

CONSERVATION EASEMENT
ON LAND OF SIX RIVERS LIMITED PARTNERSHIP, ET AL.,
LOCATED IN THE COUNTIES OF
AROOSTOOK, FRANKLIN, OXFORD, PENOBSCOT,
PISCATAQUIS AND SOMERSET,
STATE OF MAINE,
GRANTED TO
NEW ENGLAND FORESTRY FOUNDATION, INC.

SIX RIVERS LIMITED PARTNERSHIP, a Maine limited partnership having a place of business at 112 Broadway, Bangor, Maine 04401;

Et al...

Six Rivers Limited Partnership and the foregoing Trustees (collectively the “Phillips Trustees”), acting through their Attorney-in-Fact, PINGREE ASSOCIATES, INC. (who, collectively are referred to hereinafter as the “Grantor,” which word is intended to include, unless the context clearly indicates otherwise, each of the grantors named above, and each of their successors and assigns),

GRANTS to NEW ENGLAND FORESTRY FOUNDATION, INC., a Massachusetts nonprofit charitable corporation, with a mailing address and principal office at 283 Old Dunstable Road, P.O. Box 1099, Groton, Massachusetts 01450 (hereinafter referred to as the “Grantee,” which word shall, unless the context indicates otherwise, include the Grantee’s successors and assigns);

IN PERPETUITY, the following described Conservation Easement on land located in Aroostook, Franklin, Oxford, Penobscot, Piscataquis and Somerset Counties, Maine, hereinafter referred to as the “Property,” being more particularly described on Exhibit A, and depicted on Exhibit B, both attached hereto and made a part hereof by reference. The Conservation Easement (hereinafter, the “Conservation Easement” or the “Easement”) is granted exclusively for the following purpose:

PURPOSE

It is the purpose of this Conservation Easement to maintain the Property forever in its present and historic primarily undeveloped condition as a working forest, and to conserve and/or enhance forest and wildlife habitats, shoreline protection, and historic public recreation opportunities of the Property for present and future generations.

RECITALS

Whereas, the Property consists of more than 762,000 acres of managed forestland in Aroostook, Franklin, Oxford, Penobscot, Piscataquis and Somerset Counties, Maine, and, collectively, constitutes one of the largest, privately-held forests in the United States;

Whereas, the Property has been owned and managed by David Pingree and his descendants for more than 160 years;

Whereas, the Grantor and Grantee agree that the 160-year tradition of managing the Property as a working forest (as hereinafter defined) has helped to conserve the conservation values (as hereinafter defined) of the Property and that continued management as a working forest is in the public interest;

Whereas, the Grantor wishes to continue managing the Property and the forest resources thereon for the long-term economic benefit of the owners of the Property, including, without limitation, by ensuring that the Property is managed for sustainable production of high-quality timber products (hereinafter, a “working forest”), but in accordance with the Landowner’s Guidelines (as hereinafter defined) that seek to conserve the conservation values of the Property;

Whereas, the conservation of the Property through the prohibition of further development not associated with Forestry Activities and Permitted Non-Forestry Activities (as such terms are defined in Section 3.1) and the continued management of the Property as a working forest will significantly add to the protected and conserved lands in the State of Maine and the United States of America;

Whereas, prohibition of further development not associated with Forestry Activities and Permitted Non-Forestry Activities and the continued management of the Property as a working forest confers the following public benefits:

- A. supports and provides incentives for management of the forest for long-term health;
- B. maintains a natural resource base for a forest-based economy and corresponding employment opportunities;
- C. provides, maintains and protects wildlife habitat;
- D. maintains and protects unique natural features;
- E. provides and maintains a predominately forested area on and across which the Grantor has traditionally provided public access for a broad range of recreational activities, including, but not limited to, camping, hunting, skiing, snowmobiling, and enjoyment of open space;
- F. provides and maintains an extensive area for carbon sequestration, thus contributing to clean air and national efforts to moderate the effects and pace of global warming;
- G. supports further investment in local businesses and community services that depend directly upon, or provide ancillary services to, a forest-based economy and forest product industry; and
- H. provides a consistent, renewable and long-term source of forest products.

Whereas, it is the Grantor’s intent that, through this Easement, further development of the Property not associated with Forestry Activities and Permitted Non-Forestry Activities shall be prohibited and the Property’s primary use shall continue to be as a working forest;

Whereas, the Grantor and Grantee agree that the continued and permanent conservation of the Property as a working forest is consistent with the purpose of this Easement and will make a lasting contribution to the State of Maine;

Whereas, the final recommendations of the Northern Forest Lands Council, a federally sponsored governor-appointed task force representing Maine, New Hampshire, Vermont and New York, recognized and recommended in the 1994 Northern Forest Lands Study that conservation easements be used as a way to protect and ensure the long term integrity, character and productivity of the working forests of those states;

Whereas, the Grantor's stewardship ethic and forest management practices have been recognized and certified as "well-managed" by an independent third-party analysis from Scientific Certification System's Forest Conservation Program, a forest practices review procedure that is accredited by the Forest Stewardship Council, a non-profit association formed by environmental organizations concerned with establishing international standards for forest management and inspection procedures;

Whereas, the Property is a predominately forested land area of significant breadth and diversity, with outstanding natural resources, including sizeable forests of high quality, productive soils, diverse wildlife and plant habitat, extensive wetlands, clean rivers, streams and water bodies, and unique natural features (hereinafter, the "conservation values");

Whereas, the conservation values of the Property are documented in the Baseline Documentation prepared by the Grantee and the Grantor (the "Baseline Documentation"), which documentation is incorporated herein by reference, and the original of which is on file at the offices of the Grantee and consists of descriptions, maps, and other documentation that the parties agree provide, collectively, an accurate representation of the Property at the time of this Easement and is intended to serve as an objective, although not exclusive, information baseline for monitoring compliance with the terms of this Easement;

Whereas, this Easement is created pursuant to the Uniform Conservation Easement Act at Title 33, Maine Revised Statutes Annotated, Sections 476 through 479-B inclusive, as amended; and

Whereas, the Grantee is qualified to hold conservation easements pursuant to Title 33, Maine Revised Statutes Annotated, Section 476(2)B, as amended, and Sections 501(c)(3) and 170(h) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder (as amended, the "Code");

Whereas, the Grantor and the Grantee intend that this Easement shall qualify, to the extent that the purchase price of the Easement received by the Grantor is less than the fair market value of the Easement, as a "qualified conservation contribution" as that term is defined under Section 170(h)(2)(C) of the Code;

NOW THEREFORE, the Conservation Easement on the Property consists of the following terms, covenants, restrictions and affirmative rights granted to Grantee, which shall run with and burden the Property in perpetuity, and the Grantor and Grantee mutually agree as follows:

1. **STATEMENT OF PURPOSE.** It is the purpose of this Conservation Easement to maintain the Property forever in its present and historic primarily undeveloped condition as a working forest, and to conserve and/or enhance forest and wildlife habitats, shoreline protection, and historic public recreation opportunities of the Property for present and future generations.
2. **GRANTOR'S RIGHT, TITLE AND INTEREST IN THE PROPERTY.** The Grantor reserves all right, title and interest in and to the Property subject to specific restrictions on the Grantor's use set forth in Section 3 and subject to the specific rights granted to Grantee set forth in Section 6.
3. **USES AND LIMITATIONS ON USE OF THE PROPERTY.**
 - 3.1. **Prohibited and Permitted Uses.** There shall be no residential, commercial, agricultural, farming, ranching, or industrial uses of the Property, except the following:
 - 3.1.1. **Forestry Activities.** Any such uses associated with forest management, including, without limitation, the activities described in Section 4 of this Agreement (hereinafter,

“Forestry Activities”); and

- 3.1.2. Permitted Non-Forestry Activities. Such uses that either satisfy the criteria set forth in Section 3.1.3 or, subject to the restrictions set forth in Sections 3.2 through 3.5, satisfy each of criteria set forth in (i) and (ii) of this sentence (each of which shall be given equal weight): (i) are specifically identified in the Baseline Documentation, or if not identified, are activities which the Grantor can demonstrate to be activities that were carried out on the Property as of or prior to the date of this Easement and (ii) are in Grantee’s reasonable judgment not inconsistent with the purpose of this Easement (hereinafter, “Permitted Non-Forestry Activities”).
- 3.1.3. Changes in Technology. The parties acknowledge that, as technologies evolve, commercial activities undertaken by the Grantor or its agents in connection with and arising out of Forestry Activities and Permitted Non-Forestry Activities and the methods of performing such activities may emerge, the conduct of which would be suitable at or on the Property. It is not the Grantor’s intent to prohibit such activities; rather, subject to the restrictions set forth in Sections 3.2 through 3.5, the Grantor reserves the right to carry out such activities that are in Grantee’s reasonable judgment not inconsistent with the purpose of this Easement.
- 3.1.4. Leases.
- 3.1.4.1. Existing Leases. The parties acknowledge and agree that this Easement is conveyed subject to existing residential and commercial leases between the Grantor and third-parties, which by their terms may be subject to amendment, modification, extension or renewal (individually, a “Lease” and collectively, the “Leases”). The parties acknowledge that any portion of the Property that is subject to a Lease shall not be subject to the terms, condition and purpose of this Easement provided that (i) the Lease remains in effect and (ii) the Lease is not modified or amended, without the consent of the Grantee, to increase or expand the portion of the Property subject to the Lease (the “premises”). Notwithstanding the foregoing, the parties agree that the premises subject to a Lease may be increased or expanded by the minimum practicable land area necessary for the use of the premises to comply with then current land use, zoning or environmental requirements, provided that the expansion is not necessitated by a change in the use of the premises from the use existing at or prior to the grant of this Easement and prior notice of the expansion, the area affected, and the regulatory requirement mandating such change is given to the Grantee. Copies of the Leases with descriptions of the portions of the Property subject thereto shall be provided to the Grantee as part of the Baseline Documentation.
- 3.1.4.2. New Leases. If a Lease terminates, within twenty-four months after termination, the Grantor may enter into a new lease of the same premises (a “New Lease,” which term shall include any amendments, modifications, renewals or extensions thereof, or any lease entered into upon termination of a New Lease). A New Lease shall not be subject to the terms, condition and purpose of this Easement, provided that (i) the New Lease remains in effect; and (ii) the New Lease is not modified or amended, without the consent of the Grantee, to increase or expand the portion of the Property subject to the New Lease (the “premises”). Notwithstanding the foregoing, the parties agree that the premises subject to a New Lease may be increased or expanded by the

minimum practicable land area necessary for the use of the premises to comply with then current land use, zoning or environmental requirements, provided that the expansion is not necessitated by a change in the use of the premises from the use existing at or prior to the grant of this Easement and prior notice of the expansion, the area affected, and the regulatory requirement mandating such change is given to the Grantee. A copy of any New Lease and a description of the premises shall be provided to the Grantee for inclusion with the Baseline Documentation. If a New Lease is not entered into within twenty-four months after termination of a prior lease of the premises, the portion of the Property that had been subject to the terminated lease shall thereafter be subject to this Easement.

- 3.2. Subdivision. There shall be no subdivision or division of any of the Property in any township into tracts of less than 1,000 acres without the prior written consent of the Grantee, which approval shall be granted only upon a determination by the Grantee, in its reasonable judgment, that the action will not be inconsistent with the purpose of this Easement.
- 3.3. Structures, Improvements and Utilities. There shall be no development, construction, maintenance, installation, expansion, replacement and repair of structures, improvements or utilities on the Property after the date hereof, except as follows:
 - 3.3.1. Use of Terms. The terms “structures,” “improvements” and “utilities” include, without limitation, roads, dams, fences, bridges, gates, boat ramps, docks, aircraft landing strips, communication towers, satellite dishes, campsites, checkpoints, maple sugar houses, barns, storage facilities, trailers, sheds, outhouses, forest management camps, logging camps, associated signs and structures, windmills, electric power lines and generation facilities, septic or sewer, water storage and delivery systems, telephone and communications cable systems, and their respective appurtenant facilities.
 - 3.3.2. Structures, Improvements and Utilities Used for Forestry Management Activities. Structures, improvements and utilities that are used in connection with and for the purpose of accomplishing Forestry Activities (hereinafter, collectively, “Forestry Improvements”) may be developed, constructed, maintained, installed, expanded, replaced and repaired from time to time. Existing housing facilities that are Forestry Improvements and are used for permanent residential use and habitation at the time hereof and are so described on the Baseline Documentation may be maintained, repaired and replaced for such use. Any new housing facilities that are Forestry Improvements shall be for temporary, periodic or seasonal habitation and shelter and not for permanent residential use and habitation. Except for Forestry Improvements the siting or construction of which is governed by state law or regulations, Forestry Improvements, if newly installed or constructed, shall be sited and constructed to the extent possible taking into consideration the function and locational requirements of such improvements, in a manner that in the Grantee’s reasonable judgment is not inconsistent with the purpose of this Easement.
 - 3.3.3. Structures, Improvements and Utilities Used for Permitted Non-Forestry Activities. Existing structures, improvements and utilities that are used in connection with Permitted Non-Forestry Activities (hereinafter, collectively, “Non-Forestry Improvements”) may be maintained, replaced and repaired from time to time, but may not be expanded without the consent of the Grantee, which consent shall be granted only upon a determination by the Grantee, in its reasonable judgment, that the action will not be inconsistent with the purpose of this Easement. Non-Forestry Improvements

may be developed, constructed, and installed from time to time after the date hereof only with the consent of the Grantee, which consent shall be granted only upon a determination by the Grantee, in its reasonable judgment, that the action will not be inconsistent with the purpose of this Easement. If so developed, constructed or installed, such Non-Forestry Improvements may be maintained, replaced and repaired thereafter from time to time, but may not be further expanded without the consent of the Grantee, which consent shall be granted only upon a determination by Grantee, in its reasonable judgment, that the action will not be inconsistent with the purpose of this Easement.

- 3.3.4. Return of Site to Natural Condition. When Forestry Improvements and Non-Forestry Improvements cease to be used, as evidenced by the cessation of their use for a period of years and their lack of maintenance beyond the normal period of time between harvesting cycles, the site of such structures, improvements and utilities shall be allowed to return to a natural condition and the Grantor shall remove any decaying structures from the Property at the Grantor's cost and expense.
- 3.4. Excavation of Minerals, Geothermal Resources and Hydrocarbon. There shall be no exploration for, or development and extraction of, geothermal resources, minerals and hydrocarbon by any surface or sub-surface mining or any other method on the Property, except as follows:
 - 3.4.1. Permitted Excavation or Alteration. Excavation or alteration of the Property for removal of rock, gravel, sand, peat, sod or other substances shall be permitted in connection with Forestry Activities and Permitted Non-Forestry Activities, but shall be restricted as provided in Section 3.4.2.
 - 3.4.2. Gravel Pits. No more than one percent (1%) of the Property (and no more than one percent of any area of the Property conveyed at any time to owners different from the owners of such area at the time of the grant of this Easement) shall be in active use at any one time for production and extraction of sand, rocks or gravel (such areas are hereinafter referred to as "Active Gravel Pits"). Active Gravel Pits shall not be greater than ten acres in area. If the Grantor plans to expand an Active Gravel Pit to a size greater than ten acres in area, prior to expansion, the Grantor shall reclaim an area equal to the acreage of total use of such Active Gravel Pit that is greater than ten acres. Gravel Pit reclamation shall follow the recommendations of the Natural Resource Conservation Service at the time of such reclamation, or other similar or successor agency of similar purpose. The Grantor shall seed areas of Active Gravel Pits operated after the date of this Easement and subsequently abandoned with a recommended conservation mixture to insure soil stability. The Grantor specifically reserves the right to exchange or barter sand, rocks, gravel and/or rock crushing from the Property in connection with the Forestry Activities and, subject to Section 3.3.3, in connection with Permitted Non-Forestry Activities.
- 3.5. Waste; Hazardous Materials. There shall be no placing, filling, storing or dumping on the Property of material amounts of rubbish, garbage, debris, waste materials or landfill ("material" for the purposes of this section being defined as an amount exceeding ten (10) cubic feet within a one-acre area), and there shall be no placing, filling, storing or dumping on the Property of any Hazardous Substance (as defined in Section 13.1), except as follows:
 - 3.5.1. Storage and Septic Tanks, Subsurface Wastewater Disposal Systems. The Grantor may, subject to all applicable local, state and federal laws and regulations, maintain, repair and replace existing underground storage tanks, septic tanks and subsurface

wastewater disposal systems, and may install, maintain, replace and repair new storage tanks, septic tanks and subsurface wastewater disposal systems in connection with Forestry Activities and Permitted Non-Forestry Activities.

- 3.5.2. Biodegradable and Non-Biodegradable Materials. Biodegradable materials generated on the Property, including, without limitation, biodegradable logging debris, shall not be considered debris, waste materials, landfill, or hazardous or special wastes for purposes of this Easement. Non-biodegradable materials generated on the Property in connection with Forestry Activities and Permitted Non-Forestry Activities may be stored temporarily in appropriate containers for removal from the Property at reasonable intervals at Grantor's expense, subject to all applicable local, state and federal laws and regulations.

4. FORESTRY ACTIVITIES.

- 4.1. Compliance with Law; Landowner Guidelines. Forestry Activities shall be performed in accordance with (i) applicable local, state and federal laws and regulations at the time such activities occur, and (ii) the Landowner and Forestry Guidelines attached hereto and incorporated herein as Exhibit C (the "Landowner Guidelines").
- 4.2. St. John River Corridor Area. Those areas of the Property generally shown on Exhibit D-1 attached hereto (consisting of portions of the bed of the St. John River, together with any islands that are owned by the Grantor, and an approximately 1,000 foot corridor upland from the normal high water mark on one or both sides of the river in T12R15 WELS, T13R15 WELS, T15R13 WELS and T16R12 WELS) and more specifically described on Exhibit D-2 attached hereto and incorporated herein (the "St. John River Corridor Area") shall be managed, and the Forestry Activities thereon shall be performed, in accordance with the terms of this Easement and the additional terms set forth in Exhibit E attached hereto and incorporated herein (the "St. John River Corridor Management Provisions"). In all circumstances in which there is a conflict between the St. John River Corridor Management Provisions and other terms of this Easement, or the St. John River Corridor Management Provisions set forth more restrictive terms with respect to the management of the St. John River Corridor Area than other provisions of this Easement, the terms of the St. John River Corridor Management Provisions shall supersede the other terms of this Easement. Notwithstanding anything to the contrary herein, the St. John River Corridor Management Provisions shall apply only to the St. John River Corridor Area.
- 4.3. Forest Management Plan; Annual Meetings.
- 4.3.1. Forest Management Plan. Forestry Activities shall be conducted in accordance with a written plan setting forth the Grantor's long-term plan for management of the Property as a working forest (the "Forest Management Plan"). The Forest Management Plan shall be prepared by one or more professional foresters (a "professional forester" shall be defined, for purposes of this Easement, as a licensed forester in the State of Maine) and adopted by the Grantor.
- 4.3.2. Sharing of Information; Annual Meetings. To assist the Grantee in fulfilling its responsibilities under the terms of this Easement, the Grantor agrees to provide Grantee with a copy of the Forest Management Plan in existence at the time of the grant of the Easement, and thereafter, to provide Grantee with any subsequent revisions to such plan or any new Forest Management Plan at Grantee's cost for copying and mailing promptly following completion. Prior to delivery of the Forest Management Plan or any amendments thereto, and any other non-public, confidential and proprietary information provided by Grantor to Grantee, the Grantee shall execute

such documents relating to the confidential and proprietary nature of the Forest Management Plan and such additional confidential and proprietary information provided by Grantor to Grantee as are satisfactory to the Grantor. The Grantor and the Grantee shall meet no less often than annually at a date and time convenient for both parties but not to exceed one business day in duration (unless both parties mutually agree that a shorter or longer, or no meeting at all, is necessary), at the offices of the Grantor (or another location convenient to both the Grantor and the Grantee) to share the information collected by Grantee as a result of its visits to the Property for the purposes of monitoring the Easement and to provide an opportunity for both parties to discuss any questions or concerns regarding the information collected by the Grantee in the monitoring process. Either party may request up to four meetings each year (which shall not preclude additional meetings if the other party agrees) at such a location upon at least three weeks' prior written notice to discuss any questions or concerns that may arise regarding any of the above.

4.4. Forestry Activities. Forestry Activities shall mean all forest management practices allowable under law and the harvesting and removal of any and all forest products by any and all current and future harvesting and removal techniques allowable under law and shall include, but not be limited to, the following activities: reforestation, planting, growing, cutting, and harvesting trees, forest products, and other vegetation; construction, use, and maintenance of skid trails, skid roads, log yards, landing and staging areas, winter haul roads or other paths, roads, or trails used to provide pedestrian, domestic animal and vehicular access to and from and within the Property; clearing for reforestation; harvesting, pruning, girdling, or trimming trees and other vegetation; harvesting forest products with domestic animals or mechanical equipment; maintenance of existing fields and meadows; conducting timber cruising, forest management planning, forest crop selection, forest research, and other forest resource evaluation activities; cutting and removing forest products, including but not limited to trees, logs, poles, posts, pulpwood, firewood, chips, seeds, pinestraw, stumps, seed cones, bark, shrubs, lesser vegetation, biomass and all sugar maple products; conducting fire control and other activities to prevent or control losses or damage to forest crops or forest products; identifying and marking boundaries; salvaging forest crops or forest products; marking timber and performing other activities to identify trees or areas for harvest; performing commercial and pre-commercial silvicultural treatments; disposing of harvesting debris and conducting post-harvest or site recovery activities; applying in accordance with applicable statutes and regulations herbicides, pesticides, fungicides, rodenticides, insecticides, and fertilizers; removing, loading, and transporting timber and other forest crops and products; processing forest products with portable or temporary equipment designed for in-woods processing; trimming, cutting, removing, burning, or otherwise dispose of any trees or vegetation which are diseased, rotten, damaged, or fallen; trimming, cutting, removing, or otherwise disposing of any trees or vegetation as is necessary to construct or maintain fire lanes, footpaths, and roads.

5. **PUBLIC ACCESS AND USE OF THE PROPERTY**. The parties acknowledge that the Grantor does not grant any right of public access to, on or across, or public use of, the Property through this Easement, and the Grantor does not expand or extend through this Easement any privilege or license provided by the Grantor to the public to access or use the Property. It is the Grantor's intent and objective (but the Grantor does not impose by this Easement any obligation upon the Grantor or its successors or assigns) to allow public access on and across and use of significant portions of the Property for the historic recreational uses that are described in the Baseline

Documentation. Notwithstanding anything to the contrary herein, the Grantor or its designated agent may in its sole discretion prohibit, limit or expand access to any area of the Property at any time and from time to time, including by way of illustration only, for the purpose of fulfilling the Grantor's resource management plans, for safety reasons, to protect and enhance water quality, fish and wildlife resources, or to protect, maintain and perpetuate those areas of the Property that contain rare, unusual and culturally significant plants and plant communities, unusual natural features, or historic or archaeological resources. The Grantor reserves the right to charge reasonable fees for access on and across and use of the Property.

6. RIGHTS AND OBLIGATIONS OF GRANTEE. To accomplish the purpose of this Easement, the following rights are conveyed to and obligations imposed upon the Grantee:
 - 6.1. Access. The Grantor hereby grants to the Grantee reasonable and non-exclusive access in common with the Grantor and others entitled thereto at reasonable times (i) across the Property and all of its parts, and (ii) across other lands of the Grantor as described and depicted on Exhibit F attached hereto and incorporated herein by this reference (collectively, the "Grantee's Access Rights"). The Grantee may exercise Grantee's Access Rights solely for the purposes of fulfilling the Grantee's obligations under this Easement and exercising its affirmative rights under this Easement, including those specifically set forth in Section 6.2, subject, however, to the following limitations:
 - 6.1.1. Vehicular access shall be only over existing roads. Grantor may at Grantor's discretion close or abandon such roads, after which closure or abandonment vehicular access over the closed or abandoned road shall cease.
 - 6.1.2. Grantor is under no obligation to create or maintain vehicular access for Grantee.
 - 6.1.3. Grantee's rights of access do not include any rights of construction or maintenance related to vehicular access or any other affirmative right to undertake site alteration or to place access-related structures or improvements on the Property or on any other lands of Grantor.
 - 6.1.4. Grantee shall comply with all policies of Grantor with respect to road and gate use.
 - 6.1.5. Grantee access shall not interfere with any use or activity of Grantor, and such use by Grantee shall not interfere with any other person's lawful use of the Property or of any other lands of Grantor.
 - 6.1.6. Grantee shall not use roads in a manner which could reasonably be anticipated to result in damage.
 - 6.1.7. Grantee's Access Rights are not assignable except in connection with the permitted assignment by Grantee of this Easement under the provisions of Section 18.
 - 6.2. Affirmative Rights and Obligations of Grantee. Grantee shall have the right and obligation to:
 - 6.2.1. Assure compliance with the terms of this Easement. In connection with such right and obligation, Grantee shall have the right to enter the Property at any reasonable time and in any reasonable manner, subject to the provisions of Section 6.1, for the purposes of inspecting and monitoring compliance with the terms of this Easement and for enforcement and remedying the violations of this Easement in accordance with Section 8, and each entry shall be in a manner that will not disturb the Forestry Activities and Permitted Non-Forestry Activities and the Grantor's quiet enjoyment of the Property.
 - 6.2.2. Keep on file and provide to Grantor reports made in connection with Grantee's inspections of the Property in order to monitor compliance with the terms of this Easement.

7. GRANTOR'S NOTICE OF INTENTION TO UNDERTAKE CERTAIN ACTIONS; CLARIFICATION OF EASEMENT TERMS.
- 7.1. Purpose of Provision; Notice by Grantor. The parties acknowledge that under specific circumstances set forth in Section 3, the Grantor is required to obtain the consent of the Grantee prior to undertaking certain activities or taking certain actions. The parties acknowledge that the purpose of requiring such consents is to afford the Grantee an opportunity to ensure that the activities in question are designed and carried out in a manner consistent with the terms, conditions or purpose of this Easement. Whenever such consent is required, or if the Grantor has a question as to whether an activity is consistent with the terms, conditions or purpose of this Easement, the Grantor shall notify the Grantee in writing when possible at least sixty days and in no event less than thirty days prior to the date Grantor intends to undertake the activity in question. The notice shall describe the nature, scope, design, location, timetable, and any other material aspects of the proposed activity in sufficient detail to permit Grantee to make an informed judgment of the activity as to its consistency with the terms, conditions or purpose of this Easement.
- 7.2. Grantee's Response. The Grantee shall give written response of its determination within fifteen business days after the receipt of the Grantor's written request. In the event the Grantee fails to respond to the Grantor's written request within said fifteen business day period, such request shall be deemed approved. The consent of the Grantee obtained in one circumstance shall not be deemed or construed to be a waiver by the Grantee for any subsequent activities by the Grantor under this Section 7.
- 7.3. Mediation. If the parties disagree as to the consistency of any proposed use or activity with the terms, conditions or purpose of this Easement and the parties are unable to resolve such disagreement through unassisted consultation between themselves, and the Grantor agrees not to proceed with, or shall discontinue, the use or activity pending resolution of the dispute, either party may refer the dispute to mediation by request made in writing upon the other. Within ten days of the receipt of such a request, the parties shall select a single trained and impartial mediator. Mediation shall then proceed in accordance with the following guidelines:
- 7.3.1. Purpose. The purpose of the mediation is to: (i) promote discussion between the parties; (ii) assist the parties to develop and exchange pertinent information concerning the issues in dispute; and (iii) assist the parties to develop proposals which enable them to arrive at a mutually acceptable resolution of the controversy. The mediation is not intended to result in any express or *de facto* modification or amendment of the terms, conditions or restrictions of this Easement.
- 7.3.2. Participation. The mediator may meet with the parties and their counsel jointly or ex parte. The parties agree that they will participate in the mediation process in good faith and expeditiously, attending all session scheduled by the mediator. Representatives of both parties with settlement authority will attend mediation sessions as requested by the mediator.
- 7.3.3. Confidentiality. All information presented to the mediator shall be deemed confidential and shall be disclosed by the mediator only with the consent of the parties or their respective counsel. The mediator shall not be subject to subpoena by any party. No statements made or documents prepared for mediation sessions shall be disclosed in any subsequent proceeding or construed as an admission of a party.
- 7.3.4. Time Period. Neither party shall be obligated to continue the mediation process beyond a period of ninety days from the date of receipt of the initial request or if the

mediator concludes that there is no reasonable likelihood that continuing mediation will result in a mutually agreeable resolution of the dispute.

7.3.5. Costs. The costs of the mediator shall be borne equally by Grantor and Grantee; the parties shall bear their own expenses, including attorney's fees, individually.

7.4. Arbitration. In the event that Grantee and Grantor are unable to agree upon a mediator or otherwise fail to resolve their disagreement through mediation, then the Grantee or the Grantor may request arbitration pursuant to the Commercial Arbitration Rules of the American Arbitration Association, or such other arbitration procedure as to which the parties may agree in writing, provided however that (i) any arbitration shall involve a single arbitrator, (ii) the arbitrator shall be bound by and follow the substantive law of Maine as if the dispute were tried in a court of law and (iii) all issues that may in any manner relate to the controversy or dispute shall be resolved in the arbitration. Costs shall be borne by the parties in accordance with Section 8.5 below.

8. GRANTEE'S REMEDIES.

8.1. Notice of Violation; Corrective Action. In the event that the Grantee becomes aware of a violation of the terms of this Easement, the Grantee shall give written notice to the Grantor of such violation and request that the Grantor take corrective action sufficient to cure the violation, and, where the violation involves injury to the Property resulting from any use or activity that the Grantee determines, in its reasonable judgment, to be inconsistent with the purpose of this Easement, that the Grantor restore, to the extent practicable, the portion of the Property so injured to a condition substantially similar to that which existed prior to the violation.

8.2. Injunctive Relief. If the Grantor does not cure the violation within thirty (30) days after receipt of notice thereof from the Grantee, or under circumstances where the violation cannot reasonably be cured within said period, does not begin curing such violation within said period, and/or does not continue diligently to cure such violation until finally cured, the Grantee may, after seven (7) days advance written notice to the Grantor, (i) request arbitration pursuant to the Commercial Arbitration Rules of the American Arbitration Association, or such other arbitration procedure as to which the parties may agree in writing, provided however that (x) any arbitration shall involve a single arbitrator, (y) the arbitrator shall be bound by and follow the substantive law of Maine as if the dispute were tried in a court of law and (z) all issues that may in any manner relate to the controversy or dispute shall be resolved in the arbitration; or (ii) bring an action at law or in equity in court of competent jurisdiction to enforce the terms of this Easement, to enjoin the violation by temporary or permanent injunction, and to require the restoration of the Property to the condition substantially similar to that which existed prior to injury to the extent such restoration is practicable.

8.3. Damages. The Grantee will be entitled to recover reasonable damages for violation of the terms of this Easement.

8.4. Emergency Enforcement. If the Grantee, in its reasonable discretion, determines that circumstances require immediate action to prevent or mitigate significant damage to the conservation values of the Property resulting from a violation of the terms of this Easement, Grantee may (i) with at least twenty-four (24) hours' prior notice to the Grantor, enter upon the Property for the purpose of assessing damage or threat to the conservation values thereon resulting from a violation of the terms of this Easement and determining the nature of curative or mitigation actions that should be taken; and (ii) pursue its remedies under this Section 8 with at least twenty-four (24) hours' prior notice to the Grantor, but without waiting for the period provided under Section 8.2 for cure to expire or the period required under Section 8.2

for advance notice to the Grantor to expire.

- 8.5. Costs of Enforcement. In the event that an event or circumstance of intentional noncompliance with the Easement is corrected through negotiation and voluntary compliance, the party who was intentionally not complying shall reimburse the other party for all reasonable costs incurred in investigating the non-compliance and securing its correction. In the event that a dispute is resolved through arbitration or judicial enforcement and the decision-maker determines that: (i) the Easement has been breached as a result of an event or circumstance of intentional non-compliance, the Grantor shall reimburse the Grantee for any reasonable costs of enforcement, including reasonable costs incurred in investigating any non-compliance and securing its correction, and arbitrators or court costs (in the case of injunctions), reasonable attorneys' fees and any other payments ordered by such decision-maker; or (ii) this Easement has not been breached and that the Grantee has initiated arbitration or litigation without reasonable cause, or in bad faith, then the Grantee shall reimburse the Grantor for any reasonable costs of defending such action, including confirmation of compliance, arbitrators or court costs and reasonable attorneys' fees and any other payments ordered by such decision-maker. In all other circumstances, each party shall bear its own costs of dispute resolution.
- 8.6. Grantee's Discretion. Enforcement of the terms of this Easement shall be at the discretion of the Grantee, and any forbearance by the Grantee to exercise its rights under this Easement in the event of any breach of any term of this Easement by the Grantor shall not be deemed or construed to be a waiver by the Grantee of such term or of any subsequent breach of the same or any other term of this Easement or of any of the Grantee's rights under this Easement. No delay or omission by the Grantee in the exercise of any right or remedy upon any breach by the Grantor shall impair such right or remedy or be construed as a waiver.
- 8.7. Waiver of Certain Defenses. The Grantor hereby waives any defense of laches, estoppel, or prescription.
- 8.8. Acts Beyond the Grantor's Control. The Grantor shall be responsible for, and the Grantee shall have the right to enforce the terms of this Easement against the Grantor with respect to violations of the terms of this Easement caused by the Grantor, its successors or assigns, or their respective officers, directors, trustees, members, employees, contractors and agents or by any person or entity who enters or occupies the Property with the express written permission of the Grantor or pursuant to a contractual relationship with the Grantor, such as a lessee. Notwithstanding any provision of this Easement to the contrary, the Grantor shall not be responsible or liable for any remediation, restoration, damages, cost and/or expenses in any way caused by third parties (except those described in the preceding sentence) or the public, except as required by state or federal laws or regulations. Nothing contained in this Easement shall be construed to entitle the Grantee to bring any action against the Grantor for any injury to or change in the Property resulting from causes beyond the Grantor's control, including without limitation, government action, fire, flood, storm, changes in climatic condition, catastrophic insect infestation, disease, acid rain or other airborne pollutants introduced into the atmosphere by third parties, naturally occurring earth movement and other similar natural events, or from any prudent action taken by the Grantor under what Grantor reasonably and in good faith perceives to be emergency conditions to prevent, abate, or mitigate significant injury to the Property resulting from such causes. The terms of this paragraph shall not be construed to supersede the provisions of Sections 15 and 17 of this Easement concerning extinguishment and condemnation of the Easement and the Grantee's entitlement to a portion of amounts recovered in connection therewith. Nothing contained in

this Easement shall be construed to entitle the Grantee to bring any action against the Grantor for any injury to or change in the Property or any injury to any person or property resulting from the actions of the Grantee or resulting from the actions of any person whose presence on the Property arises out of the exercise of Grantee's affirmative rights.

9. OTHER RIGHTS NOT IMPAIRED OR ENLARGED.

9.1. No Other Enforcement Rights. This Easement shall not be construed to entitle any person or entity other than Grantee or its duly authorized agents to enforce any of the terms or conditions of this Easement against Grantor, except in connection with the permitted assignment by Grantee of this Easement under the provisions of Section 18.

9.2. No Additional Assumption of Responsibility. Nothing in this Easement shall be interpreted as an assumption of responsibility by the Grantor for any injury to person or damage to property or loss of life sustained by any person while on the Property or sustained by any person as a result of any entry on or use of the Property by any other person. Furthermore, this Easement shall not be a basis for liability on the part of the Grantor for any injury to person or damage to property or loss of life sustained by any person while on the Property or sustained by any person as a result of any entry on or use of the Property by any other person. The Grantor specifically retains all the protections provided under Maine law to owners of land, including, without limitation, the protections contained in 14 M.R.S.A. §159-A.

9.3. Private Action. Actions taken by the Grantor on the Property after the date of this Easement shall continue to be treated as private action and not public action (in other words, not the action of the federal, state, or local government) for the purposes of laws and regulations governing public lands, including, but not limited to, the Endangered Species Act, 16 U.S.C.A. §§ 1531, et seq., and the National Environmental Policy Act, 42 U.S.C.A. §§ 4321, et seq. In the event that any interests acquired by the Grantee are subject to compliance with any law or regulation, said compliance shall not limit, delay, or otherwise interfere with the rights of the Grantor as set forth in this Easement.

9.4. No Enlargement or Extension of Grantee's Rights. No right granted to the Grantee and no right or restriction enforceable by the Grantee arising under this Easement shall be enlarged, extended, or otherwise altered in any manner adverse to the right, title and interest of the Grantor through prescription, adverse use, waiver, laches, or any failure of the Grantor to enforce its rights.

9.5. Rights Against Third-Parties. Nothing contained in this Easement shall be construed to preclude the Grantor's and Grantee's rights to recover damages from any third party for trespass or other violation of their respective rights in this Easement and the Property.

10. AGENTS. All rights granted to the Grantee hereunder may be exercised by its duly authorized agents, provided that if the exercise of Grantee's rights involves entry by Grantee's agents onto the Property for the purpose of carrying out the rights and obligations set forth in Section 6, Grantee shall provide five business days' prior notice to the Grantor of the identities of Grantee's agents. Should Grantor object to the agents designated by Grantee, the Grantor shall notify Grantee immediately. If the parties are unable to resolve any issues regarding the choice of agents through unassisted consultation between themselves, then either party may refer the disagreement to mediation by request made in writing upon the other in accordance with Section 7.

11. COSTS, LEGAL REQUIREMENTS AND LIABILITIES. The Grantor retains all responsibilities and shall bear all costs and liabilities of any kind related to the ownership, operation, upkeep, and maintenance of the Property, including, the maintenance of adequate liability insurance coverage. The Grantor remains solely responsible for obtaining any applicable governmental

permits and approvals for any activity or use permitted by this Easement and for undertaking any such activity or use in accordance with all applicable federal, state and local laws, regulations and requirements. The Grantee shall maintain liability insurance coverage for its activities in administration of this Easement.

12. **TAXES.** Unless the Grantor has duly filed for an abatement or a review of the validity of the tax, the Grantor shall pay or cause to be paid before delinquency all taxes, assessments, fees, and charges of whatever description levied on or assessed against the Property by competent authority (collectively “taxes”), including any such taxes, including the Grantor’s share of any transfer taxes pursuant to 36 M.R.S.A. § 4641-A, imposed upon, or incurred as a result of, this Easement, and shall furnish the Grantee with satisfactory evidence of payment upon request. The Grantee is authorized, but in no event obligated, to make or advance any payment of taxes, upon 15 days prior written notice to Grantor, in accordance with any bill, statement or estimate procured from the appropriate authority, without inquiry into the validity of the taxes or the accuracy of the bill, statement or estimate, and the obligation caused by such payment shall bear interest until paid by the Grantor at the rate of interest published in The Wall Street Journal as the Prime Rate.

13. **ENVIRONMENTAL MATTERS.**

13.1. Hazardous Substance. The term “Hazardous Substance” means (1) any chemical, compound, material, mixture or substance that is now or hereafter defined or listed in, or otherwise classified pursuant to any federal, state or local laws regulations and ordinances, as a “hazardous substance,” “hazardous material,” “hazardous waste,” “extremely hazardous waste,” “infectious waste,” “toxic substance,” “toxic pollutant,” or any other formulation intended to define, list or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, toxicity, reproductive toxicity, or “PE toxicity” and (2) any petroleum, natural gas, natural gas liquid, liquefied natural gas, synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas), ash produced by a resource recovery facility utilizing a municipal solid waste stream, and drilling fluids, produced waters, and other wastes associated with the exploration, development or production of crude oil, natural gas, or geothermal sources.

13.2. Non-Responsibility. The Grantee shall have no responsibility whatsoever for the operation of the Property, the monitoring of hazardous conditions thereon, or the protection of the Grantor, the public, or any third parties from risks relating to conditions on the Property. Notwithstanding any other provision of this Easement to the contrary, the parties do not intend and this Easement shall not be construed such that: (1) it creates in the Grantee the obligations or liabilities of an “owner” or “operator” as those words are defined and used in the environmental laws, as defined below, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 United States Code, sections 9601 et seq.); (2) it creates in the Grantee obligations or liabilities of a person described in 42 United States Code section 9607 (a)(3); (3) the Grantee has the right to investigate and remediate any hazardous substances associated with the Property; or (4) the Grantee has any control over the Grantor’s ability to investigate and remediate any hazardous materials associated with the Property. The Grantor represents, warrants and covenants to the Grantee that the Grantor’s use of the Property shall comply with all environmental laws. The term “environmental laws” includes, without limitation, any federal, state, local, or administrative agency statute, regulation, rule, ordinance, order or requirement relating to environmental conditions or hazardous substances.

14. **EXTINGUISHMENT.** If circumstances arise in the future which render the purpose of this

Easement impossible to accomplish, this Easement can only be terminated or extinguished, whether in whole or in part, by judicial proceedings in a court of competent jurisdiction. Unless otherwise required by applicable law at the time, in the event of any sale of all or a portion of the Property (or any other property received in connection with any exchange or involuntary conversion of the Property) after such termination or extinguishment, and after satisfaction of any prior claims and net of any costs or expenses associated with such sale, Grantor and Grantee shall divide the proceeds from such sale so that Grantee receives the stipulated fair market value of the Easement as determined in accordance with Section 15. All such proceeds received by Grantee shall be used by Grantee in a manner consistent with Grantee's conservation purposes. This paragraph shall not apply, and there will be no division of proceeds with respect to any sale, exchange or transfer of the Property where the transferred Property remains subject to the Easement whether explicitly or by operation of law.

15. VALUATION. This Easement constitutes a real property interest immediately vested in Grantee, which, for purposes of Section 14, the parties stipulate to have a fair market value determined by multiplying the fair market value of the Property unencumbered by the Easement (minus any increase in value after the date of this grant attributable to improvements, including, without limitation, Forestry Improvements and Non-Forestry Improvements, which amount is reserved to the Grantor) by the ratio of the value of the Easement at the time of this grant to the value of the Property, without deduction for the value of the Easement, at the time of this grant. The values at the time of this grant shall be those values used to calculate the deduction for federal income tax purposes allowable by reason of this grant, pursuant to Section 170(h) of the Code. For the purposes of this paragraph, the ratio of the value of the Easement to the value of the Property unencumbered by the Easement shall remain constant. The parties shall include the ratio described in the preceding sentence with the Baseline Documentation on file at the office of the Grantee and shall amend such values, if necessary, to reflect any final determination thereof by the Internal Revenue Service or court of competent jurisdiction.
16. CONDEMNATION. If all or any part of the Property is taken by exercise of the power of eminent domain, or acquired by purchase in lieu of condemnation, whether by public, corporate or other authority, so as to terminate this Easement, in whole or in part, Grantor and Grantee shall act jointly to recover compensation for their respective interests in the Property and Easement, and all direct or incidental damages resulting therefrom, in accordance with applicable law. All expenses reasonably incurred by Grantor and Grantee in connection with the taking or in lieu purchase shall be paid out of the amount recovered. Grantee's share of the balance of the amount recovered shall be in proportion to the ratio set forth in Section 15. If only a portion of the Property is subject to such exercise of the power of eminent domain, this Easement shall remain in effect as to all other portions of the Property.
17. AMENDMENT. If circumstances arise under which an amendment to or modification of this Easement would be appropriate, Grantor and Grantee may jointly amend this Easement; provided that no amendment shall be allowed that will affect the qualification of this Easement or the status of Grantee under any applicable laws, including Title 33, Maine Revised Statutes Annotated, Sections 476 through 479-B inclusive, or Section 170 (h) of the Code, and any amendment shall be consistent with the purpose of this Easement and shall not affect its perpetual duration. Any such amendment shall be in writing, shall refer to this Easement by reference to its recordation date, shall be signed by the Grantor and Grantee, and shall be recorded in the Registries of Deeds of Aroostook, Franklin, Oxford, Penobscot, Piscataquis and Somerset Counties, Maine. This paragraph shall not be construed to require Grantor or Grantee to agree to any amendment or consult or negotiate regarding any amendment to this Easement.

18. **ASSIGNMENT.** This Easement and the rights and obligations of Grantee hereunder are transferable only to an organization that is qualified at the time of transfer under Section 170 (h) of the Code, and the applicable regulations promulgated thereunder, and authorized to acquire and hold conservation easements under Title 33, Maine Revised Statutes Annotated, Section 476(2)B (or any successor provision then applicable), or the laws of the United States (the “Alternative Qualified Holder”). In addition, an assignment of the Easement under this Section 18 may occur (i) only with the prior written consent of the Grantor and (ii) only upon the condition that any funds held by the Grantee for the purpose of monitoring and enforcing this Easement are transferred with identical restrictions on use to such Alternative Qualified Holder. As a condition of such transfer, Grantee shall require that the conservation purposes this grant is intended to advance, continue to be carried out. Grantee agrees to give written notice to the Grantor of a proposed assignment. The Grantor shall respond in writing to the Grantee’s request within ninety (90) days after the receipt of the proposed assignment and if the proposed Alternative Qualified Holder is not acceptable to Grantor, the Grantor shall propose an Alternative Qualified Holder of the Easement who is acceptable to the Grantor. In the event that the parties are unable to agree upon an Alternative Qualified Holder through discussion and/or mediation in accordance with the guidelines set forth in Section 7.3, either party may seek to have an assignee of the Easement determined through arbitration (in which case such party shall request arbitration pursuant to the Commercial Arbitration Rules of the American Arbitration Association, or such other arbitration procedure as to which the parties may agree in writing, provided however that (i) any arbitration shall involve a single arbitrator, (ii) the arbitrator shall be bound by and follow the substantive law of Maine as if the dispute were tried in a court of law and (iii) all issues that may in any manner relate to the controversy or dispute shall be resolved in the arbitration) or by a court of competent jurisdiction.
19. **EXECUTORY LIMITATION.** If Grantee shall cease to exist or to be a qualified organization to hold conservation easements under Section 170(h) of the Code, or to be authorized to acquire and hold conservation easements under Title 33, Maine Revised Statutes Annotated, Section 476(2)B (or any successor provision then applicable), and a prior assignment is not made pursuant to Section 18, then the rights and obligations under this Easement shall vest in such organization as a court of competent jurisdiction shall direct pursuant to the applicable state law and with due regard to the requirements for an assignment pursuant to Section 18.
20. **SUBSEQUENT TRANSFERS.** Except as specifically provided in Section 3.2, nothing in this Easement shall be construed to prevent Grantor, or any party constituting Grantor, from selling or otherwise conveying or transferring the Property or any in common and undivided interest in the Property to a third party, subject to the terms of this Easement. Grantor agrees to incorporate the terms of this Easement by reference in any deed or other legal instrument by which Grantor divests itself of any interest in all or a portion of the Property, including, without limitation, a leasehold interest. Grantor further agrees to give written notice to Grantee of the transfer of any interest in the Property at least twenty (20) days prior to the date of such transfer. Grantor shall provide a complete copy of this Easement to its transferee prior to any such transfer and shall provide Grantee with a copy of any transfer documentation upon completion of such transfer. Notwithstanding anything to the contrary herein, the terms of this paragraph regarding incorporation of the terms of this Easement and notice to the Grantee of any transfer shall not apply to those leases described in Section 3.1.4 of this Easement. The failure of Grantor to perform any act required by this paragraph shall not impair the validity of this Easement or limit its enforceability in any way.
21. **FUTURE ENCUMBRANCES.** Grantor has the right to use the Property as collateral to secure

the repayment of debt, provided that the right of the Grantee to enforce the terms, restrictions and covenants created under this Easement shall not be extinguished by foreclosure of any mortgage or any publicly or privately placed lien, regardless of date. The restrictions of this Easement and Grantee's right to enforce them shall be superior to any mortgage or lien, except with respect to Grantee's right to monetary damages based upon a violation that occurs subsequent to recording of such mortgage or lien. Grantee shall execute a limited subordination to this effect upon request by Grantor.

22. ESTOPPEL CERTIFICATES. Upon request by Grantor, Grantee shall, as soon as possible and not later than thirty (30) days after receipt of such request, execute and deliver to Grantor, or to any party designated by Grantor, any document, including an estoppel certificate, which certifies, to the best of Grantee's knowledge, Grantor's level of compliance with any obligation of Grantor contained in this Easement and/or otherwise evidences the status of this Easement as may be reasonably requested by Grantor. Such documentation shall speak to the condition of the Property as of the Grantee's most recent inspection. If Grantor requests more current documentation, Grantee shall conduct an inspection at Grantor's cost within forty-five (45) days of receipt of Grantor's written request therefor.
23. NOTICES. Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other shall be in writing and shall be deemed to have been duly given if delivered by hand or sent by mail, postage prepaid, certified or registered mail, return receipt requested, and addressed as follows:

To Grantor:

To Grantee:

Notice of change of address shall be effective only when given in accordance with this paragraph. All notices, demands and other communications made in compliance with this paragraph shall be deemed to have been received on the earlier to occur of the date of delivery or on the third business day after mailing.

24. BASELINE DOCUMENTATION. The original of the Baseline Documentation is on file at the offices of the Grantee and consists of descriptions, maps, and other documentation that the parties acknowledge and agree provide, collectively, an accurate representation of the Property upon the execution of this Easement. The Baseline Documentation is intended to serve as an objective, although not exclusive, information baseline for monitoring compliance with the terms of this Easement.
25. RECORDATION. Original counterparts of this instrument shall be recorded by Grantee in the Registries of Deeds of Aroostook, Franklin, Oxford, Penobscot, Piscataquis and Somerset Counties, Maine. Grantee may re-record this instrument at Grantee's expense at any time as may be required to preserve its rights in this Easement.
26. GENERAL PROVISIONS.
- 26.1. Controlling Law. The interpretation and performance of this Easement shall be governed by the laws of the State of Maine.
- 26.2. Liberal Construction. Any general rule of construction to the contrary notwithstanding, this Easement shall be liberally construed in favor of the grant to effect the purpose of this Easement and the policy and purpose of Title 33, Maine Revised Statutes Annotated, Sections 476 through 479-B inclusive, as amended. If any provision in this instrument is

- found to be ambiguous, an interpretation consistent with the purpose of this Easement that would render the provision valid shall be favored over any interpretation that would render it invalid.
- 26.3. Severability. If any provision of this Easement, or the application thereof to any person or circumstance, is found to be invalid, the remainder of the provisions of this Easement, or the application of such provision to persons or circumstances other than those as to which it is found to be invalid, as the case may be, shall not be affected thereby so long as the purposes of this Easement can still be carried out.
- 26.4. Entire Agreement. This instrument sets forth the entire agreement of the parties with respect to the Easement and supersedes all prior discussions, negotiations, understandings or agreements relating to the Easement, all of which are merged herein. No alteration or variation of this instrument shall be valid or binding unless contained in an amendment that complies with Section 17 hereof.
- 26.5. No Forfeiture. Nothing contained herein is intended to result in a forfeiture or reversion of Grantor's fee title in any respect.
- 26.6. Obligations are Several. The obligations imposed by this Easement upon Grantor shall be several and not joint.
- 26.7. Successors. The covenants, terms, conditions, and restrictions of this Easement shall be binding upon, and inure to the benefit of, the parties hereto and their respective representatives, heirs, successors and assigns, and shall continue as a servitude running in perpetuity with the Property. The terms "Grantor" and "Grantee," wherever used herein, and any pronouns used in place thereof, shall include, respectively, each of the parties constituting the above-named Grantor and their personal representatives, heirs, successors, assigns, and the above-named Grantee and its successors and assigns.
- 26.8. Termination of Rights and Obligations. A party's rights and obligations under this Easement shall terminate upon the transfer of the party's interest in this Easement or Property, except that rights, obligations, and liability relating to acts or omissions occurring prior to transfer shall survive transfer. No owner of any interest in the Property or a portion thereof shall be responsible except for violations occurring on such owner's land while an owner thereof. In the event of a breach of the terms of this Easement by the owner or owners of any subdivided portion of the Property, no owner or owners of any other portion of the Property shall be liable for such breach. Any of the rights herein reserved to the Grantor may be exercised by any owner or owners from time to time of any lot within the Property.
- 26.9. Captions. The captions in this instrument have been inserted solely for convenience of reference and are not a part of this instrument and shall have no effect upon construction or interpretation.
- 26.10. Counterparts. Grantor may execute this instrument in two or more counterparts; each counterpart shall be deemed an original instrument. In the event of any disparity between the counterparts produced, the recorded counterpart shall be controlling.
- 26.11. Construction. In all matters of interpretation, whenever necessary to give effect to any clause of this agreement, the neuter, masculine and feminine include each other, and the singular includes the plural, and the plural includes the singular.

[SIGNATURES ON THE FOLLOWING PAGE.]

INDEX OF EXHIBITS

Exhibit A - Legal Description

Exhibit B - Depiction of Location of Property

Exhibit C - Landowner Guidelines

Exhibit D-1 - Sketch Plan of St. John River Corridor Area

Exhibit D-2 - Legal Description of St. John River Corridor Area

Exhibit E - St. John River Corridor Management Provisions

Exhibit F - Adjacent Land of Grantor

EXHIBIT C

LANDOWNER AND FOREST MANAGEMENT GUIDELINES

From aesthetics to the protection of landowner rights, these guidelines provide Grantor with direction in managing the landbase. The Landowner and Forest Management Guidelines provide guidance when making management decisions. They are the foundation upon which the management program is built.

LANDOWNER GUIDELINES

The goal of the management program is to work with natural forest processes to grow sawtimber of superior quality and value over the long term, while always seeking to enhance the underlying value of the asset.

To manage the lands as a commercial forest to provide for multiple use of the forest Multiple use management recognizes the full range of values derived from, the forest. Timber is the economic engine but is not always the primary focus. A broad ecological perspective to management is encouraged.

To protect aesthetic values

Aesthetic quality is important to maintaining the value of the asset. The public judges the quality of management with an eye for aesthetics. Aesthetic quality enhances the value of the underlying asset.

To increase utilization per acre and to develop new markets for forest products Increasing utilization and markets allows flexibility in management. Better utilization leads to great improvements in residual stand quality and residual stand value. Developing new opportunities in the secondary market adds value beyond traditional timber products.

To protect landowner rights as well as land and timber values

Protection of the right of management and protection of land and timber values allows for long-term stewardship of this resource.

To provide an after tax return that is comparable over the long-term with competitive uses of capital

Comparable returns with competitive uses of capital is a realistic measure of the economic potential of ownership. It provides a stable economic environment upon which long-term management can proceed.

SUSTAINABLE FOREST MANAGEMENT

To carry out the above identified Landowner Guidelines, it is Grantor's goal to practice sustainable forestry on the Property. Sustainable timber production is the foundation of sustainable forestry. Sustainable timber management requires the efficient utilization or capture of the productive capacity of the forest as well as the stability and maintenance of harvest levels.

Sustainable forestry is far more than just sustainable timber production. It recognizes the importance of all ecological components and values and incorporates them into management policies, plans, and decisions.

Foresters must be guided by a set of principles which incorporate these concerns and translate them into an action plan.

SILVICULTURAL POLICY

Grantor will continue to utilize silvicultural systems which enhance or maintain the value of the timber asset and provide for a sustained yield of forest products while recognizing that ecological, aesthetic, wildlife, and other non-timber values are important components of the forest.

HARVEST REGULATION

Grantor will continue to follow a timber management strategy that achieves a sustained production of harvestable volume and value from the forest. The regulation strategy strives to be flexible and conservative enough to absorb the impacts of future catastrophic events that could prevent its achievement such as insect or disease outbreaks, fires, or market disruptions. The actual harvest complies with the regulation strategy; the regulation strategy uses achievable yield estimates.

STOCKING AND GROWTH CONTROL

Silvicultural and harvesting strategies maintain stands in a well-stocked, productive condition. They assure that predicted yields assumed in the regulation strategy are being met by individual stand treatments.

Silvicultural systems strive to maintain the original diversity of natural forests in both species and structure. Up-to-date, scientifically based silvicultural practices are used; prescriptions are tailored to individual stand conditions.

I. FOREST ECOSYSTEM MAINTENANCE

Management of the timber resource will strive not to eliminate key ecosystem elements. Certain criteria best determine the effects of management on the forest ecosystem. These criteria are forest

diversity, including forest community structure and composition, long-term ecological productivity and health and ecosystem reserves; riparian habitat management; wildlife management; and pesticide use.

Forest Diversity

As a cornerstone of silvicultural management, Grantor will continue to strive to maintain and improve forest diversity.

Grantor's goal is to generate viable yields of products from the forest in an economical manner while maintaining forest diversity. Sustainable forestry requires that structural and compositional components be maintained in a vigorous and productive condition. Sustainable forestry regimes recognize that some areas cannot be put under extractive management without fundamentally compromising their key resource values. The challenge is to identify systematically areas of unique importance and to employ means for assuring their retention.

Riparian Habitats

Grantor maintains and protects riparian ecosystems. Grantor's goal is to maintain quality watercourses and wildlife habitat primarily with the retention of riparian ecosystems.

Grantor has selected riparian corridor management as the primary tool to address wildlife habitat, fisheries, and watershed management. Concentrating these facets of forest management in riparian corridors gives Grantor the most effective management while minimizing potential conflicts with timber management activities. Thus, the emphasis of management in the riparian corridors will be managing for wildlife, fisheries, and watersheds. Conversely, the primary emphasis for upland forest areas will be to manage for timber production. The good sense of this approach is that most of the best timber growing sites are the upland sites and the most valuable wildlife habitat is in the riparian corridors.

Watercourses have been separated by size, which is somewhat correlated to importance to wildlife. The riparian corridors adjacent to large streams and water bodies are wider, reflecting use by more species of wildlife, higher aesthetic values and, in some cases, greater vulnerability to water quality degradation. In upland areas the primary management goal is to grow, manage, and harvest timber. In riparian corridors the primary management goal is to provide a healthy riparian ecosystem. Each site, harvest prescription, and road crossing has unique characteristics because of the diversity of terrain, the type of water body and the planned management activity. The management goal is to maintain quality riparian ecosystems.

Wildlife Management

Managing wildlife habitat is an integral function of forest management. Grantor's goal is to generate viable yields of forest products in an economical manner while maintaining healthy wildlife habitat.

Wildlife management practices are routinely incorporated into timber management activities to retain or create desirable features such as riparian habitat, wildlife cavity trees, mast availability, logs and brush for shelter, promoting vertical and horizontal diversity, vernal pools, and featured species management. Wildlife management considers all species of wildlife, beyond game and socially important species.

Pesticide Use

Pesticides are used only when absolutely necessary. Grantor's goal is to implement management practices designed to minimize or eliminate future dependence on pesticides. Grantor's lower impact silvicultural practices should require less herbicide use. There are, however, areas which will need herbicide to achieve satisfactorily stocked softwood stands. Grantor encourages stands with more diverse structure and composition as they are more resistant to disease and contain a wider variety of natural budworm, predators. Shelterwood and unevenaged management systems in softwood stands are used whenever practical to reduce herbicide use necessity.

CLEAR-CUTTING

Grantor will strive to maintain no more than 3 % of the Property in a clear-cut condition except that 7% additional acres may be clear-cut as long as every acre clear-cut in excess of the 3% base limit is matched with an acre of land that was planted or precommercially thinned in the previous year.

Clear-cutting may be employed only for one or more of the following purposes:

1. Removal of poor-quality, intolerant, understocked, short-lived, or residual overstories where the retention of the overstory trees is not justified for farther increase in value, as a source of seed, or for protection of the new stand.
2. Ecologically appropriate improvement or creation of wildlife habitat.
3. Removal of timber stands that, if partially harvested according to acceptable silvicultural practice, are at high risk for windthrow due to factors such as soils, rooting depth, crown ratio, or stem quality.
4. Plantation harvest.
5. Plantation establishment.

EXHIBIT E

St. John River Corridor Management Provisions

1. Objectives. The objectives of the St. John River Corridor Management Provisions are to conserve and manage the St. John River Corridor Area (the “River Corridor Area”) to protect and maintain: (i) wildlife and plant habitat, including habitat for unique, rare or endangered species; (ii) the integrity of the St. John River watershed, including the River Corridor Area’s substantially undisturbed natural state dominated by long-lived species of advanced ages and including significant dead and down woody debris; and (iii) low impact recreational uses that do not adversely affect the scenic character, conservation values and ecological integrity of the area, including the remote backcountry recreational canoeing experience available to visitors to the area. Terms used in this Exhibit E shall have the same meaning prescribed to them within the Easement.
2. Permitted Activities. No Forestry Activities or Permitted Non-Forestry Activities shall be permitted within the River Corridor Area except as follows:
 - (a) Forestry Activities. Upon the written agreement of the Grantor and the Maine Chapter of The Nature Conservancy, and prior notice to the Grantee, Forestry Activities may be performed by the Grantor as required for (i) public safety, (ii) recreation management, (iii) species management, including to restore and/or maintain habitat for rare and endangered species, (iv) to preserve the recreational and scenic values of the River Corridor Area, or (v) in response to major natural disasters, such as large blowdowns or insect infestations which result in extensive dead or severely diseased or damaged vegetation that create a fire or safety hazard to visitors on or nearby the River Corridor Area. In addition, the Grantor may cut, prune, remove, or otherwise alter live vegetation to the minimum extent necessary to establish trails, undertake archaeological investigation, and maintain and replace improvements permitted within the River Corridor Area. Maintenance of existing woods roads shall be permitted within the River Corridor Area; however, construction of new roads shall not be permitted at any time (except for new roads and/or fire breaks constructed on an emergency basis to fight forest fires). Any Forestry Activity shall be conducted so that any disturbed surrounding areas are restored, as soon as and to the extent practicable, to a substantially undisturbed natural state. Forestry Activities resulting in the harvesting of timber shall only occur as necessary to prevent the spread of fire, disease or exotic intrusion, to maintain habitat for rare or endangered species and to preserve the recreational and scenic values of the St. John River. Any income derived by the Grantor from harvesting timber within the River Corridor Area shall be used, first, to reimburse the Grantor for all expenses associated with the harvesting activity, and second, any remaining income shall be contributed by the Grantor to a non-profit organization then qualified for tax exemption under Section 501(c)(3) of the Internal Revenue Code, which organization shall be chosen by mutual agreement of the Grantor and the Maine Chapter of The Nature Conservancy at the time of such contribution.

(b) Permitted Non-Forestry Activities. Low impact recreational activities, including, without limitation, canoeing, primitive camping, nature observation, hiking, snowshoeing, fishing, and hunting, shall be permitted consistent with the objectives set forth in Paragraph 1 above.

3. Improvements. Structures and improvements existing on the date of this grant within the River Corridor Area may be maintained, repaired and replaced. No additional structures or improvements, temporary or permanent, shall be installed, constructed, maintained or replaced from time to time within the River Corridor Area in connection with the activities permitted under Paragraph 2 of this Exhibit E, except, as determined by the St. John River Advisory Committee of the North Maine Woods, or if such organization ceases to exist, by mutual agreement of the Grantor and Grantee, those designed to enhance the opportunity for low impact public use and the preservation of the conservation values (for example, small unlighted directional and informational signs to direct, control and enhance public use, and other structures, necessary for proper establishment or maintenance of pedestrian trails and dispersed primitive campsites).

Excavation, Filling, Dredging or Other Alteration. Excavation, filling, dredging or other alteration shall occur within the River Corridor Area only to the minimum extent necessary to install structure and improvements permitted under Paragraph 3 above and to maintain existing structures and improvements and woods roads. All surface alterations shall be designed to prevent soil erosion, prevent habitat damage and preserve the undeveloped scenic views of the River Corridor Area from the St. John River.