

13. Conservation Easement

13. CONSERVATION EASEMENT

The Conservation Easement has been amended in various ways, including the following:

The Conservation Easement further restricts the allowable structures and uses that can be developed, including eliminating the potential for transmission lines, restricting the size of potential gravel pits, both individually and in the aggregate, eliminating the potential for water extraction to serve development areas, and restricting emergency structures in the easement area to within 1 mile of Square Lake West.

The Conservation Easement strengthens the role of the easement holder in determining whether structures and uses will be allowed by expanding the requirements to obtain the holder's consent for gravel pits, roads, and utility structures. Consent shall only be granted upon a determination that the project minimizes the amount of protected property affected and minimizes any undue adverse effects on the conservation values of the easement.

- ***Changes in the Concept Plan***
 - A revised Conservation Easement will be inserted as new Section 3,A. See current draft of the following pages.
- ***Changes to Chapter 10***
 - No text changes proposed

FISH RIVER CHAIN OF LAKES
CONSERVATION EASEMENT

Granted by

ALLAGASH TIMBERLANDS LP

to

FOREST SOCIETY OF MAINE,
as Holder

CONSERVATION EASEMENT

KNOW ALL PERSONS BY THESE PRESENTS, ALLAGASH TIMBERLANDS LP with a place of business in Bangor, Maine (hereinafter referred to as “**Grantor**”, which word, unless the context clearly indicates otherwise, include Grantor’s successors and/or assigns, GRANTS to FOREST SOCIETY OF MAINE, a Maine not-for-profit corporation with a place of business in Bangor, Maine (hereinafter referred to as “**Holder**”, which word shall, unless the context clearly indicates otherwise, include Holder’s successors and/or assigns), with QUITCLAIM COVENANT, in perpetuity, the following described Conservation Easement on land located in Aroostook County, State of Maine, hereinafter referred to as the “**Protected Property**”, as described in Exhibit A-1 and as shown on maps in Exhibit A-2, each of which is attached hereto and made a part hereof by reference (“**Conservation Easement**”).

PURPOSE

The purpose of this Conservation Easement is to provide a significant public benefit by protecting in perpetuity the Conservation Values of the Protected Property and by allowing, but not requiring, the Protected Property’s continued operation as a Commercial Working Forest.

RECITALS

WHEREAS, the Protected Property is a predominantly forested land area of significant breadth and diversity, with important values including sizeable forests of high quality, productive soils, diverse wildlife and plant habitat, rare and endangered species habitat, extensive bogs, wetlands, streams, lakes, ponds, and other water bodies, and unique natural features, and qualifies as a “relatively natural habitat of fish, wildlife, or plants, or similar ecosystem,” as that phrase is used in P.L. 96-541, Title 26 U.S.C. § 170(h)(4)(A)(ii), and in regulations promulgated thereunder; and

WHEREAS, the Protected Property contains popular recreational areas important to the people of the State of Maine, and guaranteed access to and use of the Protected Property by the public for Non-exclusive, Low-intensity Outdoor Recreation in perpetuity, consistent with the preservation and protection of the other values of the Protected Property and Grantor’s reserved rights, is in the public interest; and

WHEREAS, the Protected Property is capable of providing a continuing and renewable source of forest products; and

WHEREAS, Grantor has the reserved right to use the Protected Property for Forest Management Activities and to take other actions under the terms and conditions set forth in this Conservation Easement, in a manner that is consistent with the protection of the Conservation Values; and

WHEREAS, the Parties agree that the Conservation Easement and the Management Plan together are sufficient to ensure the protection of the Conservation Values; and

WHEREAS, the permanent protection of the Protected Property for conservation and for Non-exclusive, Low-intensity Outdoor Recreation, and the allowance of Motorized Recreation uses permitted pursuant to Section 6.1 hereof by the public, while permitting use of the Protected Property for Forest Management Activities and other uses allowed in this Conservation Easement, all in a manner that is consistent with the protection of the Conservation Values, will make a lasting contribution to the State of Maine;

WHEREAS, this Conservation Easement is granted in accordance with the terms and provisions of the Concept Plan approved by the Maine Land Use Planning Commission (“LUPC”) pursuant to Zoning Petition ZP _____ on _____[Date], of which the Protected Property is a part; and

WHEREAS, this Conservation Easement is granted not as a gift but pursuant to the terms of the Concept Plan and in consideration for and mitigation of certain development rights that will be or have been authorized by the LUPC; and

WHEREAS, Holder is a tax exempt public charity under §§ 501(c)(3) and 509(a) of the Internal Revenue Code of 1986, and the regulations thereunder, is qualified under § 170(h) of such Code to receive qualified conservation contributions and is qualified to hold conservation easements pursuant to Title 33 M.R.S. § 476(2)(B); and

WHEREAS, this Conservation Easement is created pursuant to Maine’s Conservation Easement Act, Title 33 M.R.S. §§ 476 *et seq.*

NOW THEREFORE, the Parties hereto have established this Conservation Easement affecting the Protected Property consisting of the following terms, conditions, restrictions, and affirmative rights, which shall run with and bind the Protected Property in perpetuity.

1. DEFINITIONS.

In this Conservation Easement, the following terms shall have the following meanings:

“**AAA**” has the meaning ascribed to such term in Section 18.1(b) hereof.

“**Affiliate**” means any corporation, partnership, limited partnership, limited liability company, trust, or other entity in existence on the date of this Conservation Easement or at any time thereafter: (a) controlled by a Party, (b) in control of a Party, or (c) controlled (directly or indirectly) by the same person or entity that controls a Party. The term “control” as used herein includes control through common ownership and/or management, or a trust which is established for the benefit of a Party.

“**Arbitrator**” has the meaning ascribed to such term in Section 18.2(a) hereof.

“**Baseline Documentation**” means the baseline documentation report prepared in the manner described in Section 5 hereof.

“Campsite” means a camping location for tents, registered tent trailers, registered pickup campers, registered recreational vehicles, registered trailers or similar devices used for camping. Campsite does not include a camping location that has access to a pressurized water system or permanent Structures other than outhouses, fireplaces, picnic tables, picnic tables with shelters, or lean-tos. A Campsite shall include no more than 4 sites for transient occupancy by 12 or fewer people per site.

“Commercial Working Forest” means an area of land that is used for the production of revenue from Forest Management Activities.

“Concept Plan” means the concept plan of Maine Woodlands Realty Company, Allagash Timberlands LP, and Aroostook Timberlands LLC, entitled “The Fish River Chain of Lakes Concept Plan” and authorized by LUPC pursuant to Zoning Petition _____ approved on [DATE], as may be amended or extended.

“Conservation Easement” has the meaning ascribed to such term on Page 1 of this Conservation Easement.

“Conservation Values” means, in no particular order, each and all of the following values associated with the Protected Property:

- a) Forest Values. The condition of the Protected Property as a healthy, diverse in age and biological conditions, forest land area containing high quality, productive and non-eroding soils and capable of providing a continuing and renewable source of commercial forest products;
- b) Landscape-Scale Forestland Values. The condition of the Protected Property as a largely unfragmented, diverse, substantially natural, and sustainably managed forest land area;
- c) Aquatic Resources and Wetland Values. The Protected Property’s diverse and extensive bogs, fens, thoroughfares, wetlands, streams, lakes, ponds, and other aquatic habitats, including fisheries habitats, their water quality, undeveloped shorelines and riparian areas, and the ecological values of these areas;
- d) Wildlife, Plant, and Natural Community Values. The Protected Property’s diverse and extensive wildlife, plant, forest and other terrestrial habitats, habitats of rare, threatened and endangered flora and fauna, including natural communities, and the ecological values of these areas;
- e) Recreational Values. The diverse and extensive opportunities on the Protected Property for Non-exclusive, Low-intensity Outdoor Recreation and/or certain Motorized Recreation, consistent with the conduct of Forest Management Activities on the Protected Property; and

- f) Scenic Values. The scenic qualities of the Protected Property, as experienced from the lakes and thoroughfares in the Fish River Chain of Lakes and public vantage points, as identified in the Baseline Documentation, consistent with the conduct of Forest Management Activities on the Protected Property; and
- g) Other Special Site Values. The unique, historic, cultural, archaeological, geological, scientific or educational sites on the Protected Property, and the attributes and resources of these sites, as identified in the Baseline Documentation.

“**Construction Materials**” has the meaning ascribed to such term in Section 3.2(a) hereof.

“**Dispute**” has the meaning ascribed to such term in Section 18.1 hereof.

“**Division**” has the meaning ascribed to such term in Section 7.1 hereof.

“**FOAA**” has the meaning ascribed to such term in Section 11.3 hereof.

“**Forest Management Activities**” means all aspects of planting, tending, harvesting, and removal of any and all forest products, by any and all current and future planting, harvesting, and removal techniques allowable under law (now or in the future). Forest Management Activities shall include, but are not limited to, the following activities and Grantor’s management of such activities: reforestation, planting, growing, cutting, tending, and harvesting trees, forest products, and other vegetation; construction, use, and maintenance of skid trails, skid roads, skidder bridges, log yards, landing and staging areas, land management roads, winter haul roads or other paths, roads, or Trails used to provide pedestrian, domestic animal, and vehicular access on and from and within the Protected Property to carry out the Forest Management Activities on the Protected Property; clearing for reforestation; harvesting, pruning, girdling, thinning, or trimming trees and other vegetation; harvesting forest products with domestic animals or mechanical equipment; maintenance of fields and meadows, as identified in the Baseline Documentation; conducting timber cruising, forest management planning, forest stand improvement, 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, and biomass; collection and processing of 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; prescribed burning; 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, including the establishment and maintenance of log merchandising yards; trimming, cutting, removing, burning, or otherwise disposing of any trees or vegetation that 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, Trails, and any roads or Utility Structures permitted under this Conservation Easement; and any other similar activities.

“Forestry Improvements” means any and all Structures, facilities, improvements and utilities that are directly related to the conduct of Forest Management Activities, including, but not limited to, roads, fences, bridges, gates, maple sugar collection portable sawmills, mobile chippers, and other equipment and facilities, associated signs and Structures, wells, but does not include permanent sawmills or other permanent forest processing facilities.

“Fund” has the meaning ascribed to such term in Section 10.1 hereof.

“Fund Operator” has the meaning ascribed to such term in Section 10.1 hereof.

“Grantor” has the meaning ascribed to such term on Page 1 of this Conservation Easement.

“Herein” or **“Hereof”** mean in or of this Conservation Easement as a whole, and do not refer to any individual section, unless specifically indicated.

“Holder” has the meaning ascribed to such term on Page 1 of this Conservation Easement.

“Informational Signage” means informational signage related to uses and Structures authorized by this Conservation Easement.

“Indemnitees” has the meaning ascribed to such term in Section 8.8 hereof.

“Low-intensity Outdoor Recreation” means non-motorized outdoor, nature-based recreational activities, including, but not limited to, boating, swimming, fishing, hiking, hunting, trapping, picnicking, nature observation, photography, horseback riding, tent and shelter camping, cross-country skiing, bicycling, snowshoeing, rock climbing, ice climbing, and enjoyment of open space.

“Motorized Recreation” means those uses approved as part of a Motorized Recreational Use Plan of motorized recreational vehicles designed to be used in a forested landscape on Trails, such as snowmobiles, all-terrain vehicles (ATVs) or similar vehicles, which recreation shall include designated trails but which recreation does not rely on additional structures like racetracks or grandstands or on surface alterations more intensive than an unpaved trail.

“Motorized Recreational Use Plan” means the plan of even date herewith regarding Motorized Recreation called for in Section 6.1 hereof, and any subsequent amendments thereto.

“LUPC” means the Maine Land Use Planning Commission, or any successor commission, organization or regulatory authority.

“Management Plan” means the Multi-Resource Management Plan of even date herewith between Grantor and Holder called for in Section 3.2(b) hereof, and any subsequent amendments thereto.

“Non-exclusive” means those activities available to the public in which participation is not prohibited or affirmatively restricted based on required membership or application of other discriminatory or exclusive criteria; provided, however, that the charging of a reasonable fee for service or for reimbursement of costs for these activities, in and of itself shall not cause an activity to be deemed “exclusive”.

“Original Percentage Reduction” has the meaning ascribed to such term in Section 17.9 hereof.

“Owner” has the meaning ascribed to such term in Section 10.2(c) hereof.

“Party” means any one signatory to this Conservation Easement and its successors and/or assigns.

“Parties” means all signatories to this Conservation Easement and their successors and/or assigns.

“Permitted Construction Materials Removal Activities” has the meaning ascribed to such term in Section 3.2(a) hereof.

“Practicable” means available and feasible considering cost, existing technology, and logistics based on the overall purpose of the project.

“Qualifying Forestry Certification Program” means any of the following certification programs: (a) the Sustainable Forestry Initiative 2015-2019 Standards as in effect on the date hereof; (b) the Forest Stewardship Council Program as in effect on the date hereof; (c) any successor program to those listed in subsections (a) and (b) above; provided, however, that Holder shall have reviewed any successor program and determined that the standards and procedures of the successor program are no less protective of the Conservation Values than the program it is replacing; or (d) any similar certification program to those listed in subsections (a), (b), and (c) above; provided that Holder shall have reviewed any similar certification program and determined that the standards and procedures of the certification program are no less protective of the Conservation Values than the certification programs listed in either subsections (a) or (b) or their approved successor programs. Holder shall conduct such reviews in a timely manner. If Holder reasonably determines that the auditing process used or proposed to be used to determine compliance by Grantor with the standards of the qualifying certification program is administratively or technically incapable of making an accurate certification determination, Holder may remove a previously listed certification program from the list of qualifying certification programs, but only after the conclusion of all dispute resolution procedures pursuant to Section 18 hereof that may occur as a result of Holder’s reasonable determination, in which Holder’s determination of incapacity is upheld.

“Recreational Facilities” means (a) up to 9 Remote Rental Cabins or Campsites; and (b) new public boat launches and expansions of existing public boat launches that are identified in the Baseline Documentation.

“Remote Rental Cabin” means a building used only as a commercial lodging facility on a transient basis by persons primarily in pursuit of recreation in an isolated and remote setting. A remote rental cabin cannot be larger than 750 square feet in gross floor area; cannot be served by any public utilities providing electricity, water, sewer, or land-based data or telephone services; cannot have pressurized water; cannot have a permanent foundation; and cannot be located within 1,000 feet of any public road or within 1,000 feet of any other type of residential or commercial development.

“Resource Information System” means an information system established and maintained by Grantor in accordance with Section 5.3 hereof that is sufficient, in the reasonable judgment of Holder, to meet Grantor’s obligations pursuant to this Conservation Easement.

“Stewardship Fund Agreement” has the meaning ascribed to such term in Section 10.1 hereof.

“Structure” means anything constructed or erected with a fixed location on, over, in and/or under the ground, or attached to something having a fixed location on, over, in and/or under the ground. A Structure may be primarily two dimensional, such as a paved road or parking lot or a sign, or three dimensional, such as a building, wall or piping. An unpaved road or trail shall not be considered a Structure.

“Taking” has the meaning ascribed to such term in Section 17.10 hereof.

“Trail” means all recreational trails, including, but not limited to, trails for Motorized Recreation and/or Non-exclusive, Low-intensity Outdoor Recreation.

“Utility Structures” means Structures associated with the distribution, but not transmission, of telecommunication or electrical power services, including, but not limited, to “cell” towers, and including, but not limited to, related systems and equipment.

“Water Extraction Activities” means any and all activities that are related to the surface and subsurface extraction of water for those uses permitted in Section 3.2(c) hereof.

2. PROHIBITED LAND USES AND STRUCTURES

The following land uses are specifically prohibited on the Protected Property unless expressly permitted elsewhere in this Conservation Easement: residential, commercial, industrial, and institutional uses. Structural development associated with the following land uses is specifically prohibited on the Protected Property unless expressly permitted elsewhere in this Conservation Easement: residential, commercial, industrial, and institutional uses. Without limiting the generality of the foregoing, the following Structures are all specifically

prohibited on the Protected Property unless otherwise expressly permitted in this Conservation Easement: residential dwellings (including houses, apartment buildings, multi-family housing units, or mobile homes); permanent outdoor high-intensity lights; hostels, motels or hotels; billboards (other than directional and informational signs associated with permitted land uses); junk yards; landfills; energy generation or waste disposal facilities; new public or toll roads; and energy, electrical, or telecommunications distribution systems. Further, no new filling, drilling, excavation, or alteration of the surface of the earth, no removal of soil, minerals, sand or gravel, and no changes in the topography are allowed on the Protected Property unless otherwise expressly permitted elsewhere in this Conservation Easement.

3. PERMITTED LAND USES AND STRUCTURES

3.1 Permitted Land Uses and Structures. Grantor hereby expressly reserves the right, all as defined by and subject to the terms and conditions contained in this Conservation Easement including, but not limited to, those contained in Sections 3.2 and 6.2 hereof, to:

(a) undertake and conduct, or allow to be undertaken and conducted, on the Protected Property: (i) Permitted Construction Materials Removal Activities; (ii) Forest Management Activities; (iii) Water Extraction Activities; (iv) uses necessary or incidental to the construction, maintenance and operation of Recreational Facilities; (v) uses associated with the construction, maintenance and operation of emergency Structures in accordance with Section 3.2(e); (vi) uses associated with the construction, placement, maintenance, and replacement of Informational Signage; (vi) Non-exclusive, Low-intensity Outdoor Recreation; and (viii) Motorized Recreation;

(b) construct, place, repair, maintain, expand and replace on the Protected Property: (i) new or expanded temporary or permanent roads, driveways and/or Utility Structures in accordance with Section 4 hereof; (ii) Structures existing as of the date of the grant of this Conservation Easement, as identified in the Baseline Documentation, (iii) Structures necessary or incidental to the uses and activities identified in Section 3.1(a) hereof; (iv) Structures associated with nature observation (including, but not limited to, observation blinds and platforms); (v) Trails; (vi) Structures required for the administration and collection of fees in accordance with Section 6.2 hereof; and (vii) Structures and improvements in furtherance of Non-exclusive, Low-intensity Outdoor Recreation and/or required for permitted Motorized Recreation uses pursuant to Section 6.1 hereof (including, but not limited to, trailheads, trailhead parking, bridges, benches, tables, erosion control systems, wells, springs, and signs for educational or informational purposes); provided, however such Structures may not be expanded without the consent of Holder, which consent shall be granted only upon a determination by Holder that such expansion will not result in an unreasonable adverse effect on the Conservation Values. Notwithstanding the foregoing, the level of consultation, review, or consent of Holder required (A) for proposed expansion of Structures that qualify as Forestry Improvements, shall be governed by Section 3.2(b) hereof, and (B) for expansion of roads and Utility Structures, shall be governed by Section 4 hereof.

3.2 Terms and Conditions Governing Permitted Land Uses and Structures.

(a) Construction Materials Removal Activities.

(i) Grantor hereby expressly reserves the right to excavate or alter the Protected Property by removal (by quarrying or otherwise), processing with portable devices (such as crushers and screens), and storage of rock (including decorative rock), gravel, aggregate, sand, other similar construction or landscaping materials (collectively “**Construction Materials**”) and to construct, maintain, and operate Structures and facilities necessary for the same, in connection with (A) Forest Management Activities on the Protected Property; (B) Forest Management Activities on lands that are owned by Grantor or its Affiliates adjacent to the Protected Property; (C) the construction and use of roads that are used by Grantor or its Affiliates to access the Protected Property or lands adjacent to the Protected Property that are owned by Grantor or its Affiliates; or (D) the maintenance of roads that are used by Grantor or its Affiliates to access the Protected Property or lands adjacent to the Protected Property that are owned by the Grantor or its Affiliates in the same or adjacent townships to the Protected Property, provided that no reasonable alternative to the proposed site exists that is within a two (2) mile radius of the proposed site and is accessible by the then established road system. The permitted excavations or alterations of the Protected Property as identified in this Section 3.2(a)(i) are referred to hereinafter collectively as the “**Permitted Construction Materials Removal Activities**”. Grantor’s Permitted Construction Materials Removal Activities, including, but not limited to, any reclamation undertaken following such activities, shall be conducted in accordance with applicable laws and shall not result in an unreasonable adverse effect on the Conservation Values.

(ii) The right to conduct Permitted Construction Materials Removal Activities is subject to the requirement that the disturbed area for such activity does not exceed two (2) acres in size per extraction site and that no more than ten (10) acres within the Protected Property be actively disturbed and not revegetated and stabilized at any one time; provided that any site less than an acre in size, the materials from which are used solely for Grantor’s Forest Management Activities, shall not count for purposes of the 10-acre cap set forth above. The removal of loose surface decorative rock that does not materially disturb forest soils and vegetation is not subject to these restrictions.

(iii) For such sites with a disturbed area of one (1) acre or more, Grantor shall not commence Permitted Construction Materials Activities identified in Sections 3.2(a)(i)(A), 3.2(a)(i)(B), and 3.2(a)(i)(C) hereof, without the consent of Holder, which consent shall be granted only upon a determination by Holder (A) that such activity will not result in an unreasonable adverse effect on the Conservation Values and (B) that no reasonable alternative to the proposed site exists that is within a two (2) mile radius of the proposed site and is accessible by the then established road system. For such sites with a disturbed area of less than one (1) acre, Grantor shall give Holder ten (10) days prior notice prior to commencement of activities identified in Sections 3.2(a)(i)(A), 3.2(a)(i)(B), and 3.2(a)(i)(C) hereof. No consent or notice is required prior to commencement of activities identified in Section 3.2(a)(i)(D) hereof.

(b) Forest Management Activities.

(i) General Conduct of Forest Management Activities; Management Plan. Grantor hereby expressly reserves the right to conduct Forest Management Activities on the Protected Property. All Forest Management Activities on the Protected Property, other than timber cruising and resource evaluation, shall be conducted in accordance with the Management Plan, which Grantor shall develop and maintain for so long as Forest Management Activities are occurring on the Protected Property. Grantor acknowledges that a purpose of the Management Plan is to guide Forest Management Activities so as to be in compliance with the terms and conditions of this Conservation Easement. The Management Plan shall both protect the Conservation Values and allow for the Protected Property's continued operation as a Commercial Working Forest in accordance with the terms and conditions of the Management Plan. The Parties agree that the terms and conditions contained in this Conservation Easement and in the Management Plan (as may be amended or modified in accordance with this Section 3.2(b)(i)) are sufficient to protect the Conservation Values. Grantor shall operate within the constraints of the Management Plan, and the Management Plan shall be reviewed every five (5) years by the Parties. Each associated annual operating plan shall be reviewed annually by the Parties, in advance. The Management Plan shall remain in effect until amended or modified by the Parties, at which time the amended or modified form of the Management Plan shall become effective. No amendment or modification to the Management Plan shall become effective until agreed to by the Parties in writing.

(ii) Management of Non-Commercial Vegetation. Grantor hereby expressly reserves the right to manage non-commercial vegetation on the Protected Property by cutting, pruning, and planting without the requirement of a management plan, as Grantor reasonably deems necessary to exercise the rights reserved to Grantor hereunder, including to accommodate Non-exclusive, Low-intensity Outdoor Recreation and Motorized Recreation uses permitted pursuant to Section 6.1 hereof. Managing non-commercial vegetation includes, but is not limited to, the removal of vegetation for safety purposes, for control of invasive plant species, and for the creation of scenic vistas and views from Trails, public roadways, roads, Recreational Facilities, overlooks, and public vantage points catalogued by Holder pursuant to Section 5.2 hereof, provided that all vegetation management shall be conducted in a manner that does not have an unreasonable adverse effect on the Conservation Values. The incidental sale of vegetation cut or removed from the Protected Property in the exercise of Grantor's non-commercial vegetation management rights shall not require a management plan, and need not be addressed in the Management Plan.

(iii) Forestry Improvements. Grantor may develop, construct, place, maintain, install, replace, expand, and repair at any time and from time to time Forestry Improvements on the Protected Property without Holder's consent, subject to the provisions of Section 4 hereof provided that any such improvements shall be conducted in a manner that does not have an unreasonable adverse effect on the Conservation Values. All Forestry Improvements permitted hereunder shall be developed, placed, installed, and constructed in accordance with applicable laws.

(iv) Third-Party Certification.

(A) If Grantor seeks or maintains a third-party certification on

the Protected Property, Holder shall be permitted to observe the audit process as it relates to the Protected Property and shall have access, subject to the provisions of Section 11 hereof, to Grantor's supporting information for the certification as it relates to the Protected Property.

(B) For purposes of obtaining or maintaining a certification from a Qualifying Forestry Certification Program, the qualifying auditing program shall audit and determine certification based upon a determination of Grantor's compliance with this Section 3.2(b) and the Management Plan, in addition to the requirements of such Qualifying Forestry Certification Program.

(C) So long as Grantor obtains or maintains a third-party certification from a Qualifying Forestry Certification Program that the Protected Property is being managed in accordance with the requirements of this Section 3.2(b) and the Management Plan, then there shall be a rebuttable presumption that Grantor is in full compliance with the terms of the Management Plan. Notwithstanding this rebuttable presumption:

(1) Compliance with Management Plan. If Holder reasonably determines there to be a lack of compliance by Grantor with the Management Plan, and further determines that the certification standards and procedures as applied through the audit were materially flawed or otherwise reasonably inadequate to determine compliance with the Management Plan, Holder shall first seek to resolve all compliance issues with Grantor acting in good faith in accordance with Section 18 hereof. If this effort does not resolve all compliance issues, Holder shall follow the appeals process, if any, of said Qualifying Forestry Certification Program. If the appeals process is not completed within one year of submittal of an appeal by Holder to the Qualifying Forestry Certification Program, or Holder continues to believe that all issues relating to a violation have not been resolved notwithstanding the existence of certification, then Holder may enforce this Conservation Easement or the Management Plan as provided in Section 8 hereof. To rebut any presumption of compliance, Holder must demonstrate that the certification standards and procedures as applied through the audit were materially flawed or otherwise reasonably inadequate to determine compliance with this Conservation Easement or the Management Plan.

(2) Certification Audit and Violations. If the certification audit finds violations of this Conservation Easement or the Management Plan that do not result in the loss or proposed loss of certification, then no presumption of compliance with the Management Plan will apply to the practices that resulted in such violations. For all violations, whether resulting or not in the loss or proposed loss of certification, Holder shall first determine whether the remedial action (if any) sought by the Qualifying Forestry Certification Program for the violation has been implemented and, if so, whether such remedial action resolves the violation. If Holder concludes that the remedial action, if any, does not materially resolve the violation, then Holder shall seek to resolve any issues relating to the violation with Grantor acting in good faith. If Holder continues to reasonably believe that all issues relating to the violation have not been materially resolved by Grantor, Holder may enforce this Conservation Easement or the Management Plan as provided in Section 8 hereof.

(3) Violations After Completion of Audit. If Holder

reasonably believes that a violation of this Conservation Easement or the Management Plan has occurred after the completion of the most recent certification audit, then Holder may immediately seek to enforce this Conservation Easement or the Management Plan, and compliance with this Conservation Easement and the Management Plan will be evaluated based upon the Forest Management Activities conducted and outcomes thereof. In such event, Holder shall first seek to resolve any compliance issue with Grantor acting in good faith. If this does not resolve issues relating to the violation, then Holder may enforce this Conservation Easement or the Management Plan as provided in Section 8 hereof.

(D) Absence of Third-Party Certification. In the absence of third-party certification of the Protected Property from a Qualifying Forestry Certification Program, including as a result of (1) the choice of Grantor to no longer seek third-party certification, (2) the failure to receive certification following an audit, or (3) the removal by Holder of the forestry certification program previously utilized by Grantor due to its administrative or technical incapacity to make an accurate certification determination and the subsequent failure of Grantor to seek third-party certification from another Qualifying Forestry Certification Program, the Management Plan shall continue to govern Forest Management Activities on the Protected Property, and compliance with this Conservation Easement and the Management Plan will be determined by Holder based upon the Forest Management Activities conducted and outcomes thereof. In the absence of said third-party certification, subject to the provisions of Section 11 hereof, Grantor will provide Holder with the same types and detail of information required for a Qualifying Forestry Certification Program so that Holder can determine consistency with this Conservation Easement and the Management Plan, including sustainable forest management provisions.

(c) Water Extraction Activities. Grantor hereby expressly reserves the right to conduct Water Extraction Activities on the Protected Property for Forest Management Activities, including, but not limited to, watering of seedlings and firefighting.

(d) Recreational Facilities.

(i) Grantor hereby expressly reserves the right to develop, construct, maintain, expand, replace and operate, or to allow the development, construction, maintenance, expansion, replacement and operation of Recreational Facilities on the Protected Property. The development, construction and/or expansion of a Recreational Facility may only occur following the consent of Holder, which shall be granted unless Holder determines that such development, construction, and/or expansion of the Recreational Facility will have an unreasonable adverse effect on the Conservation Values. Once developed, constructed, or expanded, said Recreational Facility may be operated, maintained, repaired, or reconstructed in kind and in place at any time and from time to time, without the consent of Holder.

(ii) Structures accessory to new or existing Recreational Facilities that (A) support septic treatment that are sized and used solely to meet the needs of the Recreational Facilities, or (B) that enable the generation of electric power from renewable energy sources, such as solar collectors or similar technology, or wind or hydropower turbines, are permitted; provided, however, that the renewable energy generation source is both sized and

used solely to serve the Recreational Facilities at which the renewable energy source is located, and construction, operation, and repair of a renewable energy source will not have an undue adverse effect on the Conservation Values.

(e) Public Fire, Safety and Emergency Structures. Grantor hereby expressly reserves the right within one (1) mile of the development area identified in the Concept Plan as Square Lake West to develop, construct, maintain, expand, replace and operate, or to allow the development, construction, maintenance, expansion, replacement and operation of public fire, safety, and emergency Structures required or appropriate for performing said public functions in Square Lake West. Development, construction and/or expansion of such public fire, safety and emergency Structures may only occur following the consent of Holder, which shall be granted if Grantor demonstrates to Holder's reasonable satisfaction that no reasonable alternative location for such Structures exists outside the Protected Property and that such development, construction, and/or expansion of the public fire, safety and emergency Structures will not have an unreasonable adverse effect on the Conservation Values.

(f) Informational Signage. Grantor hereby expressly reserves the right to construct, place, maintain, and replace at any time and from time to time Informational Signage on the Protected Property. In designing, constructing, and siting the Informational Signage, Grantor shall reasonably minimize the intrusiveness of the Informational Signage and ensure that Informational Signage reasonably blends in with the local setting.

4. ROADS, UTILITY STRUCTURES, AND EASEMENTS ON PROTECTED PROPERTY

4.1 Roads and Utility Structures.

(a) General. Grantor hereby expressly reserves the right to develop, construct, place, maintain, expand, replace and operate, or to allow the development, construction, placement, maintenance, expansion, replacement and operation, of any new temporary or permanent roads, driveways or Utility Structures on the Protected Property, and to maintain, expand, replace and operate or permit to be maintained, expanded, replaced and operated any existing roads, driveways or Utility Structures on the Protected Property as follows:

(i) as Grantor may determine to be required to access and/or service development located in lands in the Concept Plan, so long as said roads, driveways and/or Utility Structures are located, designed, placed, and constructed in a manner so as to (A) minimize the amount of Protected Property utilized, and (B) minimize unreasonable adverse effects on the Conservation Values;

(ii) as Grantor may determine to be required to conduct Forest Management Activities occurring on the Protected Property pursuant to Section 3.2(b) hereof or outside of the Protected Property, or to access and/or service Forestry Improvements, so long as said roads, driveways and/or Utility Structures are located, designed, placed, and constructed in a manner so as to (A) minimize the amount of Protected Property utilized, and (B) minimize unreasonable adverse effects on the Conservation Values;

(iii) as Grantor may determine to be required to access and/or service the land uses and Structures permitted for Forest Management Activities , so long as said roads, driveways and/or Utility Structures are located, designed, placed, and constructed in a manner so as to (A) minimize the amount of Protected Property utilized, and (B) minimize undue adverse effects on the Conservation Values;

(iv) as Grantor may determine to be required to access and/or service the land uses and Structures permitted pursuant to Sections 3.2(a), 3.2(c), 3.2(d), and 3.2(e) hereof, provided that Grantor first obtains the consent of Holder, which shall be granted only upon a determination by Holder that said roads, driveways and/or Utility Structures are located, designed, placed, and constructed in a manner so as to (A) minimize the amount of Protected Property utilized, and (B) minimize undue adverse effects on the Conservation Values;

(v) as Grantor may determine to be required to access or service locations in which Non-exclusive, Low-intensity Outdoor Recreation activities or motorized recreational uses permitted pursuant to Section 6.1 hereof are occurring or desired, either on the Protected Property or on government-owned or managed lands adjacent or reasonably proximate to the Protected Property, provided that Grantor first obtains the consent of Holder, which shall be granted only upon a determination by Holder that said roads, driveways and/or Utility Structures are located, designed, placed, and constructed in a manner so as to (A) minimize the amount of Protected Property utilized, and (B) minimize undue adverse effects on the Conservation Values; and

(vi) as Grantor may determine to be required to access or service (A) Structures existing as of the date of the grant of this Conservation Easement, as identified in the Baseline Documentation, (B) Structures used for nature observation (including, but not limited to, observation blinds and platforms), (C) Trails, or (D) Structures required for the administration and collection of fees pursuant to Section 6.2 hereof; provided, however that under no circumstances may there be more than one (1) “cell” tower on the Protected Property at any point in time.

(b) All such roads, driveways and/or Utility Structures shall be constructed, placed, or expanded only in accordance with all necessary regulatory approvals, including, but not limited to, permits required for the development that is to be accessed or serviced by such roads, driveways and/or Utility Structures.

4.2 Easements, Rights of Way, or Other Interests.

(a) Grantor hereby expressly reserves the right to grant permanent or temporary easement rights, rights of way, and/or other interests for (i) the conduct of any activity permitted on the Protected Property by this Conservation Easement, or (ii) as may be reasonably necessary in furtherance of any activity conducted on property adjacent to the Protected Property, provided, however, that such easement shall not have an unreasonable adverse effect on the Conservation Values. Holder’s consent shall not be required, however notice shall be provided to Holder at least ten (10) days prior to the grant of any easement, rights-of-way or

other interests.

(b) Any conveyance pursuant to Section 4.2 hereof shall explicitly state that it is made subject to this Conservation Easement.

5. BASELINE DOCUMENTATION AND UPDATING THEREOF

5.1 Preparation of Baseline Documentation. The Parties acknowledge and agree (a) that prior to the date of the grant of this Conservation Easement and in consultation with the LUPC, Holder has prepared and completed Baseline Documentation on the Protected Property consistent with the requirements of Section 5.2 hereof, and subject to the provisions of Section 11 hereof; (b) that Grantor has acknowledged to Holder the accuracy of the Baseline Documentation; and (c) that Holder has employed natural resources professionals and other experts as necessary to assist it in preparing and completing the Baseline Documentation. The Parties further acknowledge and agree that the purpose of preparing such Baseline Documentation, and subsequently updating the information contained in such Baseline Documentation by means of the Resource Information System, is to assist Grantor in achieving compliance with the terms and conditions of this Conservation Easement and to assist Holder in monitoring and enforcing the terms and conditions of this Conservation Easement.

5.2 Content of Baseline Documentation. The Baseline Documentation includes as of the date of the grant of this Conservation Easement: (a) documentation of the knowledge of the physical and biological condition of the Protected Property, its physical improvements, and the special sites and resources that may require special management, including, but not limited to, all such information as it relates to documenting the Conservation Values; (b) a cataloguing of scenic resources of high public value and the public vantage points from which such scenic resources are observed; (c) the most recent Qualifying Forest Certification Program audit and supporting documentation that includes all data, mapped information, procedures, and policies that make up Grantor's supporting information for its certification; (d) documentation required in Section 17.9 hereof regarding the valuation ratio; and (e) any other information required to determine initial compliance with the requirements of this Conservation Easement. The Baseline Documentation also describes where there are information deficiencies in the categories of information sought in this Section 5.2, if any. In compiling information described in Section 5.2(a) hereof, Holder may obtain input from Federal and State natural resource agencies possessing knowledge of these issues.

5.3 Resource Information System. Upon the date of the grant of this Conservation Easement, Grantor shall establish and maintain a Resource Information System for the purpose of updating and keeping current over time the information contained in the Baseline Documentation. Grantor shall update the Resource Information System from time to time as new information becomes available. The Resource Information System shall, at minimum, include the data contained in the Baseline Documentation.

5.4 No Shield. All sites and resources that may be identified by Grantor or by Holder subsequent to the completion of the Baseline Documentation that otherwise would have met the criteria for inclusion in the Baseline Documentation pursuant to Section 5.2 hereof

shall be added to the information contained in the Resource Information System at the time of identification and protected in accordance with this Conservation Easement and the Management Plan.

6. PUBLIC ACCESS

6.1 Grant of Public Access. It is Grantor's intent and objective that this Conservation Easement create a permanent right of non-motorized public access to, on, and across, and use of, the Protected Property for Non-exclusive, Low-intensity Outdoor Recreation, and to maintain opportunities for such uses of the Protected Property. In furtherance thereof, Grantor hereby grants to Holder, to hold on behalf of the public and for the public benefit, the right of non-motorized public access to, on, and across and use of the Protected Property (including use of the Protected Property by commercial guides, by customers of Campsites and Remote Rental Cabins, by commercial sporting camps, and by non-profit camping and educational and scientific institutions) for Non-exclusive, Low-intensity Outdoor Recreation as provided herein. To this end, Grantor agrees to take no action to prohibit or discourage non-motorized access to, on, or across the Protected Property nor to inhibit Non-exclusive, Low-intensity Outdoor Recreation by the public; provided, however, that Grantor reserves the right to make reasonable rules and regulations for different types of public use, and to control, limit, or temporarily prohibit, by posting and other means, any use by the public (including, but not limited to, night use, camping, loud activities, open fires, use of equipment, and areas of access) for purposes of (a) protecting public safety, (b) protecting the Conservation Values, (c) ensuring compliance with all applicable laws, and (d) accommodating Grantor's Forest Management Activities and other uses of the Protected Property permitted hereunder. Grantor hereby expressly reserves the right to allow, limit, or prohibit motorized recreational uses on the Protected Property, in the sole and absolute discretion of Grantor. Grantor may allow Motorized Recreation uses on the Protected Property only if Motorized Recreation uses are consistent with a Motorized Recreational Use Plan proposed by Grantor and consented to by Holder, which demonstrates that the Motorized Recreation described and located on trails/roads in the Motorized Recreational Use Plan is sited and will be operated in such a manner so as to avoid unreasonable adverse effects to the Conservation Values. Grantor may propose amendments of the Motorized Recreational Use Plan to Holder at any time for its consent. Grantor shall take reasonable efforts to ensure that all motorized recreational uses on the Protected Property are consistent with the Motorized Recreational Use Plan.

6.2 Fees. Grantor reserves the right to charge the public fees in an amount that in Grantor's reasonable estimation, and subject to Holder's consent, will recompense Grantor for the costs of any or all of (a) maintenance resulting from public recreational use of permitted roads to, on, and over the Protected Property (to the extent not otherwise recompensed), (b) maintaining permitted recreational Structures on the Protected Property, including, but not limited to, Recreational Facilities, (c) managing and developing Trails on the Protected Property, (d) managing both permitted Non-exclusive, Low-intensity Outdoor Recreation and permitted Motorized Recreation (including the cost of procuring necessary insurance), and (e) providing the services, personnel, and facilities required to administer and collect these fees. Grantor may assign the right to charge such fees to the State of Maine or other entity that assumes responsibility for any of the items described in clauses (a) – (e) of this Section 6.2.

Notwithstanding any other provision hereof, Grantor expressly reserves the right to require a permit and charge fees without Holder's consent and in an amount that exceeds Grantor's costs for permitted commercial activities, including, but not limited to, fees for the use of the roads for transportation of forest products, "bear baiting", and for commercial or for-profit enterprises (recreational or otherwise).

6.3 Limitation on Grant. Notwithstanding the foregoing, this Conservation Easement does not grant any easement, right of way, right of access, or other interest or license on, across, over, or affecting any other land of Grantor not included in the Protected Property, and this Conservation Easement does not, and shall not be construed to impose upon Grantor any obligation to provide or allow public access on, across, over, or affecting any land of Grantor not included in the Protected Property. Any such rights or licenses affecting any land of Grantor not included in the Protected Property, if granted by Grantor in its sole discretion, shall be by a separate instrument or instruments recorded in the Registry of Deeds where such other land is located, and no such rights or licenses shall arise by implication, necessity, or otherwise, and this Conservation Easement does not expand or extend any privilege or license currently provided by Grantor.

6.4 Immunity. Grantor and Holder claim all of the rights and immunities against liability for injury to the public to the fullest extent of the law under Title 14 M.R.S. § 159-A, under the Maine Tort Claims Act, Title 14 M.R.S. §§ 8101 *et seq.*, and/or under any other applicable provision of law or equity.

6.5 Right of Law Enforcement to Enter the Protected Property. Nothing in this Section shall be construed to prevent law enforcement or public safety personnel from entering the Protected Property at any and all times for the purposes of carrying out official duties in compliance with law.

7. CONVEYANCES AND DIVISION

7.1 Division Limitations.

(a) Notwithstanding that the Protected Property may be described as separate parcels, for the purposes of this Conservation Easement, the Protected Property shall be treated as a single merged parcel. Except to the extent otherwise provided in this Conservation Easement, the Protected Property shall remain in its current configuration as an entirety without division, partition, subdivision, or other legal creation of lots or parcels in separate ownership other than that of Grantor or its Affiliates (each a "**Division**"). The Grantor may divide the Protected Property provided that (a) not more than four (4) separate Divisions may be created and conveyed to others; and (b) any Division allowed pursuant to this Section 7.1 hereof shall not be subsequently re-divided into a smaller Division unless one of the divisions permitted in (a) above is transferred and counted to the total of the four (4) permitted divisions; provided, however, that the following Divisions are exempt from the limitations of this subsection: (i) any Division made to develop a Recreational Facility authorized by the Concept Plan, provided that any such Division is not larger than reasonably necessary for such purpose; and (ii) any Division to transfer ownership of a portion of the Protected Property to any governmental entity.

(b) With the consent of Holder, Grantor may enter into boundary line agreements to resolve *bona fide* boundary line disputes, provided that there will be no unreasonable adverse effect on the Conservation Values and that the total acreage of land protected under this Conservation Easement shall not materially be reduced thereby without court order pursuant to Section 17.5 hereunder. A boundary line adjustment under this subsection shall not constitute a Division, and the portion of the Protected Property conveyed by the Grantor shall not be part of the Protected Property.

7.2 Extinguishment of Development Rights. Except as provided for by the terms of this Conservation Easement, all rights to develop or use the Protected Property that are expressly prohibited by this Conservation Easement are extinguished, and as a result of such extinguishment, shall not be available for transfer to any other lands pursuant to a transferable development rights scheme or cluster development arrangement or otherwise. Neither the Protected Property nor any portion thereof shall be included as part of the gross area of any other property not subject to this Conservation Easement for the purposes of determining density, lot coverage, or open space requirements under an otherwise applicable statute, regulation, or ordinance controlling land use and building density. For the avoidance of doubt, nothing in this subsection is intended to prohibit Grantor from undertaking practices or restrictions to its Forest Management Activities or other permitted land uses that are allowed by this Conservation Easement, but are additional to practices and restrictions required by the terms and conditions of this Conservation Easement all for the purposes of achieving carbon emissions or other environmental services credits, offsets, banking, or mitigation, the right to use the Protected Property for these purposes is not extinguished.

7.3 Transfer of Resource Information System Information. For any and all sales, transfers, or other conveyances by Grantor of some or all of the Protected Property that may occur pursuant to Section 7.1 hereof, Grantor shall, as a condition of conveyance, provide transferee all information contained in the Resource Information System regarding the portion of the Protected Property being conveyed, subject to any confidentiality protections duly exercised by Grantor pursuant to Section 11 hereof.

7.4 Notice of Divisions. Grantor agrees to give Holder thirty (30) days prior notice of any Division of its interest in the Protected Property.

8. HOLDER'S RIGHTS AND OBLIGATIONS

8.1 Enforcement.

(a) Subject to Sections 3.2(b) and 18 hereof, Holder has the right to enforce this Conservation Easement and the Management Plan in law and equity against Grantor for violation of the Conservation Easement or the Management Plan including for actions of its agents, employees, contractors or designees.

(i) Damages. In any action to enforce the terms of this Conservation Easement or the Management Plan, monetary damages shall be limited to those

ordered by the arbitrator, as provided in Section 18 hereof, as compensatory damages, and shall not include consequential, liquidated, or punitive damages. However, if the arbitrator finds that a violation of the terms of this Conservation Easement or the Management Plan was knowing, intentional, or willful, the arbitrator may award monetary damages up to and including twice the economic benefit gained by Grantor from activities in violation.

(ii) Costs. If the arbitrator under Section 18 determines that this Conservation Easement or the Management Plan has been breached, the arbitrator shall also have the right to order Grantor to reimburse Holder for any reasonable costs of enforcement, including any court costs, reasonable attorney's fees, out-of-pocket costs and any other payments ordered by the arbitrator, including those incurred pursuant to Section 8.1(a)(iii) hereof, but not including those subject to Section 8.13 hereof.

(iii) Emergency injunction. Notwithstanding the dispute resolution provisions of Section 18 hereof, Holder shall have the right in an emergency by proceedings in a court of competent jurisdiction at law and in equity to seek to enjoin a violation, *ex parte* as necessary, by temporary or permanent injunction, and to require the restoration of the Protected Property to the condition that existed as nearly as practicable to Holder's satisfaction, acting reasonably, prior to any such injury. The exclusive remedy available to Holder in such an action shall be injunctive relief.

(iv) Presumption of Compliance. In any action to enforce the terms and conditions contained in Section 3.2(b) hereof, Holder shall have the burden of overcoming the presumption of compliance afforded by the existence of certification by a Qualifying Forestry Certification Program under Section 3.2(b) hereof.

(v) Opportunity to Cure Violations. Prior to initiating any enforcement action, Holder shall provide Grantor with sixty (60) days prior notice of and opportunity to cure any breach, except where emergency circumstances require enforcement action without such delay, in which case Holder may bring immediate enforcement action pursuant to Section 8.1(a)(iii) hereof.

(b) Holder may not bring an enforcement action against Grantor for injury to or change in the Protected Property resulting from changes beyond the control or responsibility of Grantor, including, but not limited to, fire, flood, storm, and earth movement, from the actions of parties not under the control of Grantor (including Holder or any of its agents, employees, contractors or designees), or from any prudent action taken by Grantor under emergency conditions to prevent, abate, or mitigate significant injury to the Protected Property.

8.2 Right of Entry. Holder or its designee has the right to enter the Protected Property, including the right to travel on roads outside the Protected Property to which the Grantor has rights of access, for gathering information regarding the Protected Property and for inspection and enforcement purposes, at any time and from time to time and in a reasonable manner that is consistent with the Conservation Values, so long as Holder or its designee does not unreasonably disrupt, interfere, inhibit, or restrict any Forest Management Activities. Grantor makes no representation or warranty that either the Protected Property or any access

thereto is able to support or is suitable for any particular vehicles, supplies, machinery or equipment (including heavy equipment and machinery) and access will be conducted at the sole risk of Holder and its employees, agents, and contractors. Holder acknowledges: (a) industrial forestry activities regularly take place on the Protected Property; (b) such activities involve the use of large forestry equipment and motor vehicles, including trucks; (c) such forestry equipment utilizes the roads located on the Protected Property; and (d) that it will attempt at all times to cooperate with Grantor regarding safe access to the Protected Property.

8.3 Holder Damage to Grantor's Property. If, in conducting any activities on the Protected Property, including monitoring or enforcement activities, Holder or its employees, agents, or contractors cause damage to roads or any building or Structure located on the Protected Property, Holder will promptly inform Grantor of such damage and will be responsible for the reasonable cost and expense of repairing the damage. Grantor may elect to undertake the required repair work within ten (10) days or Grantor and Holder may agree on a contractor to perform the repair work, and which will be pursued with commercially reasonable diligence.

8.4 Permits. Prior to conducting any activities on the Protected Property, Holder will obtain, and will then maintain and comply with, all permits and approvals required by applicable laws in connection with such activities.

8.5 Insurance. Holder, at its sole cost and expense, will maintain or cause to be maintained (a) commercial general liability insurance covering bodily injury and property damage including sudden and accidental pollution liability and forest fire fighting expense, in respect of the Protected Property, protecting Grantor and Holder, with a combined single limit of not less than \$10,000,000 and which will be written on an occurrence basis; (b) automobile liability insurance with limits of \$5,000,000 per occurrence; (c) all risks property insurance covering all property and equipment brought onto the Protected Property on a replacement cost basis; and (d) workers compensation and employers liability as per statutory requirements. The commercial general liability policies of insurance to be maintained by Holder under the provisions of this Conservation Easement will name Grantor as an additional insured and will contain a cross liability clause. All such policies will be endorsed to provide that insurers will waive their rights of subrogation against Grantor, its officers, directors, employees, agents, contractors, and mortgagees. All such policies will be issued by companies licensed to do business in the State of Maine, reasonably satisfactory to Grantor and with an A.M. Best's (or its successor) rating of A- or better or the then equivalent of such rating. Holder will deliver to Grantor copies of the endorsements to the policies evidencing such additional insured coverage, in form reasonably satisfactory to Grantor, issued by the insurance company or its authorized agent prior to any entry upon the Protected Property. To the extent reasonably obtainable, such policies will contain a provision whereby the same cannot be canceled or denied renewal (including by reason of non-payment of premium) unless Grantor are given at least thirty (30) days prior notice of such cancellation or denial. Where such a provision is not reasonably obtainable, Holder will within two (2) days of (i) receipt of any notice either threatening or indicating the insurance company's intent to cancel or deny such policies, or (ii) receipt of any notice of any cancellation or denial of such policies, inform Grantor of such notice. Notwithstanding any other provision of this Conservation Easement, Holder, its employees, or

any contractor engaged by Holder may only enter upon the Protected Property up to the date of policy cancellation or expiration unless Holder provides Grantor evidence of renewal or replacement of such policies within no less than five (5) days of the expiration thereof. In addition, Holder will require all contracts with third parties retained by Holder or any contractor or agent of Holder for the performance of any work or activities on the Protected Property to carry the following insurance: (A) workers' compensation insurance and employers' liability insurance covering all persons employed in connection with such work or activities, as per statutory requirements (B) commercial general liability insurance to protect it from claims for damages for bodily injury and property damage including sudden and accidental pollution liability and forest fire fighting expense which may arise from operations performed with a limit of \$1,000,000 per occurrence, and (C) and automotive liability insurance with a limit of \$1,000,000 per occurrence on all owned, non-owned and hired vehicles. Grantor may at any time and from time to time upon no less than thirty (30) days prior written notice to Holder, increase the required policy limits identified in this Section 8.5, acting reasonably.

8.6 Co-Operation. The Parties, and their Affiliates, if applicable, will cooperate to schedule and conduct their respective activities on the Protected Property to cause the least practicable interruption or reduction to each other's activities.

8.7 Forest Fire. Holder agrees that all activities of the Holder and its employees, contractors, and subcontractors on the Protected Property will be conducted in a manner that minimizes the risk of fire.

8.8 Indemnity. Holder shall defend, indemnify, release, and hold Grantor, and its subsidiaries and Affiliates (including the respective directors, officers, shareholders, members, trustees, beneficiaries, employees, principals, agents and representatives of the aforementioned entities) (collectively, the "**Indemnitees**"), harmless from and against any and all claims, demands, actions, suits, damages, liability, loss, costs, and expense, including reasonable attorney's fees, which may be brought against, suffered, or incurred by the Indemnitees resulting from, arising from, or in connection with the exercise by Holder, its employees, agents, invitees, guests, or any other person of rights under this Conservation Easement, except in the case of intentional misconduct or willful violation of law by Indemnitees. Grantor shall defend, indemnify, release, and hold Holder harmless from and against any and all claims, demands, actions, suits, damages, liability, loss, costs, and expense, including reasonable attorney's fees, which may be brought against, suffered, or incurred by Holder resulting from, arising from, or in connection with the exercise by Grantor, its employees, agents, invitees, guests, or any other person of rights under this Conservation Easement, except in the case of intentional misconduct or willful violation of law by Holder.

8.9 Right to Certain Information. In the absence of third-party certification under Section 3.2(b)(iv) hereof, and subject to the provisions of Section 11 hereof, Grantor agrees to provide to Holder the types of information that would be made available to a third-party auditor, including, but not limited to, information contained in the Baseline Documentation and the Resource Information System, to the extent reasonably necessary for Holder to perform the monitoring and enforcement responsibilities as set forth in this Conservation Easement.

8.10 Meetings. Grantor and Holder shall meet on at least an annual basis (or such other basis as is mutually agreed upon by the Parties) to review, monitor, and discuss implementation of the terms of this Conservation Easement.

8.11 Annual Reporting. Holder shall comply with the annual reporting requirements of Title 33 M.R.S. § 479-C. In addition, Holder shall provide written annual reports to the Grantor covering monitoring undertaken during the year; any easement violations found and actions taken as a result; emerging issues identified by the Holder or brought to the attention of the Holder by any other entity, and any other information relevant to monitoring the easement. Such written reports shall be maintained by Holder in its permanent records, and a copy of all such reports shall be provided to Grantor within thirty (30) days of filing.

8.12 Boundary Surveys. Grantor has the responsibility to adequately maintain boundaries of the Protected Parcel and shall provide Holder digital files of the boundaries sufficient for Holder to monitor and enforce this Conservation Easement. Holder, at its sole cost, has the right to conduct a professional boundary survey of the Protected Property, or any part thereof, if one is required to determine whether there is a violation of this Conservation Easement. Grantor shall reimburse Holder for such survey cost if it is determined through the results of such boundary survey that there was a material violation of this Conservation Easement.

8.13 Offset for Civil Penalties. In the event that any governmental agency or citizen obtains penalties or fines in an enforcement action against Grantor for a violation of law that is also a violation of this Conservation Easement, the amount of any such penalty or fine, including any amount paid toward supplemental environmental projects pursuant to Title 38 M.R.S. § 349(2-A) or other comparable State, federal, or local law, shall be credited against any corresponding award of monetary damages obtained by Holder through a subsequent enforcement action for the violation of this Conservation Easement or the Management Plan caused by the same underlying conduct unless the arbitrator determines the conduct was knowing, intentional, or willful under Section 8.1(a). Nothing in this paragraph subsection shall limit the right of Holder to pursue any equitable or other relief, including specific performance or restoration of the Protected Property.

9. ATTORNEY GENERAL RIGHTS

Nothing in this Conservation Easement shall be construed as limiting or removing any independent rights of the Attorney General of the State of Maine under Maine law to enforce the terms and conditions of this Conservation Easement and the Management Plan.

10. STEWARDSHIP FUND

10.1 Initial Contribution. For the purpose of providing support to Holder relating to its role as Holder of the Conservation Easement, Grantor shall, within sixty (60) days from the date of the grant of this Conservation Easement, establish a dedicated stewardship fund

(hereinafter the “**Fund**”) at the Maine Community Foundation or at another fund operator (hereinafter “**Fund Operator**”) meeting the selection criteria under Section 3 of the “Agreement on Fish River Lakes Region Conservation Easement Stewardship Fund” pursuant to an agreement (the “**Stewardship Fund Agreement**”) of near or even date herewith and by and among Grantor, Holder, and Fund Operator. The amount of the initial contribution by Grantor to the Fund shall be _____, in 2018 U.S. dollars. The Fund shall be managed and funds disbursed for monitoring purposes and in accordance with the terms of the Stewardship Fund Agreement.

10.2 Additional Contributions. Additional contributions to the Fund shall be required as follows:

(a) Additional Contribution for Each Division of the Protected Property. For each Division of the Protected Property under Section 7.1 hereof, Grantor shall contribute _____ to the Fund.

(b) Contributions Required Prior to Division. No conveyance of any portion of the Protected Property shall be made unless the contribution to the Fund required by this Section 10.2 is made by Grantor on or before the date of the Division, and unless a certificate of Holder is recorded in the Registry of Deeds for the county in which the lot is located stating that the required contribution to the Fund has been paid.

(c) Contributions Due to Absence of Third-Party Certification. In the absence of third-party certification of the Protected Property from a Qualifying Forestry Certification Program pursuant to Section 3.2(b)(vi) hereof, Grantor then owning that portion of the Protected Property (the “**Owner**”) shall contribute a one-time lump sum of _____ to the Fund, provided, however, that no such payment shall be required if the Owner discontinues all Forest Management Activities on that portion of the Protected Property and files an affidavit in the Registry of Deeds stating that all Forest Management Activities on that portion of the Protected Property have been discontinued. If the Owner discontinues all Forest Management Activities on that portion of the Protected Property and files an affidavit stating that all Forest Management Activities on that portion of the Protected Property have been discontinued, Forest Management Activities shall not be resumed on that portion of the Protected Property until the Owner has paid _____ into the Fund or, until a certificate of Holder stating that the Owner has complied with the requirements of this subsection has been recorded in the Registry of Deeds.

(d) Adjustment to 2018 U.S. Dollars. Contributions to the Fund required by this Section 10 shall be paid in the amounts indicated in U.S. dollars, adjusted for inflation and/or deflation for each year after 2018 based on the Consumer Price Index for all Urban Consumers (CPI-U) published by the Bureau of Labor Statistics of the U.S. Department of Labor or the successor thereto for each year after 2018, or if that index is discontinued, based on a similar index published by the United States Government and selected in accordance with the terms of the Stewardship Fund Agreement.

(e) Continuing Lien. As and when they become due, all additional

contributions to the Fund and other amounts due to Holder under this Section 10 shall be continuing liens for the benefit of Holder against those portions of the Protected Property that give rise to the additional contributions or other amounts due. The lien(s) may be enforced by any means provided under Maine law, provided that action to enforce the lien(s) is brought within one-hundred and twenty (120) days of Holder's receipt of written notice of the absence of third-party certification giving rise to the lien(s). Without waiving or prejudicing any rights of collection and costs against Grantor, enforcement of the lien(s) shall proceed against the Owner of that portion of the Protected Property giving rise to the additional contribution, with notice to Grantor, and Holder shall be entitled to recover all reasonable, out of pocket costs of collection, including reasonable attorney's fees.

(f) Estoppel Certificates. In consideration of the foregoing, and as requested, Holder agrees to deliver estoppel certificates in a customary commercial form, certifying that all relevant amounts due under this Section 10 have been timely paid. Failure of Holder to deliver such estoppel certificates ten (10) business days following receipt of a written request containing all information material to the preparation and delivery of the certificates shall constitute a waiver of the lien(s) described in Section 10.2(e) hereof.

11. ACCESS TO RECORDS OF GRANTOR

11.1 Intent. Holder shall have access to records in the possession of Grantor to the extent reasonably necessary to perform the monitoring and enforcement responsibilities as set forth in this Conservation Easement. The Parties recognize that the identity of the holder of this Conservation Easement may change and that governmental agencies serving as Holder may be subject to public records laws. The intent of the Parties, therefore, is that (a) non-governmental organizations serving as Holder shall maintain as confidential proprietary information or trade secrets contained in records made available by Grantor to the maximum extent permitted by law, (b) governmental agencies serving as Holder shall maintain as confidential such records to the maximum extent allowed by law, including public records laws, and that (c) the existence of potentially proprietary information or trade secrets within such records will not impede the ability of Holder from accessing all information in the possession of the Grantor required for fully performing its monitoring and enforcement responsibilities.

11.2 Non-Governmental Organization as Holder. This subsection applies to a Holder that is a non-governmental organization. Grantor shall promptly make available to Holder upon request copies of any records reasonably necessary to perform monitoring or enforcement responsibilities under this Conservation Easement. To the extent Grantor concludes in good faith that such records contain proprietary information or trade secrets, Grantor may either (a) redact such proprietary information or trade secrets within said records, so long as the redacted information is not reasonably necessary for monitoring and enforcement and Grantor further provides a written explanation of the nature of the redacted information in sufficient detail to allow Holder to assess its need for the redacted information; or (b) submit the requested records in unredacted form clearly marked as "confidential." Holder shall maintain the confidentiality of records Grantor submits under a claim of confidentiality to the maximum extent allowed by law, and shall promptly return to Grantor or at Grantor's request destroy all records designated as "confidential" as soon as such records are no longer reasonably necessary

to perform its monitoring and enforcement responsibilities, or upon the termination of Holder's status as Holder.

11.3 Governmental Organization as Holder. This subsection applies to a Holder that is a governmental agency. Grantor shall promptly make available to Holder upon request copies of any records reasonably necessary to perform monitoring or enforcement responsibilities under this Conservation Easement. To the extent Grantor concludes in good faith that such records contain proprietary information or trade secrets, Grantor may either (a) redact such proprietary information or trade secrets within said records, so long as the redacted information is not reasonably necessary for monitoring and enforcement and Grantor further provides a written explanation of the nature of the redacted information in sufficient detail to allow Holder to assess its need for the redacted information; or (b) submit the requested records in unredacted form clearly marked as "confidential." Holder shall consider any information Grantor may provide in support of a claim of confidentiality in determining whether (i) such records are reasonably necessary to perform monitoring and enforcement responsibilities, and (ii) such records are properly subject to disclosure or entitled to protection from disclosure under applicable public records laws, including Maine's Freedom of Access Law, Title 1 M.R.S. §§ 401 *et seq.* ("FOAA"). Except to the extent required by law or court order, in the event that Holder determines that records subject to a claim of confidentiality by Grantor are subject to disclosure pursuant to FOAA or other applicable law, Holder shall, prior to disclosure, provide Grantor with written notice and a reasonable opportunity to obtain a court order barring disclosure.

11.4 Confidentiality in Court Proceedings. Records obtained by the Attorney General in connection with the enforcement of this Conservation Easement shall be governed by Title 33 M.R.S. § 478(4) and any other applicable provision of law.

12. DELINEATION AND MODIFICATION OF BOUNDARIES

Upon mutual agreement of Grantor and Holder, the boundaries of the Protected Property may be modified to establish an easily identifiable boundary to the Protected Property (such as a roadway or stream thread), provided that such boundary modification involves an insignificant amount of land and there is no more than a *de minimis* change in the total acreage of the Protected Property, and provided further that any such modification during the term of the Concept Plan is approved by LUPC. Any such modification shall not be considered a Division under Section 7.

13. NOTICES

13.1 Notice and Consent.

Notices and consent required or contemplated hereunder to any Party must be in writing and will be sufficient if served personally or sent by facsimile with a receipt of delivery, overnight mail with receipt acknowledged, or certified mail, return receipt requested, addressed as follows:

To Grantor: Irving Woodlands LLC
 300 Union Street – 8th Floor
 P.O. Box 5777
 Saint John, NB E2L 4M3
 Canada
 Attn: Co-Chief Executive Officer & Co-
 President
 Fax: (506) 632-6451

With a copy to: J. D. Irving, Limited
 300 Union Street, 12th Floor P.O. Box 5888
 Saint John, NB E2L 4L4
 Canada
 Attn: Secretary
 Fax: (506) 658-0517

To Holder: Forest Society of Maine
 115 Franklin Street, 3rd Floor
 Bangor, ME 04401
 United States of America
 Attn.: Executive Director
 Fax: (207) 945-9229

or to such other authorized person as any Party may from time to time designate by written notice to the others in the manner set forth above. Notices given in accordance with this Section 13.1 will be deemed given on the date personally delivered or three (3) days after being sent by facsimile, overnight, or certified mail. In the event that such notice to a Party is returned as undeliverable, notice shall be sent by certified mail, return receipt requested, or by such commercial carrier as requires a receipt, and by regular mail to the Party's last known address on file with the Bureau of Taxation for the State of Maine, and with the Bureau of Corporations, Secretary of the State of Maine, if applicable, and the mailing of such notice shall be deemed in compliance with the notice provisions of this Easement.

14. LIENS, TAXES, INDEMNITY

14.1 Liens. Grantor represents that as of the date of the grant of this Conservation Easement there are no liens for money owed or mortgages outstanding against the Protected Property. Any portion of the Protected Property may be used to secure the repayment of debt, provided that any lien or other rights granted for such purpose are subordinate to all of the rights of Holder, including the right to enforce the terms, restrictions, and covenants created under this Conservation Easement. Under no circumstances shall Holder's rights be extinguished or otherwise affected by the recording, foreclosure, or any other action taken concerning any lien or other interest in the Protected Property.

14.2 Property Taxes. Grantor is responsible to pay and discharge when due all property taxes, assessments, and other costs, charges, liens, and encumbrances lawfully

imposed upon or in connection with the Protected Property and to avoid the imposition of any liens or encumbrances that may affect Holder's rights hereunder. In the event a lien created against the Protected Property is to be executed, Holder, at its option, shall, after written notice to Grantor, have the right to pay funds to discharge the lien to protect Holder's interest in the Protected Property and to assure the continued enforceability of this Conservation Easement; provided, however, that Grantor first shall have the right to contest any such lien by legal proceedings. In the event Grantor elects to contest any property taxes, assessments, and other costs, charges, liens, and encumbrances by legal proceedings, Holder's right to pay and discharge such lien(s) shall not arise until and unless such lien(s) are determined as a result of such legal proceedings to be valid and enforceable against the Protected Property, or unless and until Grantor has abandoned its prosecution of such legal proceedings. If Holder exercises its right and pays funds to discharge a lien, Holder shall be entitled to recover such amount from Grantor.

14.3 Indemnity. Grantor acknowledges that Holder has no possessory rights in the Protected Property or any responsibility or right to control, maintain, or keep-up the Protected Property. Grantor is responsible for all costs and ownership, control, operation, maintenance, and upkeep of the Protected Property, unless performed by Holder or its designees voluntarily, and will indemnify, defend, and hold harmless Holder from any claims for damages that arise therefrom, except for harm proximately caused by Holder's negligent act or misconduct, or as may arise out of Holder's workers' compensation obligations.

15. ASSIGNMENT OF CONSERVATION EASEMENT

This Conservation Easement is assignable by Holder with the consent of Grantor. Assignment of this Conservation Easement during the term of the Concept Plan to any entity may only occur after notice to and written approval by LUPC (or any successor) and Grantor, and only to an entity that (a) satisfies the requirements of Section 170(h)(3) of the Internal Revenue Code of 1986 and Title 33 M.R.S. § 476(2); (b) has land conservation as its primary goal or purpose and otherwise has goals and purposes that are reasonably consistent with protecting the natural, scenic, or open space values of real property; (c) agrees, in writing, as a condition of transfer, to monitor, enforce, and otherwise uphold the Conservation Values and abide by the terms and conditions of this Conservation Easement; (d) possesses both the financial resources and the demonstrated experience required to monitor and enforce large-acreage easements; and (e) has no potential conflicts of interest with its responsibilities to hold and enforce the Conservation Easement in a fair and impartial manner, and operates in the public interest and not for the benefit of private individuals or corporations. Grantor may only withhold consent of Holder's proposed assignment of this Conservation Easement upon a showing that the proposed assignee does not satisfy the requirements and qualifications set forth in this Section 15. Arbitration pursuant to Section 18 hereof of a decision to withhold consent of assignment shall be *de novo* and without deference to the withholding Party.

16. COMPLIANCE WITH MAINE CONSERVATION EASEMENT LAW

16.1 Conservation Easement Act. This Conservation Easement is created pursuant to Maine's Conservation Easement Act, Title 33 M.R.S. §§ 476 *et seq.*

16.2 Holder Qualification. Holder is qualified to hold conservation easements pursuant to Title 33 M.R.S. § 476(2)(B), and is a Qualified Organization under Section 170(h)(3) of the Internal Revenue Code of 1986, to wit: a publicly funded, non-profit, Section 501(C)(3) organization having a commitment and the resources to protect the conservation purposes of the donation and enforce the restrictions .

17. GENERAL PROVISIONS

17.1 Reservation of Rights. Grantor hereby expressly reserves to itself, its successors, and assigns all rights and use accruing from ownership of the Protected Property, including the right to engage in or permit others to engage in, including, but not limited to, by easement, lease, or otherwise, subject to this Conservation Easement, all uses of the Protected Property that are not prohibited by this Conservation Easement.

17.2 Protected Property Only. This Conservation Easement applies to the Protected Property only. Nothing herein shall be construed to impose any obligation, restriction, or other encumbrance on any real property not expressly made a part of the Protected Property.

17.3 Waiver of Certain Defenses. Grantor hereby waives any defense of laches, prescription, or estoppel for the failure or delay, for any reason whatsoever, of Holder to enforce this Conservation Easement or Management Plan. Only Holder, or the Attorney General to the extent authorized by applicable law, may enforce the terms of this Conservation Easement and the Management Plan. The failure or delay of the Holder, for any reason whatsoever, to do any action required or contemplated hereunder, or to discover a violation or initiate an action to enforce this Conservation Easement shall not constitute a waiver, laches, or estoppel of its rights to do so at a later time.

17.4 Obligations Terminated. A Party's rights and obligations under this Conservation Easement shall terminate when such Party ceases to have any interest in the Protected Property or this Conservation Easement, except that liability for acts or omissions occurring prior to transfer shall survive such transfer.

17.5 Discretionary Approvals, Consents and Amendments.

(a) **Discretionary Approvals.** Grantor and Holder acknowledge that certain activities by the Grantor may warrant the prior discretionary approval of Holder, and that Holder has the right to issue such discretionary approvals without prior notice to any other entity. Nothing in this subsection shall require either party to agree to any discretionary approval.

(b) **Consents.** For any activity requiring Holder's consent hereunder, consent shall not be unreasonably withheld, conditioned or delayed. In each case requiring consent, Grantor shall send a request for consent pursuant to Subsection 13.1 hereunder, including, at a minimum, sufficient information to enable Holder to determine whether proposed plans are consistent with the terms of this Conservation Easement and would not have an unreasonable adverse effect on the Conservation Values. Holder's consent shall be deemed granted if Holder

has not responded to a request for consent within forty-five (45) days of receipt of such request, except as otherwise specifically stated in this Conservation Easement. In addition, where consent is required, Holder shall use all reasonable efforts to reach a decision on whether to provide such consent as quickly as is practicable.

(c) Amendments. Grantor and Holder recognize that rare and extraordinary circumstances could arise that warrant modification of certain of the provisions of this Conservation Easement. To this end, subject to more restrictive laws and regulations, if applicable law, Grantor and Holder have the right to agree to amendments to this Conservation Easement, provided that in the reasonable judgment of Holder, such amendment is consistent with the Conservation Values intended for protection under this Conservation Easement. Amendments will become effective upon recording at the Aroostook County Registry of Deeds. Nothing in this paragraph subsection shall require the Grantor or the Holder to agree to any amendment or to negotiate regarding any amendment. During the term of the Concept Plan, all rights of Holder to amend this Conservation Easement shall require the approval of LUPC.

(d) Further Limitations on Discretionary Approvals and Amendments. Notwithstanding the foregoing, without the prior approval of the court in an action in which the Attorney General is made a party as provided by Title 33 M.R.S. §§ 477-A(2)(B), Holder and Grantor have no right or power to approve any action or agree to any discretionary approval or amendment that would: (i) materially detract from the conservation values intended for protection; (ii) limit the term or result in termination of this Conservation Easement; or (iii) adversely affect the qualification of this Conservation Easement or the status of the Holder under applicable laws, including Title 33 M.R.S. §§ 476 *et seq.*, and Sections 170(h), 501(c)(3), 2522, and 2031(c) of the Internal Revenue Code, and regulations issued pursuant thereto.

17.6 Invalidity. If any provision of this Conservation Easement or the application of any provision to a particular person or circumstance is found to be invalid, the remainder of this Conservation Easement and the application of such provision to any other person or in any other circumstance shall remain valid. Nothing contained herein will result in a forfeiture of this Conservation Easement or reversion to Grantor of any rights extinguished or conveyed hereby. Failure to comply with the requirements of Title 33 M.R.S. §§ 477-A(1), (2)(A), or (3) shall not invalidate this Conservation Easement.

17.7 Governing Law. Interpretation and performance of this Conservation Easement shall be governed by the laws of the State of Maine. This Conservation Easement shall be liberally construed in favor of the grant to effect the conservation purposes of this Conservation Easement and the policy and purpose of the Maine Conservation Easement Act Title 33, Maine 33 M.R.S. §§ 476 *et seq.* If any provision in this instrument is found to be ambiguous, an interpretation consistent with the conservation purposes of this Conservation Easement shall govern.

17.8 Extinguishment. This Conservation Easement can only be terminated or extinguished including by eminent domain, whether in whole or in part, by prior approval of a court of competent jurisdiction in an action in which the Attorney General is made a party

pursuant to Title 33 M.R.S. § 477-A(2)(B). It is the intention of the Parties that an extinguishment or termination be approved by a court only if all of the Conservation Purposes of this Conservation Easement are impossible to accomplish. Should this Conservation Easement be terminated or extinguished as provided in this subsection, in whole or in part, Holder shall be entitled to be paid the increase in value of the Grantor's estate resulting from such extinguishment, as determined by the court, or in the absence of such court determination, by the agreement of the parties or, in the absence of such agreement, by an independent appraiser mutually selected by Grantor and Holder. After satisfying its costs and expenses associated with any termination or extinguishment proceeding, Holder shall use its share of the proceeds or other moneys received under this subsection in a manner consistent, as nearly as possible, with the stated, publicly beneficial purposes of this Conservation Easement. This subsection shall not apply, and there will be no division of proceeds with respect to any sale, exchange or transfer of the Protected Property where the transferred Protected Property remains subject to the Conservation Easement whether explicitly or by operation of law.

17.9 Valuation. This Conservation Easement constitutes a real property interest immediately vested in Holder, which, for purposes of Section 17.8 hereof, the Parties stipulate to have a fair market value determined by multiplying the fair market value of the Protected Property unencumbered by the Conservation Easement (minus any increase in value after the date of the grant of this Conservation Easement attributable to improvements made by Grantor, which amount is reserved to Grantor) by the ratio of the value of the Conservation Easement at the time of this grant to the value of the Protected Property, without deduction for the value of the Conservation Easement, at the time of this grant. For the purposes of this subsection, the ratio of the value of the Conservation Easement to the value of the Protected Property unencumbered by the Conservation Easement shall remain constant (hereinafter the “**Original Percentage Reduction**”). The Parties have included the Original Percentage Reduction in the Baseline Documentation and shall amend such values, if necessary, to reflect any final determination thereof by the Internal Revenue Service or court of competent jurisdiction.

17.10 Condemnation. If either Holder or Grantor receives notice of the actual or threatened exercise of the power of eminent domain or a proposed acquisition by purchase in lieu of condemnation whether by public, corporate, or other authority (hereinafter a “**Taking**”) with respect to any interest in or any part of the Protected Property, the party who receives the notice shall promptly notify the other and the parties may proceed jointly or either party may at its discretion take such legal action as it deems necessary to: (a) challenge the Taking; (b) challenge the amount of allocation of any award tendered by the Taking authority; or (c) otherwise participate in, challenge or appeal such proceedings, findings or awards. Any third party counsel and consultants (including appraisers) hired by either party shall be reasonably acceptable to the other party. Each party shall be responsible for its own costs and legal fees, absent written agreement of the parties.

17.11 Comparative Economic Test. Pursuant to Title 33 M.R.S. § 478, no comparative economic test may be used to determine if this Conservation Easement is in the public interest or serves a publicly beneficial conservation purpose. In making this grant, Grantor has considered the possibility that uses prohibited by the terms of this Easement may become more economically valuable than permitted uses, and that neighboring properties may in the

future be put entirely to such prohibited uses. In addition, the unprofitability of conducting or implementing any or all of the uses permitted under the terms of this Conservation Easement shall not impair the validity of this Conservation Easement or be considered grounds for its termination or extinguishment. It is the intent of both Grantor and Holder that any such economic changes shall not be deemed to be changed conditions or a change of circumstances justifying the judicial termination, extinguishment or amendment of this Conservation Easement.

17.12 Requirement to Comply with Laws and Regulations. Nothing in this Conservation Easement is intended to supersede, eliminate, or otherwise change any obligation of Grantor under any applicable law, including, but not limited to, the obligation to obtain any and all required regulatory approvals for activities permitted under this Conservation Easement's terms. Nothing in this Conservation Easement may be construed to permit an activity otherwise prohibited or restricted by State, local, or Federal laws or regulations, with which Grantor shall have a responsibility to comply.

17.13 Section Headings. The word or words appearing at the commencement of sections and subsections of this Conservation Easement are included only as a guide to the contents thereof and are not to be considered as controlling, enlarging, or restricting the language or meaning of those sections or subsections.

17.14 Initiation Date of Certain Limitations. For purposes of calculating all acreage and other limits established for certain permitted uses and Structures in this Conservation Easement, said calculations shall commence on the date that is fifteen (15) days following the date of approval of the Concept Plan by LUPC.

17.15 Extended Meanings. In this Conservation Easement, words importing the singular number include the plural and vice versa, and words importing persons include individuals, corporations, limited and unlimited liability companies, general and limited partnerships, firm, associations, trusts, unincorporated organizations, joint-stock companies, joint ventures, business units, divisions, Governmental Authorities and other entities.

17.16 Statutory References. In this Conservation Easement, unless something in the subject matter or context is inconsistent therewith or unless otherwise herein provided, a reference to any statute, regulation, rule, agreement, document, or section thereof is a reference to such statute, regulation, rule, agreement, document, or section as may be amended, modified, or supplemented (including any successor section and, with regard to statutes, any regulations made thereunder) and in effect from time to time.

17.17 Time. Whenever the last day for the exercise of any right or the discharge of any duty under this Conservation Easement falls on a Saturday, Sunday, or a legal holiday, the Party having such right or duty will have until the next day that is not a Saturday, Sunday, or legal holiday to exercise such right or discharge such duty.

18. DISPUTE RESOLUTION

18.1 Resolution of Disputes.

(a) Informal Dispute Resolution. Any controversy, claim, or dispute between the Parties arising out of or related to this Conservation Easement or the breach, termination, or invalidity hereof (“**Dispute**”) that cannot be resolved by the Parties within thirty (30) days after receipt by a Party of written notice of such Dispute, the other Party will be referred to a panel consisting of a senior executive (President, a Vice President or similarly titled person) of each Party or any of its Affiliates, if applicable, with authority to decide or resolve the Dispute, for review and resolution. Such senior executives will meet and attempt in good faith to resolve the Dispute within twenty-five (25) days after receipt of such written notice.

(b) Arbitration. Except to the extent expressly provided herein, if a Dispute has not been resolved within sixty (60) days after receipt of written notice, the Dispute will be determined by final and binding arbitration in accordance with the Federal Arbitration Act, Title 9 U.S.C. § 10 (or if not applicable, the applicable State law), the then-current rules for arbitration of the American Arbitration Association, or any successor thereof (“**AAA**”), and the “Special Rules” set forth in Section 18.3 hereof. In the event of any inconsistency, the Special Rules shall control. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction. The decision of the arbitrator will be final and binding on the Parties thereto. The arbitrator will hear and determine all questions of fact and law relating to any Dispute, including, but not limited to, any claim for final injunctive or other equitable relief. By agreeing to arbitration, the Parties do not intend to deprive any court of its jurisdiction to issue a pre-arbitral injunction, pre-arbitral attachment, or other order in aid of arbitration.

(c) Emergency Injunction. Notwithstanding anything to the contrary in Section 18.1 hereof, Holder reserves the right to bring an action in law or equity in a court of competent jurisdiction to enjoin temporarily the imminent violation of this Conservation Easement pursuant to Section 8.1 hereof when, in its reasonable judgment, immediate action is necessary to prevent irreparable harm to the Conservation Values.

18.2 Special Rules for Arbitration.

(a) The arbitration shall be conducted in Portland, Maine, unless otherwise agreed by the Parties. The arbitration shall be administered by AAA, who will appoint an arbitrator. If AAA is unwilling or unable to administer or is legally precluded from administering the arbitration, then either Party may substitute another arbitration organization that has similar procedures to AAA and that will observe and enforce any and all provisions of this Section. The provisions of Sections 18.1 and 18.2 hereof shall be binding on said substitute arbitrator. All Disputes shall be determined by one arbitrator; however, if the amount in controversy in a Dispute exceeds One Million Dollars (\$1,000,000), upon the request of either Party, the Dispute shall be decided by three arbitrators (for purposes of this Section, referred to collectively as the “**arbitrator**”).

(b) All arbitration hearings will be commenced within ninety (90) days of the demand for arbitration and completed within ninety (90) days from the date of commencement; provided, however, that upon a showing of good cause, the arbitrator shall be permitted to extend

the commencement of such hearing for up to an additional sixty (60) days.

(c) The judgment and the award, if any, of the arbitrator shall be issued within thirty (30) days of the close of the hearing. The arbitrator shall provide a concise written statement setting forth the reasons for the judgment and for the award, if any. The arbitration award, if any, may be submitted to any court having jurisdiction to be confirmed and enforced, and such confirmation and enforcement shall not be subject to arbitration.

(d) The arbitrator will give effect to statutes of limitations and any waivers thereof in determining the disposition of any Dispute and may dismiss one or more claims in the arbitration on the basis that such claim or claims is or are barred. For purposes of the application of the statute of limitations, the service on AAA under applicable AAA rules of a notice of Dispute is the equivalent of the filing of a lawsuit.

(e) Any dispute concerning this arbitration provision, including any such dispute as to the validity or enforceability of this provision, or whether a Dispute is arbitrable, shall be determined by the arbitrator; provided, however, that the arbitrator shall not be permitted to vary the express provisions of these Special Rules.

(f) The arbitrator shall have the power to award reasonable attorney's fees and costs pursuant to the terms of this Conservation Easement.

(g) Notwithstanding the foregoing, for any dispute for which the provisions of Sections 3.2(b)(iv) and 8.1 hereof are applicable, the dispute resolution procedures contained in such sections shall govern.

(h) All information disclosed as a result of any arbitration proceeding, including the results of said arbitration, shall be confidential except to the extent provided by applicable law.

18.3 Conditions for ADR By Mutual Agreement of the Holder and Grantor. The parties by mutual agreement may, in addition to arbitration, submit the dispute to other forms of alternative dispute resolution, such as mediation. By mutual agreement, other conditions may be set under which the process of such alternative dispute resolution would proceed.

[the remainder of this page intentionally left blank]

IN WITNESS WHEREOF, Grantor has caused this Conservation Easement to be duly executed as of this ___day of _____, 2018.

GRANTOR:

ALLAGASH TIMBERLANDS LP

By: Eagle Lake Timberlands Inc.,
a New Brunswick corporation,
its General Partner

By: _____

Name:

Its:

By: _____

Name:

Its:

PROVINCE OF NEW BRUNSWICK
COUNTY OF ST. JOHN, ss.

_____, 2018

Personally appeared the above-named _____,
of Eagle Lake Timberlands Inc., as general partner of Allagash Timberlands LP, a _____
_____ and acknowledged the foregoing instrument to be his/her free act and deed in his/her said
capacity and the free act and deed of said limited partnership.

Before me,

Notary Public

Printed Name: _____

My Commission Expires: _____

HOLDER ACCEPTANCE

The above and foregoing Conservation Easement was authorized to be accepted by the Forest Society of Maine, Holder as aforesaid, and said Holder does hereby accept the foregoing Conservation Easement, by and through _____, its _____, hereunto duly authorized, this _____ day of _____, 2018.

HOLDER:

Signed, sealed and delivered in the presence of: **FOREST SOCIETY OF MAINE**

By: _____
Name: _____
Its: _____

STATE OF MAINE
COUNTY OF _____, ss. _____, 2018

Then personally appeared _____, _____ an authorized representative of the above-named Holder and acknowledged the foregoing instrument to be his/her free act and deed in his/her said capacity, and the free act and deed of said Holder.

Before me,

Notary Public
Printed Name: _____
My Commission Expires: _____

Exhibit A-1

[MAPS – TO BE FINALIZED PRIOR TO EXECUTION]

Exhibit A-2

[PROPERTY DESCRIPTION – TO BE FINALIZED PRIOR TO EXECUTION]