

December 1, 2002

CONSERVATION EASEMENT

SEHOY PLANTATION

(TANYARD PROPERTIES, INC. /CAMPBELL B. LANIER, III)

STATE OF ALABAMA

COUNTIES OF BULLOCK AND MACON

THIS CONSERVATION EASEMENT (herein Conservation Easement) is made as of the 1st day of December, 2002, by and between **TANYARD PROPERTIES, INC.**, a Sub-chapter S corporation wholly owned by Campbell B. Lanier, III, whose address is 3300 20th Avenue, Valley, Alabama 36854-0020 (hereinafter Grantor), and **THE ALABAMA FOREST RESOURCES CENTER, INC.**, an Alabama nonprofit corporation, with an address of 169 Dauphin Street, Suite 302, Mobile, Alabama 36602 (hereinafter Grantee).

The designation Grantor and Grantee as used herein shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine, or neuter as required by context.

RECITALS

A. Grantee is a nonprofit corporation established for charitable, educational and scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder (hereinafter, the "Internal Revenue Code"), including specifically the following corporate purposes: to foster, develop, encourage and promote to and for the public an awareness of forest resources in Alabama and to further the relationship and interdependence of man and our natural resources; to promote public awareness of the forest and the vast diversity of its resources – including the impact of those resources on the lives of the people of Alabama; and to promote privately owned forest land assets and to foster good stewardship. Further, Grantee has established a program specifically for the protection of open space that includes forest land, farm land and their associated invaluable natural habitats.

B. Grantor owns in fee simple certain real property situated, lying, and being in Bullock and Macon Counties in Alabama, and more particularly shown and described in Exhibit A attached hereto, containing approximately 10,517.2 acres, more or less. Said

Grantor _____ Date _____ Grantee _____ Date _____

property contains uplands and wetlands, including parts of natural and productive wetlands identified as Special Natural Areas in the Easement Documentation Report for Sehoj Plantation Conservation Easement, dated October 1, 2002 (hereinafter, the EDR), which EDR variously refers to the Conservation and Forest Management Plan (attached hereto and made a part hereof as Exhibit B, but not recorded herewith) as the "Management Plan" and the "FMP." The EDR, attached hereto and made a part hereof as Exhibit C, is not, however, recorded herewith. The above described wetlands and uplands lie within that property known as Sehoj Plantation, which 10,517.2 acres is hereinafter referred to as the Property.

Over a period of years, additional acreage may be subjected to this Conservation Easement by amendments adding site-specific conditions. By the execution of such amendments, the additional acreage will become subject to the terms and conditions hereof as limited or expanded by site-specific reference in the amendment conditions. As herein used, the term Property shall refer to the specific 10,517.2 acres described on Exhibit A, and as acreage is added by amendment, the term Property shall include such additional acreage.

C. Grantor is willing to grant a perpetual Conservation Easement over the Property in accordance with and under authority of Sections 35-18-1 through 35-18-6, Code of Alabama 1975, thereby restricting and limiting the use of the land and contiguous water areas of the Property, on the terms and conditions and for the Conservation Purposes hereinafter set forth, and Grantee is willing to accept such Conservation Easement.

D. The Property is characterized by the following Conservation Values, to wit:

1. Scenic, natural, cultural, and rural qualities that have not been subject to significant development and significant natural areas that provide a relatively natural habitat for fish, wildlife, plants, or similar ecosystem as that phrase is used in Section 170(h)(4)(A)(ii) of the Internal Revenue Code; such natural areas include upland longleaf pine forests, both natural and old field pine stands, associated southern bottomland hardwood forests, forest soils and environment capable of supporting endangered flora such as Relict Trillium (*Trillium reliquum*), endangered fauna such as red cockaded woodpecker (*Picoides borealis*) and various state listed protected species, various wetlands, and natural and man-made ponds, lakes, and high-quality wetlands and transition habitats. The population numbers of the wildlife on the Property would decline or be extinguished if the habitat created by the forests, fields, and wetlands on the Property were improvidently altered or removed or subdivided into small tracts.

2. Hunting land, productive farmland, and forest land that sustains for the long term both the economic and Conservation Values of the Property and its environs, which economic and Conservation Values are preserved through management guided by the following principles (hereinafter, the Principles of Sustainable Conservation Management):

- protection of scenic and other distinctive rural characteristics of the landscape of the Property;
- maintenance of soil productivity and control of soil erosion;
- maintenance and enhancement of wildlife and game habitat;
- maintenance and enhancement of habitat conducive to the propagation of the southern bobwhite quail and the operation of the Property as a quail hunting plantation as set forth in the EDR;
- protection of unique and fragile natural areas, native and rare species habitats, as described in the EDR;
- maintenance and/or creation of a healthy balance of uneven-aged timber classes;
- maintenance or improvement of the overall composition and quality of the timber resource;
- maintenance of the value of the resource in avoiding land fragmentation;
- protection of surface water quality, wetlands, and riparian areas.

3. Open space, including scenic values, which can be enjoyed by the general public from Macon County Road No. 2, Bullock County Roads No. 40, 102, and 103, and Alabama State Highway 51, and productive farm and forest land characteristics of the Property consistent with and described in Section 170(h)(4)(A)(iii) of the Internal Revenue Code. Preservation of these open space values yields significant public benefit.

4. Historically important land, consistent with and described in Section 170(h)(4)(A)(iv) of the Internal Revenue Code, development and fragmentation of which would lead to or contribute to degradation of the scenic, natural, rural, and historic character of the area.

These Conservation Values are described in and are in accordance with Section 170(h) of the Internal Revenue Code.

E. The Conservation Purposes (hereinafter defined), specific features, and Conservation Values of the Property are described, documented, located, and mapped in the EDR. The parties acknowledge that the EDR accurately establishes the uses, structures, improvements, condition, and Conservation Values of the Property as of the effective date hereof.

F. Grantee is a tax-exempt publicly supported charity under Sections 501(c)(3), 509(a)(1) and 170(b)(1)(A)(vi) of the Internal Revenue Code, is authorized by

the laws of the state of Alabama (Section 35-18-1 through 35-18-6, Code of Alabama 1975) to accept, hold, and administer conservation easements, possesses the authority to accept and is willing to accept this Conservation Easement under the terms and conditions hereinafter described, and is a qualified organization and an eligible donee within the meaning of Section 170(h)(3) of the Internal Revenue Code and regulations promulgated thereunder.

G. Grantor and Grantee recognize the traditional uses of the Property for farming, forestry, and wildlife, game management, and other naturalistic purposes since the early 1900s, which uses have fostered and preserved the Conservation Values described above. These traditional land uses include, but are not limited to, forestry, agriculture, game management, and especially quail hunting.

H. The preservation of the Property protects habitat for wildlife through the long-term conservation and propagation of various species of animals and birds, including migratory waterfowl, upland game birds, and a wide variety of song birds, and preserves the recreational uses to which the Property has traditionally been devoted, such as shooting, hunting, and fishing, as well as agriculture, forestry, and other uses which are compatible with the conservation and protection of the Property.

I. There are three (3) exhibits to this Conservation Easement, all of which are attached hereto and made a part hereof by reference:

- Exhibit A Legal description (the Property),
- Exhibit B Conservation and Forest Management Plan for Sehoj Plantation (referred to herein as the Management Plan and variously referred to in said Management Plan and in the Easement Documentation Report, below, as the "Management Plan" and the "FMP"), and
- Exhibit C Easement Documentation Report for Sehoj Plantation (the EDR).

While the Management Plan is attached hereto as Exhibit B, the EDR is attached hereto as Exhibit C and both are incorporated herein by reference, in the interest of efficiency, neither the Management Plan (Exhibit B) nor the EDR (Exhibit C) are recorded but are maintained instead at the offices of Grantee.

NOW, THEREFORE, as an absolute charitable gift of no monetary consideration but in consideration of the mutual covenants, terms, conditions, and restrictions hereinafter set forth, Grantor unconditionally and irrevocably hereby grants and conveys unto Grantee, its successors, and assigns, forever and in perpetuity, a Conservation Easement of the nature and character, and to the extent hereinafter set forth, over the

Property more particularly described in Exhibit A attached hereto, together with the right to preserve and protect the conservation values of the Property.

The Conservation Purposes of this Conservation Easement are to preserve and protect the Conservation Values of the Property referenced in the Recitals above, which the parties agree are a part of the Conservation Easement, and to maintain permanently the open space value of the Property and the dominant woodland, scenic, historic, cultural, rural, agricultural, wildlife, game management and natural character of the Property, including its land and water resources.

To achieve these Conservation Purposes, the following conditions and restrictions are set forth:

ARTICLE I. DURATION OF EASEMENT

This Conservation Easement shall be perpetual. It is an easement in gross, runs with the land (the Property) and is enforceable by Grantee against Grantor, his/its personal representatives, heirs, successors and assigns, lessees, agents, and licensees.

**ARTICLE II. PROHIBITED, RESTRICTED, PERMITTED,
AND RESERVED ACTIVITIES AND RIGHTS**

Any activity on, or use of, the Property not inconsistent with the Conservation Purposes of this Conservation Easement and the provisions of the Management Plan, and not specifically prohibited by this Conservation Easement or applicable public law and regulation is permitted. The Property shall be maintained in its natural, scenic, agricultural, rural, and open condition, and restricted from any development or use that would impair or interfere with (1) the Conservation Purposes of this Conservation Easement set forth in the Recitals above, and (2) the purpose of encouraging the long-term economic sustainability of the Property as a working landscape, producing income from activities that sustain or are otherwise consistent with said Conservation Purposes, including the production of forests, agricultural crops, and active wildlife management practices which enhance hunting, shooting, and fishing.

All rights reserved by Grantor are considered to be consistent with the Conservation Purposes of this Conservation Easement and the Principles of Sustainable Conservation Management, and, except to the extent that prior written approval of Grantee is required by this Conservation Easement or Management Plan, require no prior notification to or approval by Grantee. Notwithstanding the foregoing, the Grantor and Grantee have no right to agree to any activity that would result in the termination of this Conservation Easement or that would cause it to fail to qualify as a qualified conservation

contribution as described in Section 170(h) of the Internal Revenue Code, or any regulations promulgated thereunder.

Without limiting the generality of the foregoing, the following activities and uses are expressly prohibited and restricted, or – to the extent allowed under all applicable federal, state or local laws, regulations or ordinances - permitted and reserved to Grantor, its successors and assigns.

A. Industrial and Commercial Use. Industrial and commercial activities are prohibited on the Property except: (1) such activities as can be conducted in existing and permitted structures without alteration of the external appearance thereof, except such alteration as is otherwise permitted herein; (2) agriculture and forestry as described herein; (3) the leasing of hunting, fishing, hiking, horseback riding rights, and suitable recreational access to and uses of the Property; and (4) construction and leasing of not more than two communication towers of not more than 300 feet in height at locations to be approved by Grantee, which approval shall not be unreasonably withheld. "Agriculture" and "forestry" shall include but not be limited to the existing agricultural uses described in Section B of this Article, animal husbandry, floriculture, and horticulture activities; the production of plant and animal products for domestic or commercial purposes; the growing, stocking or cutting, and sale of trees; and the processing and sale of products produced on the Property (such as pick your own fruits and vegetables, pine straw, row crops, or other farm or forest-related products). The Grantor may permit the use of the Property by guests, paying club members, or lessees so long as the other applicable provisions of this Conservation Easement are met. New construction shall be limited to buildings and improvements permitted in Section J of this Article.

B. Agricultural and Horticultural Use. Existing agricultural, grazing, and horticultural uses of the Property as described in the EDR may continue provided, however, that:

1. All such activities shall be conducted in accordance with all pertinent local, state and federal regulations and guidelines covering such activities, and Best Management Practices thereof unless the terms of the Conservation Easement (including the Management Plan) provide otherwise, in which case they shall be conducted in accordance with pertinent provisions of the Conservation Easement or Management Plan. In the event of a conflict between the terms of the Conservation Easement and those of the Management Plan, the terms of the Conservation Easement shall control;

2. All such activities described in the EDR (Exhibit C, attached hereto but not recorded herewith) and the Management Plan (Exhibit B, attached hereto but not recorded herewith) are hereby found to be consistent with the Principles of Sustainable Conservation Management set forth herein and are not, and shall not in the future be, detrimental to the scenic, historic, natural area, and native species habitat protection, wildlife and game habitat protection, bobwhite quail habitat protection, and

sustainable forestry purposes of this Conservation Easement as described in the EDR and the Management Plan;

3. All such activities shall be designed to maintain soil productivity and prevent soil erosion, to protect water quality and wetlands and to maintain the scope of traditional or existing agricultural and forestry activities. Agricultural activities, including but not limited to the raising, cultivation and harvesting of plants and the breeding, raising, training, care and sale of livestock, horses, poultry, waterfowl, fish and other domesticated animals, shall be conducted on a traditional scale such as characterized uses of the Property in the past and shall not be conducted as industrial or factory-type agricultural operations or by the continuous confinement of livestock, horses, poultry, waterfowl or fish in tightly confined environments for the purpose of raising, feeding, and fattening for market. Agricultural activities may be rotated, such that any portion of the Property used for any of above described agricultural activities may be converted to, and used for any other above described agricultural activity subject to, and in accordance with the terms and conditions of this Conservation Easement. Slaughtering facilities are prohibited; and

4. No naturally forested area as set out in the EDR and the Management Plan may be cleared for agricultural or grazing activity except such areas that, as a consequence of such clearing, also produce better wildlife habitat. Fields in existence at the time of conveyance of this Conservation Easement as set out in the EDR and the Management Plan may be reclaimed to field conditions for pasturing and agricultural uses at any time. The Grantor may not introduce into the Property for raising, harvesting and cultivation any plant species that is not native to Bullock and Macon Counties, Alabama, as Grantor may determine in consultation with Grantee and the Extension Service of the federal Natural Resources Conservation Service. The Grantor will not construct, conduct, or operate a game farm, or raise or hold game farm animals on the Property. Game farm animals include game farm animals regulated or prohibited by the State of Alabama and also include penned, enclosed or privately-owned caribou, all species of deer other than whitetail deer (*Odocoileus virginianus*), elk, moose, antelope, mountain sheep, mountain goat, and any other cloven-hoofed ungulate which could interbreed with or spread disease to any cloven-hoofed ungulate indigenous to Alabama. For purposes of this paragraph, game farm animals do not include any species of geese, ducks, quail, pheasant, grouse, partridge, chucker, and any other upland game birds.

5. The Grantor may use agrichemicals and biological controls, including but not limited to insects, fertilizers, biocides, herbicides, pesticides, insecticides and rodenticides, but only in accordance with all applicable laws, in those amounts and with that frequency of application constituting the minimum necessary to accomplish reasonable grazing, agricultural and forestry objectives, and to the extent that there is not a demonstrable detrimental effect on the Conservation Values of the Property. The use of such agents shall be conducted in such a manner as to minimize any adverse effect upon the Conservation Values of the Property and to avoid any impairment of the natural ecosystems and their processes.

C. Forestry. Selective timber management by thinning, harvesting, and planting of the Property may continue provided, however, that:

1. All such activities shall be conducted in accordance with the forestry management provisions of the Management Plan, which will incorporate all applicable governmental regulations or guidelines covering such activities as well as the Best Management Practices guidelines for the timber industry promulgated in the State of Alabama. In the event of a conflict between the terms of the Management Plan and the remaining terms of this Conservation Easement, the terms of the Conservation Easement shall control; and

2. Such activities shall not be detrimental to the scenic, historic, natural area and rare species habitat protection, wildlife and game habitat protection, and sustainable forestry purposes of this Conservation Easement.

D. Management Plan. The current Conservation and Forest Management Plan is consistent with the terms of this Conservation Easement, has been approved by the Grantor and Grantee, and is attached hereto as Exhibit B (which Exhibit B is not recorded herewith but maintained in the offices of the Grantee). It shall be amended in writing by mutual agreement of the Grantor (including all owners of parcels of the Property conveyed into separate ownership in accordance with Section I of this Article) and Grantee at least once every ten (10) years beginning from the effective date of this Conservation Easement. The Management Plan encourages long-term sustainable stewardship forestry to provide income from sustainable, consumptive uses of wildlife and natural resources of the Property that are consistent with the Conservation Purposes of this Conservation Easement. The current Management Plan includes, and all future Management Plans will include at a minimum:

1. Timber harvest goals and standards specific to slash, longleaf, loblolly, and shortleaf pine stands, as well as pine plantations and natural hardwood stands;

2. Management guidelines for Special Natural Areas identified in the EDR, which include habitat for rare plants, animals, or ecosystems, such as red-cockaded woodpecker nesting cavities, hardwood bottoms and drainages, wetlands and riparian areas, et cetera. See also Section N of this Article regarding timbering in Special Natural Areas;

3. A prescribed burn program; and

4. Other management practices conducive to the propagation and retention of native plants and wild populations of game and non-game species of birds, mammals and fish, and avoid any inconsistent uses described in Section L., below.

The Management Plan may include guidelines that are made specific to portions of the Property, including such portions conveyed into separate ownership in accordance with Section I of this Article. In the event Grantor fails to implement management activities set forth in the Management Plan, including, but not limited to, prescribed burning or natural area management, and such failure continues fifteen (15) days after delivery of Grantee's written notice to Grantor without a schedule of implementation having been agreed to by the Grantor and Grantee, then Grantee, by written notice to Grantor, may institute mediation proceedings to resolve the disputed issues. In the event such mediation does not resolve the disputed issues within thirty (30) days after Grantor's delivery of such notice, then the Grantee without further notice, shall have the right, but not the obligation, to implement such management activities at its expense using trained staff or outside contractors. To the extent that such expenses, if incurred by Grantee, are certified as reasonable and necessary expenses for the protection of the Property's Conservation Values by the Alabama Forestry Commission, or, if it is unable or unwilling to act, the Natural Resources Conservation Service of the United States Department of Agriculture, or, if it is unable or unwilling to act, a forester registered in the state of Alabama acceptable to both parties, then Grantee may at Grantee's option and discretion file a lien on the Property or on such portion conveyed into separate ownership for which the expense was made. Such lien shall be recorded in the appropriate public records of Bullock and Macon Counties, Alabama, with the same effect and priority as a mechanic's lien, except that such lien shall not jeopardize the priority of any recorded lien of mortgage or deed of trust given in connection with a promissory note secured by all or a portion of the Property.

E. Hunting, Fishing, and Other Recreational Activities. Grantor reserves the right in accordance with all applicable law and regulations to hunt with or without dogs, shoot, fish, trap, and conduct field trials on the Property, and the right to lease all or any portion of the Property for hunting with or without dogs, shooting, trapping, fishing, hiking, biking, horseback riding, and conducting field trials, as well as the right to charge members of a hunting club or individuals a fee to conduct such activities, and other recreational activities permitted in this Conservation Easement or the Management Plan.

F. Signage. Display of billboards, signs, or advertisements is prohibited on or over the Property, except for the posting of no trespassing signs, signs identifying the Conservation Values of the Property, and/or identifying the Grantor as owner of the Property, directional signs, informational signs advertising on-site permitted activities or signs advertising the Property for sale or rent, provided that these signs are no larger than 25 square feet, are permitted.

G. Dumping. Dumping of nonbiodegradable substances such as chemicals and other hazardous substances, trash, garbage, wastes, abandoned vehicles, appliances, machinery, or other nonbiodegradable material on the Property is prohibited. This prohibition shall not be construed to include the dumping on the Property in areas not visible to the public from public roads and at least two hundred (200) feet from any watercourse or water impoundment of biodegradable waste generated on the Property which results from permitted activities, including agriculture, forestry, timbering, land

clearing, animal husbandry, and game management conducted in accordance with the provisions of this Conservation Easement and the Management Plan.

H. Mineral Use, Excavation, Dredging. There shall be no filling, excavation, dredging, mining, or drilling, no removal of topsoil, sand, gravel, rock, peat, minerals, or other materials, and no change in the topography of the land in any manner except as follows: (a) as reasonably necessary for the purpose of combating erosion or flooding, (b) as necessary for construction and maintenance on the Property of roads, bridges, and culverts permitted hereunder; (c) the removal, relocation, sale, and/or use on the Property and adjacent land owned by the Grantor of the materials, including gravel, rock, and slag, contained in the existing abandoned railroad right of way, so long as the area from which the material is taken is returned to the approximate level or grade of the surrounding land; and (d) by reservation for Grantor, for himself, his successors and assigns, of the right to explore, extract and remove oil, gas and other hydrocarbons by such methods that have limited, localized and reversible impact on the Property and that are not irretrievably destructive of the Property's Conservation Values. Any oil, gas and other hydrocarbon exploration, extraction and removal facilities shall be concealed and made compatible with existing topography and landscaping, and at the conclusion of such activity any disturbed surface shall be restored to its condition preceding the commencement of such activity. In no event shall there be at any time any extraction or removal of minerals by any strip or surface mining method. Additionally, any exploration, extraction or removal as conditionally permitted above shall be conducted in a manner consistent with any applicable federal, state, or local regulations in effect from time to time governing qualified conservation contributions. Grantor agrees to notify Grantee in writing prior to exercising the right to explore, drill or extract minerals reserved under this Section.

I. Conveyance and Subdivision.

1. The Property shall not be subdivided, except the Property may be divided into parcels of not less than 1,000 acres and conveyed to separate owners; however, each conveyance shall remain subject to the terms of this Conservation Easement (including the Management Plan), and no parcel shall be conveyed which is less than 1,000 acres in size. The location of any site for the construction of new residential structures and accessory structures thereto within a Headquarters Site within each parcel as described in Section J of this Article must be approved in writing by Grantee prior to the commencement of construction, which approval may not be unreasonably withheld. The Grantor shall have the right to convey the entire Property in one conveyance, which conveyance shall be subject to the terms and conditions of this Conservation Easement. The provisions of this paragraph do not and are not intended to limit the right of Grantor to convey interests in part or in whole in ownership entities that hold title to all or any portion of the Property.

2. Grantor shall have the right to transfer by sale, trade, or gift, all or any portion of the Property to Campbell B. Lanier III or Campbell B. Lanier, IV, or their spouses, any of their siblings, children, grandchildren, or their spouses, or to trusts, corporations, partnerships, or limited liability companies owned by them or established

for their benefit. Such transfers may be in tracts of less than 1,000 acres if a part of a pattern of giving or transfer that will ultimately result in the transferee owning not less than 1,000 acres, and only if, prior to the initial transfer of any parcel of less than 1,000 acres, the Grantor thereof serves written notice on Grantee herein of the commencement of a pattern of transfers, provides a description of the parcel to be transferred and a description of the total acreage to be ultimately transferred, and acknowledges the responsibility of the Grantor for compliance with the terms of this Conservation Easement until a total of 1,000 acres is conveyed, and further confirms that such property is transferred subject to this Conservation Easement.

J. Residential Use, Improvements, New Construction, and Access Thereto.

There shall be no residential use, nor any building, facility, mobile home, or other structure constructed or placed on the Property, nor any construction of any new permanent roads, nor any widening of existing roads except that Grantor may exercise the following rights in accordance with the following approval and notice provisions:

1. Each parcel in separate ownership containing at least 1,000 acres may include one (1) Headquarters Site, the total of such Headquarters Sites on the Property not to exceed ten (10). The location of each Headquarters Site shall be subject to the prior written approval of the Grantee, which approval may not be unreasonably withheld. The size of each Headquarters Site shall not exceed fifteen (15) acres. Each Headquarters Site may contain no more than two (2) houses solely used as residences in accordance with the provisions of this Section; no more than one (1) lodge for temporary housing of guests and for service activities; no more than three (3) guest houses; any number of sheds, barns, kennels, garages, picnic shelters, and barns not for human habitation; and wells, septic systems, utility services, pastures and other cleared areas. The total coverage on the ground within each Headquarters Site of buildings under roof shall not exceed thirty thousand (30,000) square feet. Access roads to and through each Headquarters Site may be constructed in accordance with paragraph 4 of this Section J. Utilities to and through each Headquarters Site and appropriate to the management of the Property consistent with the predominantly rural, agricultural, scenic, and natural values of the Property may be constructed. There shall not be more than two (2) permanent residential units per house and per guest house, nor shall the houses and guest houses within each Headquarters Site be developed as cluster housing, nor shall they be owned under condominium or cooperative ownership but shall instead be retained under single ownership, nor shall they be used as apartments for tenants. In clarification of the above, use of the houses and guest houses for members of Grantor's family, Grantor's guests, paying club members, and/or lessees of Grantor is permitted.

2. Outside the Headquarters Sites, with the prior written approval of Grantee, which approval will not be withheld if significant Conservation Values are not adversely impacted in the determination of Grantee, to construct accessory structures designed, constructed, and utilized for the purpose of serving existing or permitted residences (for example, garage, well house); accessory structures and improvements designed, constructed, and utilized for the purpose of serving traditional, existing, or permitted uses of the Property (for example, sheds', picnic shelters, kennels, and horse

barns); and facilities normally used in connection with supplying utilities to and removing effluent from the existing and permitted structures and improvements. The total coverage on the ground of buildings under roof outside Headquarters Sites shall not exceed thirty thousand (30,000) square feet in total. In the event of subdivision in accordance with paragraph Article II.I, no more than three thousand (3,000) square feet of building under roof shall be allowed outside Headquarters Sites for each one thousand (1,000) acres included in each parcel. Irrespective of the above, no new structures or improvements shall be permitted in Special Natural Areas, unless provided for in the Management Plan and specifically agreed to by Grantee in writing or unless constructed for fishing, hunting or shooting purposes in accordance with the provisions of Section N of this Article;

3. Upon prior written notice to Grantee, to replace all existing structures and improvements as identified in the EDR and other structures and improvements permitted under this Conservation Easement with structures and improvements that are used for traditional, existing, or other permitted purposes; to improve, repair, restore, alter, remodel, maintain, and expand all existing structures and improvements as identified in the EDR, and new or replacement structures and improvements permitted under this Conservation Easement, except that changes to accommodate industrial or commercial uses shall not significantly modify the size or external appearance of the structures. Significant modifications to size shall be defined as increasing the square foot area of the structure by more than 20 per cent. Significant modifications to the external appearance shall be defined as changing the external architectural style of the structure from the original structure as depicted in the EDR.

4. To construct and maintain reasonable means of access to all permitted structures for all permitted uses; provided, however, that (a) the traveled portion of any road, driveway or right of way may not be wider than twenty (20) feet; (b) construction of roads and driveways shall be limited to permeable materials; and (c) maintenance of roads and driveways shall be limited to removal of dead vegetation, necessary pruning or removal of hazardous trees and plants, application of permeable materials necessary to correct or impede erosion, grading, replacement of culverts and bridges, and maintenance of roadside ditches.

5. To remove, sell for removal, or demolish any of the existing silos, buildings, or equipment located on the Property and not defined in the EDR as having historic or Conservation Value.

K. Water Quality and Drainage Patterns. The Grantor shall manage the Property in a manner to prevent pollution, alteration, or depletion of surface water, natural water courses, subsurface water, or any other water bodies, except that Grantor reserves the following rights:

1. To continue to operate, maintain, or replace existing ground water wells and to add new wells incident to all permitted uses on the Property, including

wildlife management purposes, residential use, any farm headquarters complex, agricultural field irrigation, all subject to legally required permits and regulations; and

2. To maintain or replace the existing man-made ponds on the Property and to construct additional man-made waterfowl ponds, impoundments, and fishing ponds that in the opinion of Grantor shall enhance and support waterfowl and fishing, and to construct additional man-made waterholes (0.1 – 0.2 acres each) for habitat improvement for deer and turkey. The location of any site for a new pond must be approved in writing by Grantee prior to the commencement of construction, which approval may not be unreasonably withheld. Grantee's request for Grantor's approval shall include copies of all applicable local, state, and federal permits for the desired activity.

3. The provisions herein shall not be construed to prohibit any activity intended to restore any surface water, water course, or wetland to its natural and unpolluted condition.

4. To sell water rights only with the specific prior written approval of Grantee, which approval may be conditioned or withheld if the Grantee in its sole discretion determines that the sale of water rights will have an adverse impact on the Property's significant Conservation Values.

L. Inconsistent Use. There may be no use or activity on the Property that, while consistent with one of the Conservation Purposes of this Conservation Easement, would permit destruction or impairment of significant Conservation Values. An inconsistent use that is destructive of Conservation Values is permitted only if such use, in the opinion of the Grantee, is necessary for the protection of the Conservation Purposes of this Conservation Easement.

M. Development Rights. With the exception of those uses and activities reserved to Grantor herein, Grantor conveys to Grantee all development rights that are now or hereafter allocated to, implied, reserved, or inherent in the Property. The parties agree that – upon their transfer to Grantee - such rights are terminated and extinguished, and may not be further used or transferred. The Property and any portion thereof shall not be included as part of the gross area of other property not subject to this Conservation Easement for the purposes of determining density, lot coverage, or open space requirements under otherwise applicable laws, regulations, or ordinances controlling land use and building density. No development rights which have been encumbered or extinguished by this Conservation Easement shall be transferred to any other lands pursuant to a transferable development rights scheme or cluster development arrangement or otherwise; provided, however, that with prior written permission of the Grantee, this Section shall not preclude such transfer of development rights resulting from the destruction or demolition of any existing residential building on the Property.

N. Special Natural Areas. There are certain significant naturally occurring ecosystems within the boundaries of the Property, as more particularly identified as the

Special Natural Areas in the EDR. The boundaries of Special Natural Areas may be redrawn from time to time by Grantee upon delivery of a copy of an updated map thereof by Grantee to Grantor, subject to the written approval of Grantor, which may not be unreasonably withheld. Special Natural Areas can be enlarged or modified with the concurrence of the Grantor and Grantee. Modifications to Special Natural Areas in accordance with the provisions of this Section shall be recorded in the public records of Bullock and Macon Counties, Alabama. Notwithstanding any other provision to the contrary, there shall be no construction of improvements as described in Section J of this Article in any Special Natural Area identified in the EDR, nor any use of the Property which would impair or destroy the significant Conservation Values of the Special Natural Areas. Management and use of the Special Natural Areas will be in accordance with the pertinent provisions of the Management Plan. Any timbering in a Special Natural Area is subject to the prior written approval of Grantee, which approval may be withheld upon Grantee's determination that significant Conservation Values will likely be impaired.

Nothing herein shall prohibit the Grantor from constructing riding trails, docks, duck blinds, platform duck blinds, deer stands, access to and from water areas for fishing, hunting and shooting including, where necessary and where approved in writing by Grantee, limited excavation and dredging for the sole purpose of access for hunting, shooting, fishing, and permitted activities. The approval by Grantee shall not be unreasonably withheld.

O. Proceeds from Permitted Activities. The Grantor has reserved and is permitted certain rights hereunder, including the right to maintain permitted agricultural activities, harvest timber, the limited extraction of certain minerals, lease hunting, fishing, and other rights, all subject to the specific restrictions contained herein; and any and all proceeds from such permitted activities are and shall remain the sole property of the Grantor.

ARTICLE III. ENFORCEMENT AND REMEDIES

A. Upon any breach of the terms of this Conservation Easement by Grantor or by a third party that comes to the attention of the Grantee, the Grantee shall notify the Grantor in writing of such breach. The Grantor shall have ninety (90) days after receipt of such notice to undertake actions that are reasonably calculated to correct promptly the conditions constituting such breach. If the breach remains uncured after ninety (90) days, the Grantee may exercise any or all of the following remedies:

1. Institute suits to enjoin any breach or enforce any covenant by *ex parte*, temporary, and/or permanent injunction either prohibitive or mandatory, and/or to recover any damages from injury to any Conservation Values protected by this Conservation Easement, including damages for the loss of scenic, aesthetic, environmental values; and

2. Require that the Property be restored promptly to the condition required by this Conservation Easement.

Grantee's remedies shall be cumulative and shall be in addition to any other rights and remedies available to Grantee at law or equity.

B. No failure on the part of Grantee to enforce any covenant or provision hereof shall discharge or invalidate such covenant or any other covenant, condition, or provision hereof, or affect the right of Grantee to enforce the same in the event of a subsequent breach or default.

C. Grantee, its employees and agents, and its successors and assigns, have the right, with reasonable notice, to enter the Property twice each calendar year, in the spring/summer and fall/winter, unless a breach has been alleged by Grantee and is currently the subject of mediation or litigation, or, unless Grantee by its president has given written notice to Grantor that it has a good faith reason to believe a breach has occurred, in which event, Grantor shall allow entry of the Property by Grantee within twenty-four (24) hours of Grantee's delivery of such written notice, for the purpose of inspecting the Property to determine whether the Grantor, his/its personal representatives, heirs, successors, or assigns are complying with the terms, conditions, and restrictions of this Conservation Easement.

D. Nothing contained in this Conservation Easement shall be construed to entitle Grantee to bring any action against Grantor for any injury or change in the Property resulting from causes beyond the Grantor's control, including, without limitation, fire, flood, storm, earth movement, or unauthorized acts of third parties, or from any prudent action taken in good faith by the Grantor under emergency conditions to prevent, abate, or mitigate significant injury to life, damage to property, or harm to the Property resulting from such causes.

E. In the event of a disagreement between the Grantor and the Grantee as to whether or not a use or activity violates the provisions hereof or whether either party has acted unreasonably in the exercise of any discretionary power, then the parties shall submit the issue(s) to mediation and shall participate in settlement negotiations and discussions in good faith. Neither party may commence any legal action with respect to any such issues(s) without undertaking good faith efforts at mediation. Any costs incurred by Grantee or Grantor in mediation and in an action to enforce or defend the terms of this Conservation Easement brought by either party, including, without limitation, costs of suit and attorneys fees, and - subject to the lien provisions of Section D of Article II - any costs of restoration shall be borne by the party incurring such cost.

ARTICLE IV. PUBLIC ACCESS AND ACCESS BY GRANTEE

The granting of this Conservation Easement does not convey to the public the right to enter the Property for any purpose whatsoever and Grantee warrants that it will cooperate with Grantor in the enforcement of this prohibition.

In addition to the access provided to Grantee under Article III, the Grantee shall have the right of access to the Property (1) for periodic site visits to observe various land management techniques at such times as are agreed to by Grantor and Grantee, subject to Grantee's providing Grantor at least seven (7) days advance notice, and (2) for scientific research with permission from the Grantor, provided that Grantee provides the Grantor with a written description of any such research proposed and a schedule of projected site visits at least thirty (30) days prior to such proposed activities. Any research project sponsored by the Grantee on the Property requires a Memorandum of Research Agreement between the Grantee and the Grantor, which stipulates that for the duration of this research project on study area, both Grantor and Grantee will abide by all applicable state and federal wildlife regulations.

ARTICLE V. EXHIBITS, DOCUMENTATION, AND TITLE

A. Legal Description and Title. Exhibit A, Legal Description of the Property, is attached hereto and made a part hereof by reference. The Grantor covenants and represents that the Grantor is the sole owner and is seized of the Property in fee simple, has good right to grant and convey the aforesaid Conservation Easement, and that the Property is free and clear of any and all encumbrances, or any existing encumbrance has been subordinated to this Conservation Easement.

B. Management Plan. The parties acknowledge that they have entered into a Conservation and Forest Management Plan for Sehay Plantation dated as of December 1, 2002, a copy of which is attached hereto as Exhibit B (which Exhibit B is not recorded herewith but maintained in the offices of the Grantee). The Management Plan shall be amended by agreement of the Grantor and Grantee as set out in Section D of Article II, so long as such amendment is in writing and in accordance with The Alabama Forest Resources Center Amendment Policy, as such Policy may itself be amended from time to time.

C. Easement Documentation Report. The parties acknowledge that the Sehay Plantation Conservation Easement Documentation Report dated as of October 1, 2002, a copy of which is attached hereto as Exhibit C, accurately describes the uses, improvements, Conservation Values, and condition of the Property as of the date thereof and hereof. Said Exhibit C, which is not recorded herewith but maintained in the offices of the Grantee, variously references the Conservation and Forest Management Plan as the "Management Plan" and the "FMP."

ARTICLE VI. MISCELLANEOUS

Grantor _____ Date _____ Grantee _____ Date _____

A. Subsequent Transfers and Transfer Fee. Grantor agrees to notify Grantee of the names and addresses of any party to whom all or any portion of the Property is to be transferred to allow Grantee to discuss the terms and conditions hereof with such party. Grantor agrees to make specific reference to this Conservation Easement in any subsequent lease, deed, or other legal instrument by which any interest in the Property is conveyed. Grantor, and each subsequent owner of the Property shall have no personal liability for the observance or performance of the Covenants and obligations of the Grantor hereunder, after the Grantor or subsequent owner has conveyed (his or her) interest in the Property.

In the event of a sale or trade or exchange pursuant to Section 1031 of the Code to persons or entities not referred to in Article II.I.2. above, there shall be assessed by the Grantee, and collected from all purchasers of the Property (in whole, in part or some interest therein), subsequent to the conveyance of this Conservation Easement, a transfer fee payable to the Stewardship Fund of the Alabama Forest Resources Center, Inc. equal to Five Dollars (\$5.00) per acre, on each acre sold or traded (pursuant to Section 1031 of the Code) at the time of each of such sales.

In the event of non-payment of such transfer fee, Grantee shall have the right to file a lien against the transferred portion of or interest in the Property for such unpaid transfer fees. Such lien shall be a lien on the transferred portion of the Property but shall be subordinate to this Conservation Easement and to the lien of any first mortgage on the Property. Any such lien may be enforced and/or foreclosed in accordance with the laws of the State of Alabama.

The Grantor shall, at closing, provide Grantee with copies of executed closing statements as evidence of the sales, showing payment of said Five Dollars (\$5.00) per acre to the Stewardship Fund of the Alabama Forest Resources Center, Inc.

Any transfer of the Property as a gift and without consideration subsequent to the conveyance of this Conservation Easement shall be exempt from the assessment of such transfer fee. Similarly, subject to the provisions of Article II.I.2. above, Grantor shall have the right to transfer by sale, trade, or gift, all or any portion of the Property in the manner provided therein without payment of the transfer fee described in this paragraph.

B. Conservation Purposes - Condemnation - Involuntary Conversion.

1. Grantee, for itself, its successors and assigns, agrees that this Conservation Easement shall be held exclusively for Conservation Purposes, as defined in Section 170(h)(4)(A) of the Internal Revenue code.

2. The donation of this Conservation Easement gives rise to a Property right, immediately vested in Grantee, with a fair market value equal to the proportionate value that the Conservation Easement bears to the value to the Property as a whole.

That proportionate value of the Grantee's Property rights shall remain constant. If a change in conditions that makes impossible or impractical any continued protection of the Property for Conservation Purposes, the restrictions contained herein may only be extinguished by judicial proceeding. Upon such proceeding, the Grantee, upon a subsequent sale, exchange, or involuntary conversion of the Property, shall be entitled to a portion of the proceeds at least equal to that proportionate value of the Conservation Easement. The Grantee shall use its share of the proceeds in a manner consistent with the Conservation Purposes set forth in the Recitals herein. Nothing herein shall prevent Grantor from transferring said Property, by deed, gift, or will, to a third party, subject to this Conservation Easement.

3. Whenever all or part of the Property is taken in exercise of eminent domain by public, corporate, or other authority so as to abrogate the restrictions imposed by this Conservation Easement, the Grantor and the Grantee shall join in appropriate actions at the time of such taking to recover the full value of the taking and all incidental or direct damages resulting from the taking, which proceeds shall be divided in accordance with the proportionate value of the Grantee's and Grantor's interests as specified above; all expenses, including attorneys' fees incurred by the Grantor and the Grantee in this action, shall be paid out of the recovered proceeds to the extent not paid by the condemning authority.

C. Assignment. The parties hereto recognize and agree that the benefits of this Conservation Easement are in gross and assignable and that such benefits and the rights and obligations that accompany same may be transferred or assigned only to a mutually acceptable party, and only if the organization receiving the interest is a qualified organization as that term is defined in Section 170(h)(3) of the Internal Revenue Code (or any successor section) and the regulations promulgated thereunder, which is organized or operated primarily for one of the conservation purposes specified in Section 170(h)(4)(A) of the Internal Revenue Code, which is not opposed to hunting or taking of animals. The terms of the transfer or assignment will be such that the transferee or assignee will be required (1) to continue to carry out in perpetuity the Conservation Purposes that the contribution was originally intended to advance, set forth herein, and (2) to acknowledge and agree to enforce the terms and conditions of this Conservation Easement as Grantee.

Grantee covenants and agrees that it will not transfer this Conservation Easement unless Grantee is no longer capable of carrying out the purposes of the Grantee as recited herein and unless Grantee is in imminent threat of ceasing to exist for the purposes for which it was created, and the Grantor or its successor in title consents thereto. In the event the Grantor and the Grantee are unable to agree on a successor party as assignee of Grantee's interest, the matter shall be mediated in the manner set forth in Section E of Article III hereof.

D. Taxes and Assessments. The Grantor is responsible for, and agrees to pay any real estate taxes or other assessments levied on the Property and to pay all deed taxes and recording fees relating to any transfer of the Property, any portion of the Property and this Conservation Easement.

E. Construction of Terms. This Conservation Easement shall be construed to promote the purposes of the Alabama enabling statute, Sections 35-18-1 through 35-18-6, Code of Alabama 1975, which authorizes the creation of Conservation Easements for purposes including those set forth in the Recitals herein and the Conservation Purposes of this Conservation Easement, including such purposes as are defined in Section 170(h)(4)(A) of the Internal Revenue Code.

F. Entire Agreement. This instrument sets forth the entire agreement of the parties with respect to the Conservation Easement and supersedes all prior discussions, negotiations, understandings, or agreements relating to the Conservation Easement. If any provision is found to be invalid, the remainder of the provisions of this Conservation Easement, and the application of such provision to persons or circumstances other than those as to which it is found to be invalid, shall not be affected thereby.

G. Recording. Grantor shall record this instrument in the official records of Bullock and Macon Counties, Alabama, and evidence of this instrument may be re-recorded at any time as may be required to preserve the rights of the Grantee or Grantor under this Conservation Easement. The Grantor agrees to pay all deed taxes and recording fees relating to the grant of this Conservation Easement.

H. Amendment. If circumstances arise under which an amendment to or modification of this Conservation Easement would be appropriate, Grantor and Grantee are free to jointly amend this Conservation Easement provided that (1) no amendment shall be allowed that will affect the qualification of this Conservation Easement as a qualified conservation contribution or the status of the Grantee under any applicable laws, including Section 170(h) of the Internal Revenue Code, (2) any amendment shall be consistent with the Conservation Purposes of this Conservation Easement set forth in the Recitals herein, (3) any amendment shall be consistent with The Alabama Forest Resources Center Easement Amendment Policy, (4) any amendment shall not affect the perpetual duration of this Conservation Easement, (5) any amendment shall be in writing, signed, sealed, and acknowledged by both parties, and (6) no amendment shall be allowed that will adversely affect Grantee's qualifications as a publicly supported charitable organization in accordance with Sections 501(c)(3) and 509(a)(1) of the Internal Revenue Code, or a "qualified organization" in accordance with Section 170(h) of said Internal Revenue Code. Nothing in this Section shall require any party to approve an amendment request of the other party.

The parties may add contiguous or non-contiguous land to this Conservation Easement by executing an Amendment to Conservation Easement and recording such Amendment in the property records of the county or counties in which the Property is situated, which Amendment shall include a description of the newly added property, and notice of the location in the public records (Book and Page) of the original Conservation Easement for the Property.

I. Section 2031(c) Federal Estate Tax Exclusion. The Grantor and Grantee agree that the recreational rights and activities reserved by Grantor and permitted hereunder are not intended to be and do not constitute more than a "de minimis" use of the property for "commercial recreational activities" as those terms are used in Section 2031(c) of the Internal Revenue Code, and that the rights and activities reserved and permitted hereunder relating to recreational activities are consistent with the Conservation Purposes herein and as outlined in Section 170(h) of the Internal Revenue Code. This finding notwithstanding, and in the event a contesting party questions this finding and agreement and solely for the purpose of the property qualifying for the conservation easement estate tax exclusion under Internal Revenue Code Section 2031(c), the Grantor (including Grantor's estate, successors and assigns) may elect in writing in recordable form to release and terminate otherwise reserved and permitted "commercial recreational activities" either inter vivos or, alternatively, post mortem in accordance with such Section 2031(c), such election to be recorded in the public records of Bullock and Macon Counties, Alabama. Grantor shall notify Grantee in writing of such election in accordance with Section J of this Article.

J. Hazardous Waste. The Grantor covenants and represents that, to the best of his/her knowledge, no illegal hazardous substance or toxic waste is present on, or has been generated, treated, stored, used, disposed of, or deposited in or on the Property. Grantor covenants and represents that to the extent that any substance classified as hazardous, but legally permitted for use on the Property, is present on the Property, such substance shall be maintained in a safe and legal manner, and any hazardous wastes generated shall be disposed of properly off of the Property. With regard to any hazardous substances or toxic waste which may be hereafter discovered on the Property, Grantor acknowledges that this Conservation Easement is not intended to transfer any liability to Grantee that would otherwise reside with Grantor but for this Conservation Easement. Grantor agrees that Grantor will not bring an action against Grantee for cost recovery or cleanup of any contamination, unless such contamination results from the negligent or intentional acts of Grantee.

Further, Grantor shall hold harmless, indemnify, and defend the Grantee and the Grantee's members, directors, officers, employees, agents, and contractors and the heirs, personal representatives, successors, and assigns of each of them from and against all liabilities, penalties, costs, losses, damages, expenses, causes of action, claims, demands, or judgments, including, without limitation, reasonable attorney's fees, arising from or in any way connected with the presence or release of any hazardous material or substance of any kind on Grantor's Property. This paragraph shall not apply in the case of any hazardous material or substance in any manner placed on Grantor's Property by the Grantee or the Grantee's representatives or agents.

K. Notices. Any notices shall be sent by registered or certified mail, return receipt requested, addressed to the parties as set forth above, or to such other addresses such party may establish in writing to the other.

In any case, where the terms of this Conservation Easement require the consent of either Party, such consent shall be requested by written notice. Such consent shall be deemed to have been given, unless, within forty-five (45) days after receipt of notice, the party from whom consent has been requested delivers notice to the other party of disapproval and the reason therefor. Grantee's consent may be withheld only upon a determination by Grantee that the action as proposed would, in its opinion, violate the terms of this Conservation Easement or impair significant Conservation Values and be inconsistent with the Conservation Purposes of this Conservation Easement.

L. Grantor and Grantee. The term "Grantor" shall include the original Grantor Tanyard Properties, Inc., and all successors and assigns of such original Grantor. The term "Grantee" shall include the original Grantee The Alabama Forest Resources Center, Inc., and all successors and assigns of such original Grantee.

TO HAVE AND TO HOLD unto The Alabama Forest Resources Center, Inc., its successors, and assigns forever. The covenants agreed to and the terms, conditions, restrictions, and purposes imposed as aforesaid shall be binding upon Grantor, his/its personal representatives, heirs, successors and assigns, and shall continue as a servitude running in perpetuity with the Property.

IN WITNESS WHEREOF, Grantor hereto has set his/her hand and seal, and Grantee, by authority duly given, has hereunto caused these presents to be executed by its president and its corporate seal affixed the day and year above written to be effective upon the date of recordation of this Conservation Easement (the "effective date" herein) in the public records of Bullock and Macon Counties, Alabama.

Witnesses:

**GRANTOR:
TANYARD PROPERTIES, INC.**

By _____
(Print) _____

By _____
Campbell B. Lanier, III, President

By _____
(Print) _____

CORPORATE SEAL

**GRANTEE:
THE ALABAMA FOREST
RESOURCES CENTER, INC.**

By _____
(Print) _____

By _____
Arthur C. Dyas, President

By _____
(Print) _____

CORPORATE SEAL

STATE OF ALABAMA

COUNTY OF _____

I, _____, a notary public in and for said county in said state, hereby certify that Campbell B. Lanier, III, whose name as President of Tanyard Properties, Inc., an Alabama corporation, is signed to the foregoing instrument, and who is known to me _____ or who produced _____ for identification, acknowledged before me on this day that, being informed of the contents of such instrument, he, as such president and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal this _____ day of December, 2002.

NOTARY PUBLIC

(Printed Name of Notary)

My Commission Expires:

STATE OF ALABAMA

COUNTY OF _____

I, _____, a notary public in and for said county in said state, hereby certify that Arthur C. Dyas, whose name as President of Alabama Forest Resources Center, Inc., an Alabama corporation, is signed to the foregoing instrument and who is known to me _____ or who produced _____ for identification, acknowledged before me on this day that, being informed of the contents of such instrument, he, as such president and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal this _____ day of December, 2002.

NOTARY PUBLIC

(Printed Name of Notary)

My Commission Expires:

PREPARED BY:

Taylor D. Wilkins, Jr.
201 E. 2nd Street
Bay Minette, AL 36507
251-937-7024

and

Dan Dumont
The Alabama Forest Resources Center, Inc.
169 Dauphin Street, Suite 302
Mobile, AL 36602
251-433-2372

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Grantor _____ Date _____ Grantee _____ Date _____