value (FMV) because the sale was influenced by the previous purchase of the Rayonier property. The company therefore used the \$15,000 per acre price of the Rayonier purchase as the FMV multiplier to determine the land held for future use balance of \$27,667,950. The remaining Lybass purchase price of \$12,742,956 was allocated between the generation and transmission land accounts based on percentage of estimated use. The remaining purchase price includes 100 percent of the closing cost.

Other applicable CFR citations include 18 CFR 101, Definitions 9 and 23.

Cost means the amount of money actually paid for property or services.

Original cost, as applied to electric plant, means the cost of such property to the person first devoting it to public service.

A first alternative valuation method would use \$18,103, the actual FMV per acre purchase price of the Lybass property, to determine the future use land balance. The Lybass property contains the entire land area that is designated by the company for future use and the valuation method is supported by all three of the CFR citations referenced above. The following reflects our calculated generation, transmission and future use land balances.

<u>Description</u>	<u>Land Cost</u>	<u>Other Cost</u>	<u>Total Land</u>
Land - Generation	\$50,296,511	\$521,276	\$50,817,787
Land - Transmission	4,919,043	10,780	4,929,823
Land - Held for Future Use	<u>33,392,024</u>	<u>0</u>	<u>33,392,024</u>
Total Land	\$88,607,578	\$532,056	\$89,139,634

<u>Future Use</u>	<u>Amount</u>
Fair market value	\$18,103
Future use acreage	<u>1,844.53</u>
Total Future Use Value	\$33,392,024

<u>Transmission Use</u>	<u>Amount</u>
Total Lybass Cost	\$40,410,906
Future Use Value	<u>33,392,024</u>
Remaining Value	\$7,018,882
Transmission Percent	<u>70.08%</u>
Total Transmission Value	\$4,919,043

(Small differences are attributed to rounding errors)

A second alternative valuation method would use \$16,274, the average FMV per acre purchase price of both the Rayonier and Lybass properties, to determine the future use land balance. This method would treat the entire land purchase as one transaction, which is the ultimate use for the two parcels of land purchased. The following reflects

our calculated generation, transmission and future use land balances.

<u>Description</u>	<u>Land Cost</u>	<u>Other Cost</u>	<u>Total Land</u>
Land - Generation	\$51,306,150	\$521,276	\$51,827,426
Land - Transmission	7,284,204	10,780	7,294,984
Land - Held for Future Use	<u>30,017,224</u>	<u>0</u>	<u>30,017,224</u>
Total Land	\$88,607,578	\$532,056	\$89,139,634

<u>Land Purchases</u>	<u>Amount</u>	<u>Acres</u>	<u>Price/Acre</u>
Rayonier land cost	\$46,579,500	3,105.00	\$15,000
Closing cost	<u>1,617,172</u>		
Totals	\$48,196,672		
Lybass land cost	\$39,084,959	2,159.00	\$18,103
Closing cost	<u>1,325,947</u>		
Totals	\$40,410,906		
Combined land cost	\$85,664,459	5,264.00	\$16,274
Closing cost	<u>2,943,119</u>		
Totals	\$88,607,578		

<u>Lybass Site</u>	<u>Land Use</u>	<u>Total Percent</u>	<u>Used/Useful Percent</u>
Generation	94.08	4.36%	29.92%
Transmission	220.39	10.21%	<u>70.08%</u>
Future Use	<u>1,844.53</u>	<u>85.43%</u>	
Totals	2,159.00	100.00%	100.00%

<u>Future Use</u>	<u>Amount</u>
Fair market value	\$16,274
Future use acreage	<u>1,844.53</u>
Total Future Use Value	\$30,017,224

<u>Transmission Use</u>	<u>Amount</u>
Total Lybass Cost	\$40,410,906
Future Use Value	<u>30,017,224</u>
Remaining Value	\$10,393,682
Transmission Percent	<u>70.08%</u>
Total Transmission Value	\$7,284,204

(Small differences are attributed to rounding errors)

Additional information

During our review of supporting documentation for the land purchases it was discovered that the land balances reflected in the filing are overstated by \$127,073 as described below.

1. The company, in response to Document Request No. LV-12-07-PC, identified an invoice totaling \$20,612 for a survey of the Lybass property that was paid twice. The company stated that it would correct the duplicate billing when it receives reimbursement from the vendor.

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2. The company, in response to Document Request No. LV-11-07-PC, identified the "Other Cost" balance of \$10,780 included in the schedules above as a PEF Administrative Overhead allocation that should not have been charged to the land projects. The company provided evidence that it removed and reclassified the amount in June 2008.
3. The company, in response to Document Request No. LV-12-07-PC, identified a \$95,681 accrual that is included in the land balance that should have been reversed in 2007. The company provided evidence that it removed the accrual in June 2008.

None of the three land valuation methods and resulting balances described earlier in this finding includes the additional information discussed above.

The sales contract to purchase the Rayonier property¹ and the direct testimony of Daniel Roderick² indicate that the contract terms of the Rayonier property sale included a deferred purchase price of [REDACTED]. The contingent liability becomes due when PEF has received the Combined Construction and Operation License issued by the U.S. Nuclear Regulatory Commission. The company has not included any accounting entries in the current filing or its general ledger that records the deferred purchase contingent liability.

EFFECT ON THE FILING:

Action	Effect	Amount
Accept company land valuation	None	\$0
Accept first alternative valuation	Reduce generation land balance	(\$1,712,472)
	Reduce transmission land balance	(\$4,011,602)
	Increase future use land balance	<u>\$5,724,074</u>
	Net	\$0
Accept second alternative valuation	Increase generation land balance	(\$702,833)
	Reduce transmission land balance	(\$1,646,441)
	Increase future use land balance	<u>\$2,349,274</u>
	Net	\$0
Accept additional information finding	Reduce generation land balance	(\$20,612)
	Reduce generation land balance	(\$95,681)
	Reduce transmission land balance	<u>(\$10,780)</u>
		(\$127,073)

EFFECT ON THE GENERAL LEDGER: An alternative valuation adjustment would only apply to the balances of the individual projects within Acct. No. 1071000 with a net effect of \$0 on the account. The additional information adjustments have already been made or will be made by the company in 2008.

We defer the appropriate treatment of the deferred purchase contingent liability to the analyst in this proceeding.

¹ Purchase and Sale Agreement, executed November 16, 2006, Page 21, Paragraph 44.

² Confidential Testimony of Daniel L. Roderick on Behalf of Progress Energy Florida, filed March 11, 2008, Docket No. 080148-El, Page 11, Lines 21-22.

CONFIDENTIAL

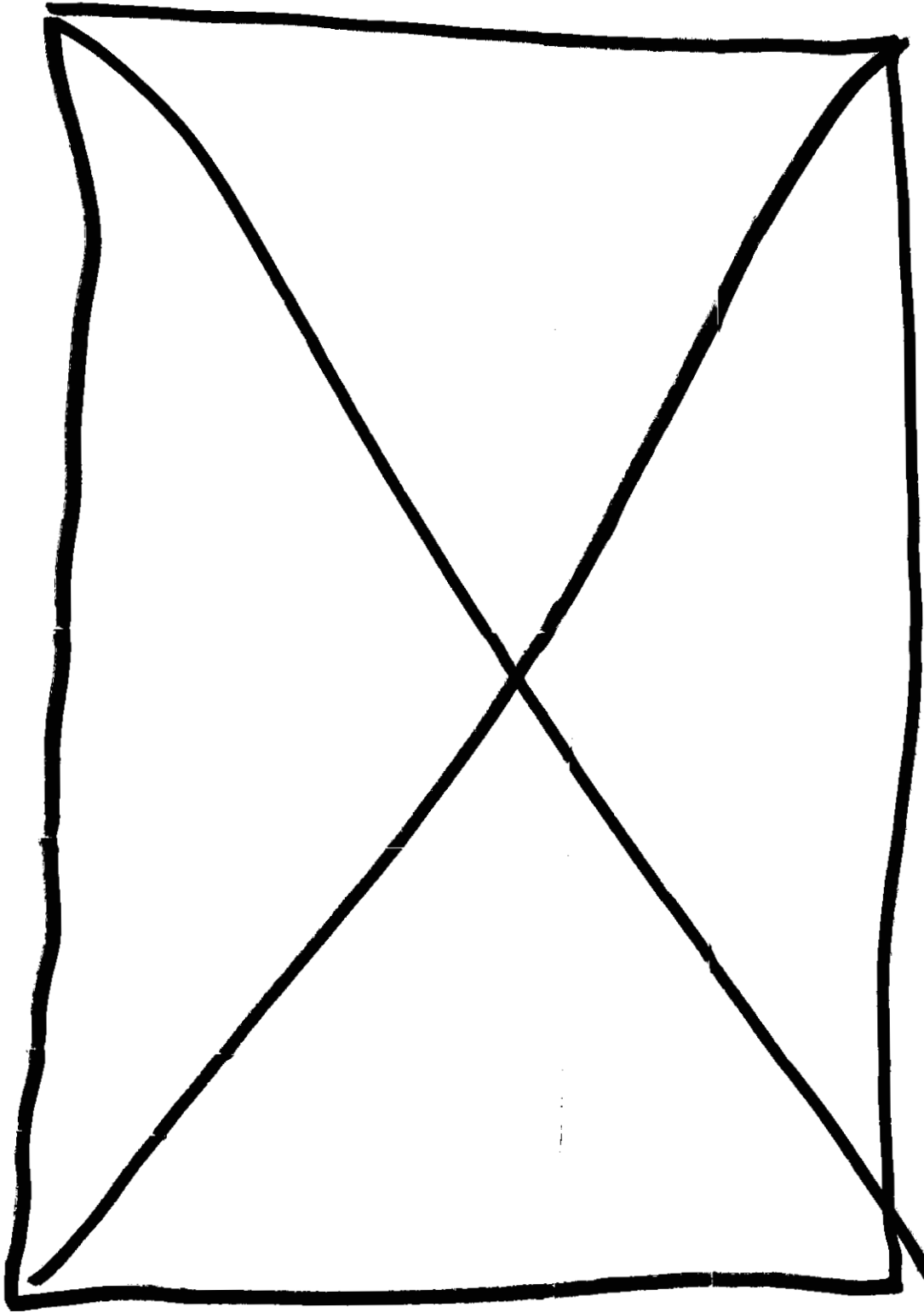
REDACTED

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Pg 21 of Reyanik contract
As of December 31, 2007

7/01/07

REDACTED



19

4900625 - # 775109 v1112

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Page 21 copied from Reyanik
sales contract to purchase land
executed 11/18/06 closed 9/14/2007.

COPY

SOURCE



OR# LV-02-07-PC

19-4

**FLORIDA PUBLIC SERVICE COMMISSION
AUDIT DOCUMENT/RECORD REQUEST
NOTICE OF INTENT**

TO: Cindy Lee UTILITY: Progress Energy Florida
 AUDIT MANAGER: Jeff Small PREPARED BY: -same-
 REQUEST NUMBER: LV-08-07-PC DATE OF REQUEST: 05/29/2008
 REQUEST THAT THE FOLLOWING ITEMS BE PROVIDED BY: 06/04/2008
 AUDIT PURPOSE NCRC Levy Unit 1&2 - Docket No. 080009-EI

REFERENCE RULE 25.22.006, F.A.C., THIS REQUEST IS MADE: INCIDENT TO INQUIRY OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION:

Reference response to Doc Req No LV-01-07-PC

The response to the above document request included the two closing statements for the two parcels of land purchased.

Note No 3 for Rayonier closing statement states that the interest earned on the deposit will be disbursed to the Buyer outside of closing.

Note No 3 for Lybass closing statement states that any interest earned on the deposit will be disbursed outside of closing.

Please provide the following information:

1. How much interest was earned on PEFs escrow deposits for each of the two land contracts?
2. Where was the interest posted in PEFs general ledger?
3. Was the interest that was earned credited against the final cost of the lands purchased?
4. Provide supporting documents for the responses to Items 1-3 above.

PEF RESPONSE:

1. Interest earned on the Rayonier escrow deposit was \$46,887.72.
Interest earned on the Lybass escrow deposit was \$11,898.80
2. ~~Yes~~ 1071000
3. Yes.
4. Attached are copies of the interest refund check made payable to Progress Energy Florida and the related memos indicating that the refunds are to be posted to the Levy County Land Project (20059051) where the Rayonier and Lybass land purchases are recorded.

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TO: AUDIT MANAGER

DATE: 6/13/08

THE REQUESTED RECORD OR DOCUMENTATION:

- 1) HAS BEEN PROVIDED TODAY
- 2) CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY: _____
- 3) AND IN MY OPINION, ITEM(S) all IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156, F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF RECORDS AND REPORTING. REFER TO RULE 25-22.006, F.A.C. OF RECORDS AND REPORTING. REFER TO RULE 25-22.006, F.A.C.
- 4) THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)

Carmie J. Allison, Sr BFA
(Signature and title of respondent)

92

Distribution: Original copy for Utility completion and return to Auditor

10-891



REDACTED

memo

Date: October 2, 2007
To: Central Remittance
From: Joel Holloway
Subject: Credit for Interest earned on Levy County Property (Rayonier)

Attached you will find the following check representing the interest earned from the deposit for the above referenced project. This project impacts the land associated with the Levy County land purchase. Please credit the account listed below. Thanks

Check #: 20152
Bank: Sun Trust
Amount: \$46,887.82
WBS: [REDACTED]



cc: Kenyatta Green (PEB 18 - Accounting)
Cheryl Gaffney (PEB 18 - Accounting)
Katherine Franckle (PEB 132 - Accounting)
Penney Develle (CX1 - Florida) - Tax
Tamie Jones (PEB15 - Carolinas) - Tax

10-8p2

HOLLAND & KNIGHT LLP

TRUST ACCOUNT: Sun Trust

PAYEE: Florida Power Corporation d/b/a Progress Energy

CHECK #: 20152

DATED: 09-25-07

DATE	DESCRIPTION	MATTER	AMOUNT
09/25/07	Florida Power Corporation d/b/a Progress Energy Florida, Inc. -- Interest earned on Deposit	107300.40000	\$ 46,887.82
	Progress Energy Florida Progress Energy - Project Sunshine - Land Acquisitions		

HOLLAND & KNIGHT LLP

TRUST ACCOUNT: Sun Trust

PAYEE: Florida Power Corporation d/b/a Progress Energy

CHECK #: 20152

DATED: 09-25-07

DATE	DESCRIPTION	MATTER	AMOUNT
09/25/07	Florida Power Corporation d/b/a Progress Energy Florida, Inc. -- Interest earned on Deposit	107300.40000	\$ 46,887.82
	Progress Energy Florida Progress Energy - Project Sunshine - Land Acquisitions		



HOLLAND & KNIGHT LLP
 TRUST ACCOUNT
 200 S. Orange Ave., Suite 2600
 Orlando, FL 32801

Sun
 Orlando, FL 32801
 063102152

20152

DATE
 09/25/07

AMOUNT
 \$46,887.82

P
 A Forty Six Thousand Eight Hundred Eighty Seven dollars and Eighty Two cents
 Y

TO THE ORDER OF Florida Power Corporation d/b/a Progress Energy
 Florida, Inc.

TWO SIGNATURES REQUIRED

REDACTED

10-8 p 3



memo

Date: December 17, 2007
To: Central Remittance
From: Joel Holloway
Subject: Credit for Interest for the Lybass Purchase in Levy County Florida

REDACTED

Attached you will find the following check representing the interest earned from the deposit for the above referenced project. This project impacts the land associated with the Levy County land purchase. Please credit the account listed below. Thanks

Check #: 20500
Bank: SunTrust
Amount: \$11,898.80
WBS: [REDACTED]



cc: Katherine Franckle (PEF 132 - Accounting)
Penney Develle (CXI - Florida) - Tax
Jamie Jones (PEB15 - Carolinas) - Tax

10-8p4

Holland+Knight

Tel 407 225 8500
Fax 407 244 5288

Holland & Knight LLP
200 South Orange Avenue, Suite 2600
Orlando, FL 32801
www.hklaw.com

Jennie D. Lagmay
407 244 5181
jennie.lagmay@hklaw.com

December 14, 2007

VIA UPS

Calvin Saboorian
Real Estate – Corporate Services Department
Progress Energy, Inc.
410 S. Wilmington Street
PEB 3A
Raleigh, NC 27601



Re: Progress Energy/Lybass – Interest Check

Dear Mr. Saboorian:

Enclosed with regard to the above-referenced matter is our firm check No. 20500 in the amount of \$11,898.80, for interest earned on your company's deposit.

Should you have any questions or comments regarding the enclosed, please do not hesitate to contact me.

Very truly yours,

HOLLAND & KNIGHT LLP


Jennie D. Lagmay
Real Estate Paralegal

Enclosures

JDL/

5002808_v1

Annapolis • Atlanta • Bethesda • Boston • Bradenton • Chicago • Fort Lauderdale • Jacksonville • Lakeland • Los Angeles
Miami • New York • Northern Virginia • Orlando • Portland • Providence • Rancho Santa Fe • Sacramento • St. Petersburg
San Antonio • San Francisco • Seattle • Tallahassee • Tampa • Washington, D.C. • West Palm Beach
Beijing • Caracas • Helsinki • Mexico City • Tel Aviv • Tokyo • Representative Office

10-8p5

HOLLAND & KNIGHT LLP

TRUST ACCOUNT: Sun Trust

PAYEE: Florida Power Corp. d/b/a Progress Energy

CHECK #: 20500

DATED: 12-14-07

DATE	DESCRIPTION	MATTER	AMOUNT
12/14/07	Florida Power Corp. d/b/a Progress Energy Florida, Inc. -- Interest on deposit	107300.40002	\$ 11,898.80
	Progress Energy Florida Lybess		

HOLLAND & KNIGHT LLP

TRUST ACCOUNT: Sun Trust

PAYEE: Florida Power Corp. d/b/a Progress Energy

CHECK #: 20500

DATED: 12-14-07

DATE	DESCRIPTION	MATTER	AMOUNT
12/14/07	Florida Power Corp. d/b/a Progress Energy Florida, Inc. -- Interest on deposit	107300.40002	\$ 11,898.80
	Progress Energy Florida Lybess		



HOLLAND & KNIGHT LLP
TRUST ACCOUNT

200 S. Orange Ave., Suite 2500
Orlando, FL 32801

Sun Trust
Orlando, FL 32801
063102152

20500

DATE
12/14/07

AMOUNT
\$11,898.80

P
A Eleven Thousand Eight Hundred Ninety Eight dollars and Eighty cents
Y

TO THE ORDER OF Florida Power Corp. d/b/a Progress Energy
Florida, Inc.

TWO SIGNATURES REQUIRED

[Handwritten Signature]

[Handwritten Signature]

REDACTED

10-8 p 6



memo

Date: December 17, 2007
To: Central Remittance
From: Joel Holloway
Subject: Credit for Interest for the Lybass Purchase in Levy County Florida

Attached you will find the following check representing the interest earned from the deposit for the above referenced project. This project impacts the land associated with the Levy County land purchase. Please credit the account listed below. Thanks

Check #: 20500
Bank: SunTrust
Amount: \$11,898.80 AE
WBS: [REDACTED]
cc: Katherine Franckle (PEF 132 - Accounting)
Penney Develle (CX1 - Florida) - Tax
Jamie Jones (PEB15 - Carolinas) - Tax



10-10-2
19-2

REDACTED

Progress Energy Service Company, LLC

10-10-2 3:2



memo

Date: October 2, 2007
To: Central Remittance
From: Joel Holloway
Subject: Credit for Interest earned on Levy County Property (Rayonier)

Attached you will find the following check representing the interest earned from the deposit for the above referenced project. This project impacts the land associated with the Levy County land purchase. Please credit the account listed below. Thanks

Check #: 20152

Bank: Sun Trust

Amount: \$46,887.82

WBS: ~~XXXXXXXXXX~~

cc: Kenyatta Green (PEB 18 - Accounting)
Cheryl Gaffney (PEB 18 - Accounting)
Katherine Franckle (PEF 132 - Accounting)
Penney Deville (CX1 - Florida) - Tax
Jamie Jones (PEB15 - Carolinas) - Tax

AD

10-10 p 2

19-2



REDACTED

Progress Energy Service Company, LLC

10-10 p 32

Progress Energy Florida
 Levy County Land Acquisition
 Attorney/Client Privileged

A030 162716 Lybas
 (A)

Location/Parcel	Acres	Total Purchase Price	Price/Acre	
Rayonier - Land purchase only	3,105	\$ 48,579,500	\$ 15,000	Original purchase of land for nuclear generation
Rayonier other closing costs		\$ 1,617,172		
		<u>\$ 48,196,672</u>		
Lybas - land purchase price	2,159	\$ 39,084,959	\$ 18,103	2nd purchase of land for access road, transmission
Lybas other closing costs		\$ 1,325,947		
		<u>\$ 40,410,906</u>	\$ 18,717	
Nuclear access road	94.08	4.4%		
Transmission corridor	220.39	10.2%		
Held for Gen Future Use	1,844.53	85.4%		
	<u>2,159.00</u>	<u>100.0%</u>		

REDACTED

Option 1: Assign acreage on a prorata basis

Value assigned to Held for Future Use	1,844.53	\$	18,717	\$ 34,524,839
Value assigned to Baseload Levy project	314.47	\$	18,717	\$ 5,886,067
	<u>2,159.00</u>			<u>\$ 40,410,906</u>

Option 2: Assign FMV to Baseload Nuclear & Transmission at condemnation value

Value assigned to Held for Future Use - remainder after condemnation appraisal	1,844.53	\$	15,017	\$ 27,699,089
--	----------	----	--------	---------------

Value assigned to Baseload Levy project

314.47	\$			currently assumes 200% - waiting on appraisal from Alex
<u>2,159.00</u>				

PBC

Option 3: Assign FMV to held for future use based on Rayonier purchase per acre price - FMV of greenfield site at Rayonier

Value assigned to Held for Future Use (FERC 105)	1,844.53	\$	15,000	\$ 27,667,950 (2)
Value assigned to Baseload Levy project - remainder after fair value is calculated on held for future use land	314.47	\$	40,522	\$ 12,742,956
	<u>2,159.00</u>			<u>\$ 40,410,906</u>
Value Assigned to Nuclear	94.08			\$ 3,812,311 (2)
Value Assigned to Transmission	220.39			\$ 8,930,645 (2)
	<u>314.47</u>			<u>\$ 12,742,956</u>

Option 4: Assign acreage to future use at fair value FMV - land is in proximity to nuclear site; assume limited use, 50% of value

Value assigned to Held for Future Use	1,844.53	\$	9,052	\$ 16,696,012
Value assigned to Baseload Levy project - remainder after fair value 50% of purchase price is calculated on held for future use land	314.47	\$	75,412	\$ 23,714,894
	<u>2,159.00</u>			<u>\$ 40,410,906</u>

602670
 Credit 20059051 L0401 OPB OLF6 D ① 36,598,595
 debit Trans attached ② 8,930,645
 debit Future use in-process ③ 27,667,950
 leaves ④ 3,812,311 in N66

10-10 p 3

PEF Response

Document/Vendor	Rayonier Land	Lybass Land	Terminated Purchases	Total Land
Closing Statement Final Payment	44,751,088	36,335,305		81,086,393
Closing Statement Deposits				
Berryman & Henigar		10-10, 5 2 A	①	
Duncan/Vertical			10-10, 29 Z-AA	
Heldt & Assoc	10-10, 6 B-E			
Duncan	10-10, 10 F-X			
** Duncan Correction			②	
* Adjustment Transmission		(8,930,645) AB		(8,930,645)
* Adjustment Future Use		(27,667,950) AC		(27,667,950)
Interest Earned on Deposits	10-10, 32 (46,888) AD	10-10, 33 (11,899) AE		(58,787)
Total Posted to FERC Land Account for Nuclear				52,530,258

* Adjustment made to move \$\$ to transmission project and to land held for future use account. To 19-2
 ** Correction will be made moving these dollars back to License Application from the Land Project.



REDACTED
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① & ② Remove
 Already included in
 ③

TO: AUDIT MANAGER

DATE: _____

THE REQUESTED RECORD OR DOCUMENTATION:

- 1) HAS BEEN PROVIDED TODAY
- 2) CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY: _____
- 3) AND IN MY OPINION, ITEM(S) _____ IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156, F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF RECORDS AND REPORTING. REFER TO RULE 25-22.006, F.A.C. OF RECORDS AND REPORTING. REFER TO RULE 25-22.006, F.A.C.
- 4) THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)

 (Signature and title of respondent)

Distribution: Original copy for Utility completion and return to Auditor

10-10, 2

Progress Energy

Florida

**SPECIFIED
CONFIDENTIAL**

SOURCE ORR LV-01-07-PC

'CONFIDENTIAL'

not used

Seller's Recapitulation:

Purchase Price	\$39,084,959.00
Less Seller's Prorated Taxes	(5,397.70)
<u>Net Due Seller at Closing</u>	<u>\$39,079,561.30</u>

Buyer's Recapitulation:

Cash at Closing	[REDACTED]
Plus Buyer's Closing Costs	[REDACTED]
<u>Net Due From Buyer at Closing:</u>	<u>\$36,414,139.80</u>

Monies To Be Disbursed:

Net Due From Buyer at Closing	\$36,414,139.80
Deposit (See Note 3)	[REDACTED]
<u>Total Monies to Be Disbursed:</u>	<u>\$40,414,139.80</u>

(A)
↓

Disbursements:

Clerk of the Circuit Court, Levy County - recording fees/Documentary Stamps	\$273,808.50
Levy County Tax Collector's Office - 2007 Taxes	\$5,677.70
Lybass - Seller's proceeds	39,079,561.30
Chicago Title Insurance Company - title search fees	550.00
Chicago Title Insurance Company - title premium	91,835.40
Survey	POC
Corporate Service Company - Lien Search (Invoice Nos. 50476106, 50476179, 50476118)	832.40
The Duncan Companies - Real Estate Commission	[REDACTED]
Recording Reserve	25.00
<u>Total Disbursements:</u>	<u>[REDACTED]</u>

(Signature Pages to Follow)

REDACTED

Closing payment \$36,335,305
 Escrow [REDACTED]
\$40,335,305

(A) Company only posted
 \$40,335,305 for this
 closing to its G/L. The
 difference of \$78,835 remained
 unexplained at end of
 field work.

We went with
 company position in
 our calculations
 10/3/06

This Closing Statement EXAMINED and APPROVED, and Holland & Knight LLP is authorized to disburse in accordance herewith and in accordance with the Escrow Instructions on this _____ day of December 2007. This Closing Statement may be executed in any number of counterparts, which shall constitute a single original. Facsimile signatures hereto shall have the same effect as original signatures.

SELLER

By: _____
Oregon E. Lybass, Individually

LYBASS
sale to
FLORIDA POWER CORPORATION
4953816_4.XLS

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SELLER

T.G. LYBASS LIMITED PARTNERSHIP, a Florida limited partnership
f/k/a Lybass Limited Partnership, a Florida limited partnership

By: Goethe Lybass Timber, Inc., a Florida corporation
its general partner

By: _____
Name: _____
Title: _____

LYBASS
sale to
FLORIDA POWER CORPORATION
4953816_4.XLS

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SELLER

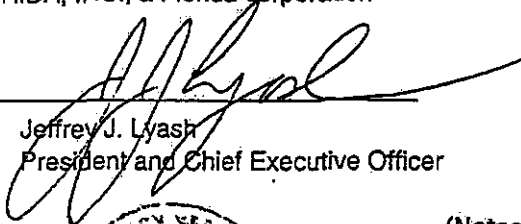
J.H. LYBASS, JR. FAMILY LLC, a Florida limited liability company

By: _____
Name: James H. Lybass, Jr.
Title: Managing Member

19309

BUYER

FLORIDA POWER CORPORATION d/b/a PROGRESS ENERGY
FLORIDA, INC., a Florida corporation

By: 

Jeffrey J. Lyash
President and Chief Executive Officer

(Notes on Following Page)



LYBASS
sale to
FLORIDA POWER CORPORATION
4953816_4.XLS

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NOTES:

1. Taxes - 2007 Real Property taxes are using the December discounted for Property Tax Identification Numbers: 03962-000-00 (\$97.64) and 03964-000-00 (\$582.53), 03894-000-00 (\$1544.61), 03896-000-00 (\$1482.32), , 03960-000-00 (\$108.17), 03967-000-00 (\$711.02) 03960-000-00 (\$108.17), 03890-000-00 (\$707.91) and 02865-000-00 (\$443.50) are calculated below:

The total amount of 2007 Real Estate Taxes for all parcels is \$5,677.70. The prorrations for the 2007 Real Estate Taxes are as follows: Buyer's share is $\$5,677.70 / 365 \times 18 = \280.00 . Seller's share is $\$5,677.70 / 365 \times 347 = \$5,397.70$

2. Funds- Buyer shall wire to Holland & Knight LLP the Net Due From Buyer at Closing in accordance with the wire transfer instructions below (See Note 5). If Holland & Knight LLP does not receive confirmation of the receipt of Buyer's wire transfer (or the wire transfer from Buyer's lender, if any) on or before 1:00 p.m. on the Closing Date, Holland & Knight LLP may be unable to complete on the Closing Date the disbursement to Seller of the Net Due Seller at Closing in accordance with Seller's instructions for disbursement. Holland & Knight LLP shall wire to Seller in accordance with the wire transfer instructions attached hereto the Net Due Seller at Closing.

3. Deposit - Pursuant to Paragraph 1 of the Purchase and Sale Agreement (the "Agreement"), the Initial Earnest Money Deposit in the amount of [REDACTED] and the Additional Deposit in the amount of [REDACTED] totaling [REDACTED] collectively, the "Deposit") are being held by Chicago Title Insurance Company, as Escrow Agent, in accordance with the Agreement. The Deposit shall be delivered by Escrow Agent to Holland & Knight, LLP as Closing Agent and applied against the Purchase Price at closing in accordance with Paragraph 3 of the Agreement. Any interest accrued on the deposit will be disbursed outside of closing.

4. Purchase Price - Pursuant to Paragraph 1 and Exhibit "A" of the Agreement, the Purchase Price shall be as the greater of \$39,000,000.00 or the sum as calculated at \$18,100.00 per acre for 2159.39 acres. The Purchase Price calculations are the following: $\$18,100.00 \times 2159.39 \text{ acres} = \$39,084,959.00$.

(Wiring Instructions on Following Page)

REDACTED

LYBASS
sale to
FLORIDA POWER CORPORATION
4953816_4.XLS

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5. Wiring Instructions - By execution hereof, Sellers authorize Holland & Knight LLP to wire one third (1/3rd) of Sellers' proceeds [REDACTED] each to Oregon E. Lybass, T.G. Lybass Limited Partnership, and J.H. Lybass Jr., Family LLC.

Seller's Proceeds: Oregon E. Lybass

Name of Bank: Citibank, N.A.
Address: 111 Wall Street, New York, NY 10043
ABA #: [REDACTED]
For Credit To: Raymond James & Associates, Inc.
Account #: [REDACTED]
For Benefit Of: Oregon E. Lybass Acct [REDACTED]

REDACTED

Seller's Proceeds: T.G. Lybass Limited Partnership

Name of Bank: Wachovia Bank
Address: 401 S. Tryon Street, Charlotte, NC 28288
ABA #: [REDACTED]
Swift #: [REDACTED]
Account #: [REDACTED]

Seller's Proceeds: J.H. Lybass Jr. Family LLC

Name of Bank: Citibank, N.A.
ABA#: [REDACTED]
Credit a/c: [REDACTED]
Credit a/c name: Citigroup Global Markets, Inc.
For further credit to: Smith Barney client a/c/# [REDACTED]
J.H. Lybass Jr. Family LLC

Holland & Knight LLP

Name of Bank: SunTrust Bank
Address: Main Office, 200 South Orange Avenue, Orlando, FL 32801
Account Name: Holland & Knight LLP Trust Account
Routing Transit No.: [REDACTED]
Account no.: [REDACTED]
Reference: [REDACTED]
Notify: A. Guy Neff, Esq.

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EXHIBIT "A"

ATTACH LEGAL DESCRIPTION

LYBASS
sale to
FLORIDA POWER CORPORATION
4953816_4.XLS

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This instrument prepared by and
after recording return to:

A. Guy Neff, Esq.
Holland & Knight LLP
200 South Orange Avenue
Suite 2600
Orlando, FL 32801

-----[SPACE ABOVE THIS LINE FOR RECORDING DATA]-----

ACCESS EASEMENT AGREEMENT

THIS ACCESS EASEMENT AGREEMENT (the "Agreement") is made and entered into by and between FLORIDA POWER CORPORATION d/b/a PROGRESS ENERGY FLORIDA, INC., a Florida corporation, whose address is whose post office address is Progress Energy Place, 299 First Avenue North, St. Petersburg, Florida 33701 ("PEF"), and OREGON E. LYBASS, an individual, T.G. LYBASS LIMITED PARTNERSHIP, a Florida limited partnership, and J.H. LYBASS JR. FAMILY LLC, a Florida limited liability company, whose address is P.O. Box 38, Dunnellon, Florida 34430 (collectively, "Lybass"), as of the 14th day of December, 2007.

WHEREAS, PEF owns certain real property located in Levy County, Florida, which property is more particularly described on Exhibit A, attached hereto and incorporated herein by reference (the "PEF Property"); and

WHEREAS, Lybass owns that certain real property located in Levy County, Florida which is located adjacent to the PEF Property and is more particularly described on Exhibit B, attached hereto and incorporated herein by reference (the "Lybass Property"); and

WHEREAS, Lybass desires to have easement rights over certain portions of the PEF Property for purposes of ingress and egress to and from the Lybass Property; and

WHEREAS, subject to the terms of this Agreement, PEF has agreed to grant to Lybass a non-exclusive easement for vehicular ingress, egress and regress over, upon, through and across a portion of the PEF Property as described on Exhibit C, attached hereto and incorporated herein by reference (the "Access Easement Area").

NOW, THEREFORE, for and in exchange of good and valuable considerations, the receipt and sufficiency of which being hereby acknowledged, PEF and RFR do hereby agree and state as follows:

1. Recitals. The foregoing recitals are incorporated herein by reference as though fully set forth below.

2. Access Easement. PEF hereby grants and conveys to Lybass, its successors and assigns a non-exclusive perpetual easement over, upon and across the Access Easement Area for purposes of vehicular (including but not limited to log trucks and other vehicles associated with

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forestry operations) ingress, egress and regress to and from the Lybass Property (hereinafter, the "Access Easement"). The rights granted herein shall be for the benefit of Lybass, its successors, assigns, and their contractors, vendees, licensees, and invitees, for the operation or management of the timberlands on the Lybass Property, including but not limited to silvicultural or harvesting operations. Neither Lybass nor PEF shall be required to improve the Access Easement Area to any higher standard than what is generally considered a woodlands logging road.

4. Additional Road Construction. A woodlands logging road does not currently exist over portions of the Access Easement Area. Lybass will build the woodlands logging road at its sole expense over the Access Easement Area in accordance with Lybass' reasonable specifications and PEF's prior written reasonable approval of same (the "Access Easement Road").

5. Relocation of Access Easement Area. The owner of the PEF Property may, at its option and sole expense, including payment of any construction costs, relocate the Access Easement Area and Access Easement Road to accommodate its development of the PEF Property, provided that: (i) Lybass shall at all times have vehicular access, including access by log trucks and other vehicles associated with forestry operations, to State Road 40; (ii) the new right of way shall be a minimum of sixty feet (60') in width; and (iii) prior to implementing any such relocation, the owner of the PEF Property shall give written notice to Lybass or its successors or assigns.

6. Term/Limitation. The Access Easement provided for herein shall run with Lybass', or its successors' or assigns' interest in the Lybass Property, whether such interest is in fee or otherwise.

7. No Dedication. This Agreement is not intended to, and should not be construed to, dedicate the Access Easement Area to the general public, nor shall this instrument be construed to restrict the use and development of the PEF Property, except as provided herein.

8. Insurance. Lybass shall maintain such insurance and insurance policies and coverages to afford protection to PEF against any and all claims for personal injury, death or property damage occurring in, upon, adjacent to, or connected with the Access Easement Area and the Access Easement Road in connection with Lybass' use hereunder. The policies of insurance may be in the form of general coverage or a blanket policy covering these and other premises. Lybass' general liability insurance policy shall be from a company reasonably satisfactory to PEF, with minimum limits of not less than \$2,000,000.00, with an umbrella policy of \$1,000,000.00 (per occurrence). Lybass shall also maintain comprehensive automobile liability insurance with limits of not less than \$1,000,000.00 with an umbrella policy of \$1,000,000.00 (per occurrence). Certificates of insurance for each such insurance policy naming PEF as an additional insured shall be provided to PEF at the time of commencement of construction of the Access Easement Road, and at the time of any renewals and/or material modifications of such policies, and Lybass will have each such policy require that PEF be given at least thirty (30) days advance written notice prior to the cancellation thereof. Failure by Lybass to renew the applicable insurance shall entitle PEF to bar access to the Access Easement Area until such insurance has been renewed or provided.

9. Indemnification. Lybass and its successors and assigns in title to the Lybass Property (or any portion thereof) unconditionally and irrevocably indemnify, defend and hold harmless PEF and its successors and assigns in title to the PEF Property (or any portion thereof), from and against any and all liabilities, damages, claims, penalties, fines, costs or expenses whatsoever (including reasonable attorneys' fees and court costs at trial and all appellate levels including any administrative proceedings and any appeals therefrom) arising from or connected in any way with Lybass' activities or use of the Access Easement Area or Access Easement Road, to the extent of the negligence or willful misconduct of the indemnifying party or those who access the PEF Property through such indemnifying party hereunder.

10. General Provisions. The following general provisions shall apply to the rights and privileges granted herein:

(a) Enforcement of Rights. In the event that either party institutes legal action against the other party to enforce obligations arising hereunder, the prevailing party shall be entitled to recover from the non-prevailing party reasonable attorneys' and paralegals' fees and costs (including, but not limited to, those incurred on appeal).

(b) Indemnification. The parties hereto shall each indemnify and hold harmless the other and their successors or assigns in title from and against any and all claims, expenses, damages and liabilities of any nature whatsoever (including, but not limited to, reasonable attorneys' and paralegals' fees and costs) asserted against or incurred by the protected party or its successors resulting from the failure by the other party to fully perform all of its obligations hereunder.

(c) Captions, Number and Gender. The captions and headings contained herein are for convenience only and are not intended to be used in construing any provision of this Agreement. The singular and plural shall each include the other where appropriate. Words of any gender shall include all other genders when the context so permits.

(d) Governing Law and Venue. The laws of the State of Florida shall govern this Agreement. Any legal action instituted hereunder shall be brought in Levy County, Florida.

(e) Amendment and Execution. This Agreement may not be changed or terminated without the written consent of both parties hereto or their respective successors and assigns. The signatures to this Agreement may be executed and notarized on separate pages, and when attached to this Agreement shall constitute one (1) complete document.

(f) Liens. Neither party hereto shall permit any liens to be placed upon the other party's property. If a lien is placed upon a party's property as a result of the actions of the other party, the party causing the lien shall discharge or bond off such lien within thirty (30) days of written notice thereof.

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THIS ACCESS EASEMENT AGREEMENT is entered into as of the date first stated above.

Executed in the presence of:

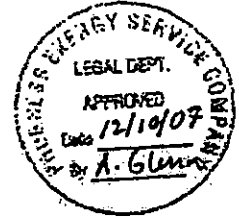
'PEF'

FLORIDA POWER CORPORATION d/ba
PROGRESS ENERGY FLORIDA, INC., a
Florida corporation

Helen Kyriakou
Print Name: HELEN KYRIAKOU

Penelope Waters
Print Name: Penelope Waters

By: Jeffrey J. Lyash
Jeffrey J. Lyash
President and Chief Executive Officer



STATE OF FLORIDA)
COUNTY OF PINELLAS) SS:

The foregoing instrument was acknowledged before me this 10 day of December, 2007 by Jeffrey J. Lyash, as President and Chief Executive Officer of Florida Power Corporation d/b/a Progress Energy Florida, Inc., a Florida corporation. He is personally known to me or has produced _____ as identification.

Helen M. Kyriakou
Signature of Person Taking Acknowledgment

Notary Stamp

Name: HELEN M. KYRIAKOU
Title: Notary Public
Serial No. (if any) #DD455582
Commission Expires: OCT 24, 2009



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(Signature page to Access Easement Agreement)

"LYBASS"

Witnesses:

_____(Sign)
_____(Print)

By: _____
Oregon E. Lybass

_____(Sign)
_____(Print)

STATE OF _____)
) SS:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of December, 2007, by Oregon E. Lybass, who is personally known to me or has produced _____ as identification.

Notary Stamp

Signature of Person Taking Acknowledgment

Name: _____
Title: Notary Public
Serial No. (if any) _____
Commission Expires: _____

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EXHIBIT "A"
PEF PROPERTY

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EXHIBIT "B"
LYBASS PROPERTY

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EXHIBIT "C"
ACCESS EASEMENT AREA

4977646_v3

19-3-23

SECRETARY CERTIFICATE

I HEREBY CERTIFY that I am the duly elected and qualified Assistant Secretary of Florida Power Corporation d/b/a Progress Energy Florida, Inc. a Florida corporation (the "Company"), and the keeper of the records and corporate seal of the Company, and that the following is a true and correct reflection of the records of the Company:

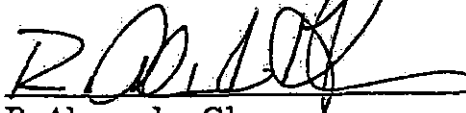
I CERTIFY that the approvals set forth below are in full force and effect and have not been altered, modified or rescinded.

That in connection with the purchase of 2159.39 acres of land located in Levy County, Florida from Oregon E. Lybass, individually, T.G. Lybass Limited Partnership and J.H. Lybass, Jr. Family LLC for the sum of \$39,084,959.00, Jeffrey J. Lyash, as President of the Company is authorized and empowered, on behalf of the Company, to execute an Access Easement Agreement, Closing Statements and any and all other documents necessary to the proper closing of the transaction.

That the aforesaid officer of the Company is authorized and empowered to execute all other documents and to take whatever other action he deems necessary or desirable to carry out the intent of the foregoing.

That neither the Articles of Incorporation nor Bylaws of the Company prohibit the proposed execution of all documents of sale in connection therewith.

IN WITNESS WHEREOF, I have hereunto affixed my name as Assistant Secretary, and have caused the corporate seal to be hereunto affixed, this 10th day of December, 2007.



R. Alexander Glenn
Assistant Secretary

(CORPORATE SEAL)

Progress Energy

**SPECIFIED
CONFIDENTIAL**

Florida

SOURCE ORL# LV-01-07-PC

'CONFIDENTIAL'

not used

CLOSING STATEMENT

SELLER: RAYONIER FOREST RESOURCES, L.P., a Delaware limited partnership
BUYER: FLORIDA POWER CORPORATION d/b/a PROGRESS ENERGY FLORIDA, INC., a Florida corporation
CLOSING DATE: September 14, 2007
LAND: Real Property located in Levy County, Florida, as more particularly described on attached Exhibit "A", attached hereto and incorporated herein by this reference
PURCHASE PRICE: \$46,579,500.00 (See note 5)

CREDIT SELLER: CREDIT BUYER:

<u>Purchase Price:</u>	\$46,579,500.00	\$0.00
Adjustments and Prorations:		
Deposit (See Note 3)	0.00	██████████
Buyer's prorated amount for 2007 taxes (See Note 1)	0.00	4,321.50
Cash at Closing	0.00	██████████
<u>Purchase Price</u>	\$46,579,500.00	\$46,579,500.00

Closing Costs:

CHARGE SELLER: CHARGE BUYER:

Documentary Stamp Tax	\$0.00	\$326,059.65
Record Special Warranty Déed (5 pages)	0.00	44.00
Record Notice of Deferred Purchase Price (4 pages)	0.00	35.50
Record Termination and Cancellation of Memorandum of Contract (3 pages)	0.00	27.00
Record Access Easement Agreement (12 pages)	0.00	103.50
Documentary Stamp Tax on Access Easement Agreement	0.00	0.70
Record Memorandum of Right of First Refusal (6 pages)	0.00	52.50
Record Notice of Termination of Notice of Commencement (9 pages)	0.00	78.00
Recording Reserve	0.00	25.00
Title Premium: Owner's Policy	0.00	99,484.00
Real Estate Commission	0.00	POC
Survey	0.00	POC
<u>Total Closing Costs:</u>	0.00	\$425,909.85

Seller's Recapitulation:

Cash at Closing	\$ ██████████
Plus Deposit	██████████
Less Seller's Closing Costs	0.00
<u>Net Due Seller at Closing</u>	\$46,575,178.50

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Buyer's Recapitulation:

Cash at Closing
Plus Buyer's Closing Costs
Net Due From Buyer at Closing:

\$ [REDACTED]
425,909.85

Monies To Be Disbursed:

Net Due From Buyer at Closing
Deposit
Total Monies to Be Disbursed:

[REDACTED]
\$47,001,088.35
19-2

Disbursements:

Clerk of the Circuit Court, Duval County - recording fees/Documentary Stamps
Rayonier Forest Resources, L.P.- Seller's proceeds
Holland & Knight LLP - title search fees & title premium
Recording Reserve

\$326,400.85
46,575,178.50
99,484.00
25.00

Total Disbursements:

\$47,001,088.35

(Signature Page to Follow)

REDACTED

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This Closing Statement EXAMINED and APPROVED, and Holland & Knight LLP is authorized to disburse in accordance herewith and in accordance with the Escrow Instructions on this _____ day of September 2007. This Closing Statement may be executed in any number of counterparts, which shall constitute a single original. Facsimile signatures hereto shall have the same effect as original signatures.

SELLER

RAYONIER FOREST RESOURCES, L.P., a Delaware limited partnership;
By: RAYONIER TIMBERLANDS MANAGEMENT, LLC,
a Delaware limited liability company, its Managing General Partner.

BUYER

FLORIDA POWER CORPORATION d/b/a
PROGRESS ENERGY FLORIDA, INC., a
Florida corporation

By: _____
Larry Davis
As Its: Director, Southeast Forest Resources

By: _____
Jeffrey J. Lyash
President and Chief Executive Office

Attest: _____
Tracy K. Arthur
As Its: Assistant Secretary

The parties acknowledge that in preparing this Closing Statement Holland & Knight LLP has necessarily relied upon information provided by others. Seller and Buyer agree to cooperate with Holland & Knight LLP to correct any errors or omissions discovered after closing, including submitting any funds due. In accordance with Rule 4-186.003(13)(b), Fla. Admin. Code, a title search charge, title examination fee and closing charges must be shown on the closing statement.

(See Notes on Following Page)

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NOTES:

1. Taxes- 2007 Real Property taxes are using the November discounted rate of \$6161.51 for Property Tax Identification Numbers: 03893-000-00 (\$1,099.21), 03869-000-00 (\$1,203.72), 03870-001-00 (\$1,035.64), 03889-001-00 (\$591.85), 03847-000-00 (\$108.17), 03866-001-00 (\$983.35) and 03867-000-00 (\$1,139.57). The proration is calculated as follows: $\$6,161.51 \div 365 (\$16.88/\text{day}) \times 256 \text{ days} = \$4,321.50$ that is credited to Buyer.

2. Funds- Buyer shall wire to Holland & Knight LLP the Net Due From Buyer at Closing in accordance with the wire transfer instructions below (See Note 6). If Holland & Knight LLP does not receive confirmation of the receipt of Buyer's wire transfer (or the wire transfer from Buyer's lender, if any) on or before 1:00 p.m. on the Closing Date, Holland & Knight LLP may be unable to complete on the Closing Date the disbursement to Seller of the Net Due Seller at Closing in accordance with Seller's instructions for disbursement. Holland & Knight LLP shall wire to Seller in accordance with the wire transfer instructions attached hereto the Net Due Seller at Closing. Alternatively, Buyer may deliver a check to Holland & Knight LLP in the amount of the Net Due From Buyer provided said check is delivered early enough before the Closing Date so that the check clears and the Net Due From Buyer is available for immediate disbursement on the Closing Date.

3. Deposit - Pursuant to Paragraph 1 of the Purchase and Sale Agreement, as amended (the "Agreement"), the Initial Earnest Money Deposit in the amount of [REDACTED], the Second Earnest Money Deposit in the amount of [REDACTED] and the Third Earnest Money Deposit in the Amount of [REDACTED] totaling [REDACTED] (collectively, the "Deposit") is being held by Chicago Title Insurance Company, as Escrow Agent, in accordance with the Agreement. The Deposit will be delivered by Escrow Agent to Holland & Knight, LLP, as Closing Agent, and will be credited against the Purchase Price in accordance with Paragraphs 5(c) of the Agreement. Interest earned on the Deposit will be disbursed to Buyer outside of Closing.

4. Commission - Pursuant to Paragraph 13 of the Agreement Buyer shall pay a commission to The Duncan Companies, Inc., pursuant to a separate agreement.

5. Purchase Price - Pursuant to Paragraph 1 of the Agreement, Purchase Price is to be adjusted ratably at the rate of Fifteen Thousand Dollars (\$15,000.00) per acre rounded to the nearest one-tenth (1/10) of an acre as determined by a current certified survey obtained by Buyer under the terms of Section 8 herein and approved by Seller. The Purchase Price was calculated as follows: $\$15,000 \times 3,105.3 \text{ acres} = \$46,579,500.00$.

See Wiring Instructions on Following Page

REDACTED

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