

I. RECITALS

For Purposes of this Conservation Easement ("Easement"), the Grantor, who is the current Owner, and all subsequent Owners of the subject Property, will be referred to as the "Owner" throughout this Easement. The Grantee, which includes its trustees, directors, officers, staff and authorized agents, will be referred to as the "Grantee" throughout this Easement. Third Parties with rights of enforcement are the Texas Parks and Wildlife Department, the Texas Commission on Environmental Quality, the Texas General Land Office and the United States Department of the Interior represented by the U.S. Fish and Wildlife Service which will be collectively referred to as "Third Parties" throughout this Easement.

PROPERTY: The property subject to this Easement is located in Orange County, Texas, which will be referred to as the "Property" throughout this Easement and which is more particularly described as follows: 500 acre tract of wetland habitat, more or less, as described in Exhibit A, attached to and incorporated herein.

CONVEYANCE: For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Owner conveys and warrants to the Grantee this perpetual and assignable, upon the written consent of Third Parties and Owner, Easement over the Property. Owner also warrants that Owner has good and sufficient title to the Property, free from all objectionable encumbrances, and hereby promises to defend the same against all claims that may be made against the Property. This Easement, and the requirements and restrictions of this Easement, run in perpetuity with the Property. The scope of this Easement is set forth in this agreement.

QUALIFIED EASEMENT HOLDER: The Grantee is a qualified recipient of this Easement as defined under Section 170(h) of the Internal Revenue Code and Chapter 183 of the Texas Natural Resources Code (or any successor provisions), is committed to preserving the Conservation Values of the Property and is committed to upholding the terms of this Easement. The Grantee protects natural habitats of fish, wildlife, plants, and the ecosystems that support them. The Grantee also preserves open spaces, including ranches, farms forests and wetlands, where such preservation is for the scenic enjoyment of the general public or pursuant to clearly delineated governmental conservation policies and where it will yield a significant public benefit. The Grantee is a publicly funded, non-profit 501(c)(3) organization.

PURPOSE OF EASEMENT: The purpose of this Easement is to preserve in perpetuity a combined total of at least 500 acres of wetlands/aquatic, woodlands/riparian, and grassland habitats on the Property; to prevent any use of the Property that will significantly impair or interfere with the Conservation Values of the Property, while allowing for traditional uses on the Property that are compatible with and not destructive of the Conservation Values of the Property.

FEDERAL AND STATE LAW: (i) This Easement is created pursuant to Conservation Easements, Chapter 183 of the Texas Natural Resources Code. (ii) This Easement is established for conservation purposes pursuant to the Internal Revenue Code, as amended at 26 USC §§170(h)(1)-(6) and under applicable Treasury Regulations at 26 CFR §1.170A-14 et seq. ("Treasury Regulations"), and all other applicable State and Federal laws and regulations.

CONSERVATION VALUES: The Property possesses natural, scenic, historic, open space, scientific, biological, or ecological resources of importance to the Owner, the Grantee, Third Parties and the public. These values are referred to as the "Conservation Values" in this Easement. The Conservation Values of this Property include the following:

A. Open Space and Scenic Values:

1. The Property provides relief from proximity to urban areas.
2. The Property lies within an area for which there is a reasonable possibility that the Grantee may acquire other property rights on nearby or adjacent properties to expand the Conservation Values preserved by this Easement.

B. Public Policy:

1. The Property is preserved pursuant to a clearly delineated federal, state, or local conservation policy and yields a significant public benefit. Legislation, regulations, and policy statements that establish relevant public policy include, but are not limited to the following:
 - a. Conservation easements, as provided by Chapter 183 of the Texas Natural Resources Code (or any successor provision then applicable);
 - b. Protection of all wild animals as property of the State of Texas as provided by Section 1.011 of the Texas Parks and Wildlife Code (or any successor provision then applicable);
 - c. Conservation of water resources as provided by Chapters 16 and 26 of the Texas Water Code (or any successor provision then applicable).
2. The Third Parties have recognized the importance of the Property as an ecological resource, by designating the conservation of this land as appropriate compensation for injuries to other natural resources as described in a document entitled the "Final Damage Assessment and Restoration Plan for the DuPont Works Industrial Complex in Beaumont, Texas" (___ 2013) ("Restoration Plan") and consistent with the Restoration Project as implemented in accordance with the Consent Decree in *United States of America and the State of Texas vs. E.I DuPont De Numours & Co.*, Docket No. _____ ("Consent Decree").

C. Wildlife Habitat

1. The Property contains significant habitat in which fish, wildlife, plants, or the ecosystems that support them, thrive in a relatively natural condition.
2. The Property contains and supports sustainable habitat for a biologically diverse collection of animals and plants as further described in Exhibit B, Baseline Study of the Property.

3. The Property contains areas that represent good examples of terrestrial or aquatic communities as further described in Exhibit B, Baseline Study of the Property.

NOW, THEREFORE, the Owner, the Grantee and Third Parties have the common purpose of conserving the above-described Conservation Values of the Property in perpetuity, and the State of Texas has authorized the creation of Conservation Easements pursuant to Chapter 183 of the Texas Natural Resources Code, and Owner, the Grantee and Third Parties wish to avail themselves of the provisions of that law.

II. TERMS AND CONDITIONS OF THIS EASEMENT

A. Baseline Documentation

Specific Conservation Values of the Property have been documented in a natural resource inventory, dated September 2014 and updated with a November 2018 addendum and signed by the Owner and the Grantee as Exhibit D, attached to and incorporated herein. This "Baseline Documentation Report" consists of maps, a depiction of all existing human-made modifications, prominent vegetation, identification of flora and fauna, land use history, distinct natural features, and photographs. The parties acknowledge that this Baseline Documentation Report is a reasonably accurate representation of the Property at the time of this conveyance. The parties also acknowledge that the Baseline Documentation Report is intended to serve as an objective information baseline for monitoring compliance with the terms of this conveyance, but that it is not intended to preclude the use of other evidence to establish the present condition of the Property if there is a controversy over its use.

B. Density

The Owner agrees that it will not include the Property, or any portion of it, as part of the gross area of other property not subject to this Easement for the purposes of determining density, lot coverage, permissible lot yield, or open space requirements under otherwise applicable laws, regulations or ordinances controlling land use and building density. No development rights that have been encumbered or extinguished by this Conservation Easement shall be transferred to any other lands pursuant to a transferable development rights scheme, cluster development arrangement or otherwise.

C. Prohibited Actions

Any activity on, or use of, the Property that is inconsistent with the Purposes of this Easement or that is detrimental to the Conservation Values is expressly prohibited. By way of example, but not by way of limitation, the activities and uses that are explicitly prohibited, except as provided for in Section II.E.1 of this Easement, are described in Exhibit C, attached to and incorporated herein.

D. Landowner's Reserved Rights

The Owner retains all ownership rights that are not expressly restricted by this Easement. By way of example and subject to the limitations set forth herein, the activities and uses that are expressly permitted are described in Exhibit D, attached to and incorporated herein.

E. Rights and Duties of the Grantee and Third Parties

1. The Owner confers the following rights upon the Grantee and Third Parties to perpetually maintain the Conservation Values of the Property:
 - a. Right to Enter: The Grantee or its representative and Third Parties or their representatives have the right to enter the Property at reasonable times for the purposes of (i) inspecting the Property to determine compliance with the terms of this Easement, and (ii) obtaining evidence for the purpose of seeking judicial enforcement of this Easement. The Grantee and Third Parties agree that this entry will be done in a manner that will not unreasonably interfere with the Owner's permitted uses of the Property. The Grantee and Third Parties also agree to provide advance written notice to the Landowner prior to entering the Property, except in any case where immediate entry is necessary to prevent, terminate, or mitigate damage to, or the destruction of, the Conservation Values, or to prevent or mitigate a violation of the terms of this Easement in which case reasonable notice to the Owner shall be sufficient. Further, Owner, Grantee and Third Parties may execute a separate agreement after creation of this Easement to authorize appropriate subcontractors and/or volunteers to enforce the terms of this Easement. Any such agreement shall not diminish the enforcement rights of the Grantee and Third Parties.

Except as otherwise provided herein, the general public is not granted access to this Property under this Easement.

- b. Signs: With agreement by the Owner, the Grantee has the right to place signs on the Property that identify the land as protected by this Easement. The size, design, number and location of any such signs are subject to the Owner's approval. Such approval shall not be unreasonably withheld by the Owner.
2. Inspection: The Grantee shall inspect the Property at least once annually in order to monitor the general condition of the Property and compliance with the terms of this Easement. Each annual inspection trip shall take place within thirty (30) days of the anniversary date of the Baseline Documentation Report. The Grantee shall give notice to Third Parties at least fourteen (14) days in advance of the annual inspection trip in order to allow their participation at their option. Within thirty (30) days after the date of each annual inspection trip, the Grantee shall prepare and provide to the Owner and Third Parties an annual monitoring report outlining the findings and/or deficiencies observed or discovered during the annual inspection trip to the Property. The Grantee and Third Parties shall give notice to each other of any additional planned inspection trips to the Property at least fourteen (14) days in advance of each trip in order to allow participation of Third Parties or the Grantee at their option. The Grantee and Third Parties shall provide each other with written summaries of each other's findings and/or deficiencies observed or discovered during each and every additional inspection to the Property within thirty (30) days of completion of each inspection trip.

3. Easement Enforcement: The Grantee shall be the primary enforcer of this Easement. If Third Parties and the Grantee agree that a violation of this Easement is occurring or has occurred, the Grantee shall enforce the terms of this Easement, and Third Parties may join the enforcement action at their option. If Third Parties disagree with the Grantee that a violation of this Easement is occurring or has occurred, the Grantee shall enforce the terms of this Easement without the concurrence of Third Parties. If the Grantee disagrees with Third Parties that a violation of this Easement is occurring or has occurred, Third Parties may enforce the terms of this Easement at their option without the concurrence of the Grantee.
4. This section addresses cumulative remedies of the Grantee and Third Parties and limitations on these remedies:
 - a. Acts Beyond Owner's Control: The Grantee and Third Parties may not bring an action against the Owner for modifications to the Property resulting from causes beyond the Owners' control, including, but not limited to, natural disasters such as unintentional fires, floods, drought, storms, or natural earth movement.

In the event the terms of this Easement are violated by unauthorized actions of entities not parties to this Easement that Owner could not reasonably have anticipated or prevented, the Owner agrees, at the Grantee's and/or Third Parties' option, to join in any suit, to assign the Owner's right of action to the Grantee and/or Third Parties or their representative, or to appoint the Grantee and/or Third Parties or their representative as the Owner's attorney-in-fact, for the purposes of pursuing an enforcement action against the responsible parties.

- b. Notice of Violation: If the Grantee and/or Third Parties determine that the Owner is in violation of this Easement, or that a violation is threatened, the Grantee and/or Third Parties shall provide written notice to the Owner within thirty (30) days of such determination. The written notice will: (i) identify the violation, and (ii) request corrective action to cure the violation and, where the Property has been injured, restore the Property.

However, if at any time the Grantee and/or Third Parties determine that a violation or a threatened violation is causing or threatens to cause immediate and irreparable harm to the Conservation Values of the Property, then Grantee and/or Third Parties may immediately pursue any and all available lawful remedies to prevent or limit such harm without prior notice and without awaiting Owner's opportunity to cure the alleged violation. In a situation where a violation or a threatened violation is not causing or threatening to cause immediate or irreparable harm to the Conservation Values of the Property and, therefore, prior notice to the Owner is required, the Grantee and Third Parties may pursue their lawful remedies without waiting for the Owner to cure only if the Owner does not cure or begin to cure the violation in a timely manner in accordance with Paragraph II.E.4.d ("Owner Failure to Act"). In either of these two situations, the Owner agrees to reimburse all reasonable costs, including attorney's fees, related to the violation and its resolution.

- c. Corrective Action: The Owner agrees that the Grantee and/or Third Parties reserve the right to assert the following hierarchy of corrective actions to any and all unauthorized violations of this Easement:
- (i) Partial Restoration of this Easement: Owner shall restore the damaged area or feature of the Property to its condition prior to the violation within a reasonable time according to a plan approved by the Grantee and Third Parties, which approval shall not be unreasonably withheld;
 - (ii) Partial Replacement of This Easement: If the Grantee and Third Parties determine that restoration is not likely to be successful on all of the damaged area or feature of the Property, then the Owner may convey, within one year of the notice of violation, a new conservation easement acceptable to and approved by the Grantee and Third Parties on a nearby parcel of land possessing the equivalent Conservation Values that existed on the damaged area or feature of the Property prior to the violation;

- (iii) Complete Replacement of This Easement: If the Grantee and Third Parties determine that options (i), and (ii) will not be effective, then the Owner shall provide a cash settlement to the Grantee and Third Parties adequate to enable Grantee and Third Parties to acquire another conservation easement with provisions substantially similar to those contained in this Easement on another property of equivalent acreage and possessing substantially similar Conservation Values to those on the Property covered by this Easement. Upon full payment and acknowledgment by the Grantee and Third Parties that such payment constitutes an adequate cash settlement, this Easement will become void and Owner's obligations hereunder shall for all purposes of the Grantee and Third Parties be extinguished. Any cash settlement received under this subsection shall be placed in a trust account to be used only for the purpose of carrying out further land preservation activities consistent with the goals of the Restoration Plan at an alternate property. Funds may be expended out of the trust account only in accordance with written authorization from Grantee and Third Parties.
- d. Owner Failure to Act: If, within sixty (60) days after written notice, the Owner does not implement or begin implementing reasonable and appropriate corrective measures requested by the Grantee and Third Parties, or notify the Grantee and Third Parties of extenuating circumstances, the Grantee and/or Third Parties, may bring an action in law or in equity to enforce the terms of this Easement. In the case of immediate or irreparable harm, or if an Owner is unable to be notified, the Grantee and/or Third Parties may invoke these same remedies without notification and/or awaiting the expiration of the sixty (60) day period.
- e. Remedies: The Owner agrees that the Grantee and Third Parties may seek equitable remedies in addition to money damages to address any violation(s) of the terms of this Easement. The Grantee and/or Third Parties are entitled to seek to enjoin the violation through a temporary restraining order or through temporary or permanent injunctive relief and to seek specific performance, declaratory relief, restitution, reimbursement of expenses, and/or an order compelling the Owner to restore the Property. If the court determines that Grantee and Third Parties complied with all provisions herein and that Owner has failed to comply with this Easement, the Owner shall also reimburse the Grantee and/or Third Parties for all reasonable litigation costs and reasonable attorney's fees, and all reasonable costs of necessary corrective action or Property restoration incurred by the Grantee and/or Third Parties.
- f. Delay in Enforcement. A delay in enforcement by the Grantee and/or Third Parties shall not be construed as a waiver of the Grantee's and/or Third Parties' rights to eventually enforce the terms of this Easement.

F. Notification of Exercise of Reserved Right

1. The purpose of requiring the Owner to notify the Grantee and Third Parties' representative prior to undertaking certain reserved rights is to afford the Grantee and Third Parties an opportunity to review the activities in question and to ensure all parties agree that any such activities are designed and will be carried out in a manner consistent with the Purposes of this Conservation Easement. Accordingly, the Grantee and Third Parties shall reserve the right to review, approve, or conditionally approve any such permitted activity requiring prior notice provided that no such activity shall diminish the Conservation Values of the Property. This notification requirement applies only to the following permitted activities:
 - a. Right to Convey. Owner shall notify the Grantee and Third Parties prior to the conveyance of the Property. Owner shall incorporate the terms of this Easement in any deed or other legal instrument by which Owner divests any interest in all or a portion of the Property, including, without limitation, a leasehold interest or mineral rights. Before or at the time Owner notifies the Grantee and Third Parties of the transfer, Owner must provide documentation to the Grantee and Third Parties that the party taking any interest in all or a portion of the Property, including, without limitation, a leasehold interest in the Property or mineral rights, has been notified of and has agreed to comply with this Easement and the requirements and restrictions of this Easement. This Easement and the requirements and restrictions of this Easement, run in perpetuity with the Property.
 - b. Right to Maintain and Replace Existing Structures. Owner shall submit a plan to the Grantee and Third Parties for review and approval as required in Exhibit D prior to beginning renovation or replacement of existing structures.
 - c. Right to Restore, Enhance, and Manage Native Plant and Wildlife Habitat. Owner shall submit a conservation plan to the Grantee and Third Parties for review and approval as required in Exhibit D prior to beginning any restoration, enhancement and management activities beyond those specified in the Restoration Project as defined in the Consent Decree. All restoration, enhancement, and management activities shall be consistent with the Conservation Values as outlined in this Easement.
 - d. Right to Use Agrichemicals and Biological Controls. Owner shall notify the Grantee and Third Parties and request consent as required by Exhibit D prior to using agrichemicals or biological controls on the Property.
 - e. Rights Associated with Other Easements. Owner shall notify the Grantee and Third Parties and request consent as required by Exhibit D prior to modifying existing easements or granting a new easement on the Property.

2. Whenever notice is required, the Owner shall notify the Grantee and Third Parties' representative in writing not less than thirty (30) days prior to the date the Owner intends to undertake the activity in question. The notice shall describe the proposed activity in sufficient detail to permit the Grantee and Third Parties to make an informed judgment as to the proposed activity's consistency with the Purposes of this Easement.
3. It shall also be the responsibility of the Owner to notify the Grantee and Third Parties in writing:
 - a. a reasonable amount of time prior to any and all meetings, negotiations or discussions regarding the mineral rights of the Property;
 - b. no less than thirty (30) days after any owner or authorized lessee of mineral rights has begun any on-site exploration for or extraction from the Property of any type of subsurface mineral if the Owner has knowledge of such activity; and
 - c. no less than thirty (30) days after Owner receives any notice of cessation of any such activity.

The Owner shall be responsible for restoring any surface damage that may result from any exploration for, extraction of, or translocation of (*e.g.*, pipelines) subsurface minerals such that the topography, substrate composition and vegetative cover of the restored area is consistent with the Purposes of this Easement. Further, to the extent the Owner is legally able to control the activities of mineral interest owners and any authorized lessee, the Owner shall incorporate into any lease a provision to protect the Purposes of this Easement and the Conservation Values of the Property. To facilitate accommodation, the Grantee and Third Parties reserve the right to attend and participate in all non-confidential meetings, negotiations or discussions regarding activities impacting Conservation Values associated with the exploration for, extraction of, or translocation of said minerals if the Owner has knowledge of such meetings, negotiations or discussions in order to protect its interest in this Easement.

G. Dispute Resolution

This section governs disputes among the Grantee and Third Parties. Any dispute among the Grantee and Third Parties that arises under or with respect to this Easement shall in the first instance be the subject of informal negotiations between the parties to the dispute. The period for informal negotiations shall not exceed twenty (20) days from the time the dispute arises unless it is modified by written agreement of the parties to the dispute. The dispute shall be considered to have arisen when one party sends another party a written Notice of Dispute. If the parties to the dispute are unable to resolve the dispute through these informal means, they may elect to resolve the dispute through mutually agreeable alternative dispute resolution procedures within a sixty (60)- day period after the dispute arises or, failing that, through judicial means.

H. Disclaimer of Legal and Tax Implications

Grantee and Third Parties disclaim any representations concerning the tax and legal implications of this conservation easement transaction. The Owner is advised by the Grantee and Third Parties to seek legal and financial advice from qualified professionals.

I. Ownership Costs

In accepting this Easement, the Grantee and Third Parties shall have no liability or other obligation for (i) upkeep and maintenance, (ii) costs, (iii) liabilities, (iv) taxes, (v) assessments, (vi) fees, (vii) charges of whatever description, or (viii) insurance of any kind related to the Property. The Owner remains solely responsible for obtaining any applicable governmental permits and/or approvals for any activity or use allowed by this Easement, and all such activities or uses shall be undertaken in accordance with all applicable federal, state and local laws, regulations, and requirements. The Grantee, its members, trustees, or directors, officers, employees, and agents have no liability arising from injury or death to any person or physical damage to any personal property on the Property. Third Parties, their Commissioners, officials, directors, employees, and agents have no liability arising from injury or death to any person or physical damage to any personal property on the Property.

J. Indemnification

The Owner and the Grantee, to the extent allowed by applicable law, agree to release, hold harmless, defend and indemnify each other and the Third Parties from any and all liabilities including, but not limited to, injury, losses, damages, judgments, costs, expenses and fees that the indemnified party may suffer or incur as a result of or arising out of the activities of the other party on the Property that causes injury to a person or damage to any property. Third Parties do not waive their sovereign immunity from suit or liability by entering into and signing this Easement.

K. Hazardous Materials

The Owner warrants that the Owner has no knowledge of the deposition, release or storage of hazardous substances or hazardous wastes, as defined by any local, state or federal law, on the Property. The Owner agrees to protect and defend the Grantee and Third Parties against any claims that allege personal injury or damage to property due to the release or threatened release of hazardous substances, hazardous materials, hazardous wastes, or oil on the Property.

L. Litigation

The Owner warrants that it has no knowledge of any pending or threatened litigation relating in any way to the Property. The Owner also warrants that it has no knowledge of any civil or criminal proceedings or investigations that have at any time related to the Property. However, this Easement has been placed on the Property as compensation for alleged injuries to natural resources and other property damage caused by releases of hazardous substances, hazardous materials, hazardous wastes, or oil. The restoration activities and the placing of this Easement on the Property are undertaken pursuant to the Consent Decree to compensate for injuries to the environment caused by the alleged releases of hazardous substances, hazardous materials, hazardous wastes, or oil.

M. Termination

This Easement may be extinguished only by a change in condition that causes it to be impossible to fulfill this Easement's Purposes, or by a condemning authority's legal exercise of power of eminent domain. The following examples of such changes of conditions are not intended to be exhaustive:

1. Unexpected Change in Conditions: If subsequent circumstances render the Purposes of this Easement impossible to fulfill, then this Easement may be partially or entirely terminated only by judicial proceedings. The Grantee will then be entitled to compensation by the method set forth in Section 1.170A-14(g)(6)(ii) of the Treasury Regulations (or any successor provision then applicable). Compensation received under this subsection shall be placed in a trust account for the purpose of conducting additional land preservation activities at an alternate property consistent with the goals of the Restoration Plan and for reimbursing appropriate expenses so long as such reimbursement does not reduce the overall compensation such that it renders it impossible to fulfill the primary Purposes of this Easement. Funds may be expended out of the trust account only in accordance with written authorization from the Grantee and Third Parties.
2. Changes in Economic Condition: In making the grant of this Easement, the Owner 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. The Owner believes that any such changes in the use of neighboring properties will increase the benefit to the public of the continuation of this Easement, and the Grantee, Third Parties and Owner intend that any such changes shall not be deemed to be circumstances justifying the termination or extinguishment of this Easement.
3. Eminent Domain: If the Property is taken, in whole or in part, by the lawful exercise of the power of eminent domain so as to render it impossible to fulfill the primary Purpose of this Easement, then Owner, the Grantee and, at their option, Third Parties, shall act jointly to realize the action most favored by the Grantee and Third Parties according to the following order of preference:
 - a. Avoiding the Taking of the Property and Preserving the Property in its Present Condition: Owner and the Grantee shall jointly take actions to formally request that the intended proceeding completely avoid the taking of the Property. Third Parties may join the action at their option.
 - b. Minimizing and Supplementing any Resulting Loss to the Property: If the Property cannot be wholly preserved as a result of the intended condemnation proceeding after Owner, Grantee and, at their option, Third Parties, have made all attempts to completely avoid the taking of the Property, then Owner and Grantee shall jointly take actions to formally request that the condemning authority minimizes the taking of the Property. Third Parties may join such actions at their option. Additionally, Owner and Grantee shall formally request

that, within one year of notice of the intended proceeding, the condemning authority supplement any resulting loss of the Property, on at least a 1:1 acreage basis with a supplemental conservation easement containing provisions substantially similar to those contained in this Easement on nearby land acceptable to the Grantee and Third Parties. Third Parties may join in the formal request at their option.

- c. Mitigating the Loss of the Property: If options (a) and (b) are not successful or are not acceptable to the Grantee and Third Parties, Owner and Grantee shall jointly take actions to formally request through the intended proceeding that, within two years of notice of the intended condemnation proceeding, the condemning authority mitigate its taking of this Property, on at least a 1:1 acreage basis with a replacement conservation easement containing provisions substantially similar to those contained in this Easement on nearby land acceptable to Grantee and Third Parties. Third Parties may join in the formal request at their option; or

- d. Recover Full Value: If options (a) through (c) are not successful or acceptable to the Grantee and Third Parties, Owner and the Grantee shall jointly take actions to recover the full value of the interests in the Property subject to the taking and all direct or incidental damages resulting from the taking. Third Parties may join such actions at their option. All expenses reasonably incurred by the Owner, the Grantee and Third Parties in connection with the taking, shall be paid out of the amount recovered, so long as such reimbursement does not reduce the overall compensation rendering it impossible to fulfill the primary Purposes of this Easement. Compensation shall be by the method set forth at Section 1.170A-14(g)(6)(ii) of the Treasury Regulations (or any successor provision then applicable). Compensation received under this subsection shall be placed in a trust account for the purpose of reimbursing appropriate expenses and conducting additional land preservation activities consistent with the goals of the Restoration Plan at the Property or at an alternate property. Funds may be expended out of the trust account only in accordance with written authorization from Grantee and Third Parties. The Grantee and Third Parties shall be named as co-trustees on the account with equal rights to fund the additional land preservation activities.

N. Amendments

If circumstances arise under which an amendment to or modification of this Easement would be appropriate or necessary, the Owner, the Grantee and Third Parties may agree jointly to amend this Easement. However, no amendment shall be allowed that will affect the qualification of this Easement or the status of the Grantee under any applicable laws, including Chapter 183 of the Texas Natural Resources Code or Section 170(h) of the Internal Revenue Code. Further, any amendment shall be consistent with the Purposes of this Easement, shall not diminish the Conservation Values of the Property, and shall not affect the perpetual duration of this Easement. Any such amendment shall be recorded in the official records of Orange County, Texas, and at the expense of the party initiating the amendment.

O. Liberal Construction

This Easement shall be liberally construed in favor of maintaining the Conservation Values of the Property and in accordance with Chapter 183 of the Texas Natural Resources Code (or any successor provision then applicable).

P. Notices

1. For purposes of this Easement, notices may be provided to all parties by delivery or by mailing a written notice to the party (at the last known address of a party) by First Class mail (certified, return receipt requested). All notices shall be deemed delivered and effective upon actual receipt if given personally, by private courier, or by facsimile, or upon deposit with the United States Postal Service if given by mail.
2. This Easement establishes the Texas Commission on Environmental Quality, Office of Waste, at the address below, as the Third Parties' representative for purposes of receiving notices or communications related to this Easement. The Third Parties may change the Third Parties' representative by providing Owner, the Grantee and the other Third Parties with not less than ten (10) calendar days' written notice of such change.

Texas Commission on Environmental Quality
Natural Resource Trustee Program, MC-225
P.O. Box 13087
Austin, Texas 78711-3087
Telephone: (512) 239-2523
Facsimile: (512) 239-4814

3. This Easement establishes the Conservation Director of the Grantee, at the address below, as the Grantee's representative for purposes of receiving notices or communications related to this Easement. The Grantee may change its representative by providing Owner and the Third Parties' Representative with not less than ten (10) calendar days' written notice of such change.

Big Thicket Natural Heritage Trust
P.O. Box 1049
Kountz, Texas 77625

4. This Easement establishes Paul Hurt, at the address below, as Owner's representative for purposes of receiving notices or communications related to this Easement. Owner may change its representative by providing the Grantee and the Third Parties' representative with not less than ten (10) calendar days' written notice of such change.

The Conservation Fund
1655 N. Fort Meyer Dr.
Suite 1300
Arlington, VA 22309-3199

Q. Severability

If any portion of this Easement is determined to be invalid by a competent court of law, the remaining provisions will remain in force.

R. Successors

This Easement is binding upon, and inures to the benefit of, the Owner's, the Grantee's and Third Parties' successors in interest. This Easement, and the requirements and restrictions of this Easement, run in perpetuity with the Property. All subsequent Owners of the Property are bound to all provisions of this Easement to the same extent as the current Owner. Owner shall incorporate the terms of this Easement in any deed or other legal instrument by which Owner divests any interest in all or a portion of the Property, including, without limitation, a leasehold interest. In the event that Owner divests any interest in all or a portion of the Property, including, without limitation, a leasehold interest of the Property, Owner shall notify the Grantee and Third Parties in writing at least thirty (30) days prior to such transfer. Before or at the time Owner notifies the Grantee and Third Parties of the transfer, Owner must provide documentation to the Grantee and Third Parties that the party taking any interest in all or a portion of the Property, including, without limitation, a leasehold interest the Property, has been notified, and has agreed to comply with this Easement and the requirements and restrictions of this Easement.

S. Placement of Additional Restrictions on Property

Owner covenants that it will not hereafter attempt to convey any additional lease, profit, license or easement on the Property, including but not limited to oil, gas and mineral leases, or any easement for utility service or transmission lines, without the written consent of the Grantee and Third Parties. Any attempted grant in violation of this provision shall be void. Any liens or security interests that Owner places on the Property after the effective date of this Easement shall be subordinate to the Grantee's and Third Parties' interests in this Easement and subject to the terms of this Easement.

T. Cessation of Existence

The Grantee agrees to give at least thirty (30) days prior written notice to Owner and Third Parties' Representative if Grantee shall cease to exist or if it fails to be a "qualified organization" for purposes of Internal Revenue Code Section 170(h)(3) or Chapter 183 of the Texas Natural Resources Code (or any successor provisions then applicable), or if the Grantee is no longer authorized to acquire and hold conservation easements. If Grantee ceases to exist, then this Easement shall become vested in another entity as outlined below. Selection of such other entity must be approved in writing by the Owner and Third Parties, and such entity shall be a "qualified organization" for purposes of Internal Revenue Code Section 170(h)(3) and Chapter 183 of the Texas Natural Resources Code (or any successor provisions then applicable). The Grantee's rights and responsibilities will be assigned to an entity having similar conservation purposes to which such right may be awarded under the *cy pres* doctrine. Any assignment of this Easement shall obligate the Grantee to (i) require that the conservation Purposes continue to be carried out, and (ii) transfer to the new holder the balance of easement stewardship funds allocated to this Easement.

U. Assigning this Easement to another Holder

The Grantee may transfer this Easement to a similar entity, but the Grantee may only assign its rights and obligations under this Easement to a qualified organization as defined under Section 170(h) of the Internal Revenue Code (or any successor provision then applicable). Such assignment must be approved in writing by Owner and Third Parties. The holder must be authorized to acquire and hold conservation easements under Chapter 183 of the Texas Natural Resources Code (or any successor provision then applicable) and any applicable laws of the United States. Any assignment of this Easement shall obligate the Grantee, and any subsequent holder of this Easement, to (i) require that the Conservation Values of this Property are protected and preserved in perpetuity, and (ii) transfer to the new holder the balance of easement stewardship funds allocated to this Easement. The Grantee agrees to give written notice to Owner and Third Parties' Representative of an assignment at least thirty (30) days prior to the date of such assignment. The failure of the Grantee to give this written notice to the Owner or Third Parties' Representative shall not affect the validity of the assignment and it shall not impair the validity of this Easement or limit its enforceability in any way.

V. Termination of Rights and Obligations

A party's rights and obligations under this Easement terminate upon transfer of that party's interest in the Property. Liability for acts or omissions occurring prior to transfer will survive the transfer.

- W. Texas Law
This Easement will be construed in accordance with Texas law except where this Easement invokes other law.
- X. Entire Agreement
This Easement sets forth the entire agreement of the parties. It is intended to supersede all prior discussions or understandings. No alteration or variation of this Easement shall be valid or binding unless contained in an amendment that complies with Section N.
- Y. Merger
The parties agree that the terms of this Easement shall survive any merger of the fee and easement interest in the Property. In the case of merger, the Owner at the time of the merger shall convey this Easement to another qualified Holder within 180 days of such merger. Until the Owner conveys this Easement to a new Holder, the Owner shall manage the Property as if it were the Holder in accordance with the terms and restrictions of this Easement.
- Z. Counterparts
The parties may execute this instrument in two or more counterparts which together shall constitute one and the same document.
- AA. Certifications
Each undersigned representative of a party to this Easement certifies that he or she is fully authorized to execute this Easement on behalf of the party represented and to legally bind the party represented to the terms and conditions of this Easement.

EXHIBIT C
PROHIBITED ACTIONS

The following uses and practices are inconsistent with the Purposes of this Easement or detrimental to the Conservation Values and shall be prohibited upon or within the Property.

1. Commercial Activities. Any commercial activity on the Property is prohibited except to the extent allowed by Section 8 (Mineral Extraction).
2. Construction on the Property. Construction of any structures on the Property is expressly prohibited, unless otherwise specifically allowed by this Easement.
3. Cutting Vegetation. Except where permitted under Exhibit C, or by the prior written consent of the Grantee and Third Parties, any cutting of trees or vegetation is prohibited on the Property. Where such consent is sought, the Grantee and Third Parties will consider whether the trees or vegetation pose a threat to human life or property, whether the removal is consistent with the Conservation Values of the landscape as outlined in this Conservation Easement, such removal is necessary, or whether the removal is associated with permitted activities as specified in Section 4 of Exhibit C.
4. Division or Subdivision of Property. Any division or subdivision of the Property or recording of a subdivision plan for the Property is prohibited.
5. Dumping, Storing or Accumulating. There shall be no dumping, storing or accumulating of, without limitation, any solid or hazardous wastes, hazardous substances, toxic substances, pollutants or contaminants, or oil. The Owner may compost bio-degradable materials, but only as authorized in Exhibit C.
6. Feed Lot. The establishment or maintenance of any commercial feed lot is prohibited on the Property. A commercial feed lot shall be defined for purposes of this Easement as a confined area or facility within which the land is not grazed or cropped annually and which is used to receive livestock that have been raised off the Property for feeding and fattening for market.
7. Industrial Activities. Any industrial activity on the Property is prohibited.
8. Mineral Extraction. Any mining or alteration of the surface of the Property, which includes the use of quarrying or consumptive or depleting methods of extraction, that will consume or deplete the surface estate, including, but not limited to, the removal of topsoil, sand, gravel, rock, and peat, is expressly prohibited. Owner, mineral owner or authorized lessee are permitted to explore for and/or extract subsurface minerals provided that the Owner, mineral owner or authorized lessee responsible for any surface damage shall reclaim any such damage so that topography, substrate composition and vegetative cover of the reclaimed area is restored in a manner that is consistent with the purposes of this Easement. If

exploration or extraction by a mineral owner or authorized lessee other than Owner results in surface damage and the mineral owner or authorized lessee does not, or will not, voluntarily reclaim the damaged area then the Owner shall undertake such restoration or compel the responsible party to undertake such reclamation through appropriate legal action.

9. Land Surface Alteration. Owner may perform surface alteration to control erosion, and to maintain the integrity of erosion control infrastructure such as dams and spillways, and for Property maintenance, pursuant to a plan submitted to Grantee for its approval. Otherwise, any excavation or fill work that would reduce the area within any flood plain, alter the natural flow of water across the Property, or change the natural grade elevation of the Property is prohibited.
10. Horses and Motorized Vehicles. Horseback riding and the operation of motorized off-road vehicles such as, but not limited to, all-terrain vehicles, sport utility vehicles, motorcycles, dune buggies, or snowmobiles, is prohibited off of designated roads on the Property, except as necessary for maintenance activities as defined in Section 2 of Exhibit C ("Right to Maintain and Replace Existing Structures"), fire protection, emergency purposes, or as necessary for restoration or enhancement activities conducted in accordance with Section 4 of Exhibit D ("Right to Restore, Enhance and Manage Native Wildlife Habitat"). Use of horses or motorized vehicles that would adversely affect the Conservation Values of the Property is not permitted for maintenance activities.
11. Roads. The establishment of any new road, regardless of surface type (e.g., "dirt," gravel, asphalt, concrete), is prohibited on the Property, unless such road establishment serves the Purposes of this Easement and is done with the prior written approval of Grantee and Third Parties.
12. Signs and Billboards. Billboards are prohibited on the Property. Grantee may place educational signs on the Property with written approval of Owner and Third Parties. Such approval shall not be unreasonably withheld by Owner or Third Parties. All other signs are generally prohibited on the Property, except the following signs may be displayed to provide or indicate:
 - The name and address of the property or the Owner's name.
 - The name and address of the Grantee and Third Parties.
 - The area is protected by a conservation easement.
 - Prohibition of any unauthorized entry or use.
 - An advertisement for the sale or rent of the Property.
13. Telecommunications Facility. Any telecommunications broadcast, relay or translator facility or device is prohibited on the Property.

14. Pollution, Disturbance to Hydrology. There shall be no pollution, depletion, extraction, pumping or transport of surface water, natural water courses, lakes, ponds, marshes, wetlands, subsurface water or any other water bodies, nor shall activities be conducted on the Property that would be detrimental to water quality or that could alter the natural water level or flow in or over the Property, except as expressly allowed herein, or except for the depletion, extraction, drilling, pumping or transport of water that is necessary for the management, enhancement or restoration purposes that are consistent with the intent and Purpose of this Easement and with Section 4 of Exhibit C ("Right to Restore, Enhance and Manage Native Plant and Wildlife Habitat"). Commercial water sales are expressly prohibited.
15. Transfer of Development Rights. The transfer of any development rights to any property, whether or not adjacent to the property is prohibited.
16. Biocides. There shall be no use of pesticides, including but not limited to insecticides, fungicides, rodenticides and herbicides, except as associated with activities permitted in accordance with Exhibit D.
17. Livestock. Placement or grazing of domestic livestock or other domesticated animal species on the Property is prohibited. However, to the extent it is consistent with the Purposes of this Easement and not detrimental to the Conservation Values of the Property, livestock may be used for vegetation management or as an educational tool in association with land management practices upon prior written approval by the Grantee and Third Parties.
18. Invasive Species. There shall be no planting of invasive or non- native plant species anywhere on the Property, nor shall any invasive or non- native insects, fish, reptiles, amphibians, birds or mammals be introduced to the Property unless the introduction of same furthers the intent of this Easement, is not detrimental to the Conservation Values of the Property and is done with prior written approval of Grantee and Third Parties. The Grantee and/or Third Parties will provide a list of potentially invasive species to the Owner upon request.
19. Hunting, Fishing or Trapping. Hunting, fishing or trapping is prohibited on the Property except as authorized in Exhibit C.
20. Public Use. Use of the Property by members of the general public for active recreational purposes is prohibited except as authorized in Exhibit C.

EXHIBIT C RESERVED
RIGHTS

The Owner retains all ownership rights that are not expressly restricted by this Easement. The following rights are consistent with the Purposes of this Easement and are expressly permitted upon or within the Property:

1. Right to Convey. The Owner retains the right to sell, mortgage, bequeath, or donate the Property. Any conveyance will remain subject to the terms of this Easement and each subsequent Owner will be bound by all obligations in this agreement. Owner shall notify the Grantee and Third Parties at least thirty (30) days prior to the conveyance of the Property and the document of conveyance shall expressly refer to this Conservation Easement.
2. Right to Maintain and Replace Existing Structures. The Owner retains the right to maintain, renovate, and replace the existing structure(s) in substantially the same location and size on the Property as noted in the Baseline Documentation Report in Exhibit D. Any expansion or replacement may not substantially alter the character or function of the structure. Prior to beginning renovation or replacement of the existing structures, the Owner will provide a written plan to the Grantee and Third Parties for the Grantee's and Third Parties' review and approval. Such approval shall not be unreasonably withheld. Upon agreement between Owner, Grantee and Third Parties, an existing structure may be completely removed and not replaced. Additionally, if a structure is removed by natural processes, Owner, Grantee and Third Parties may agree that it will not be replaced.
3. Right to Prohibit Unauthorized Entry. The Owner may prohibit entry on the Property of unauthorized persons.
4. Right to Restore, Enhance and Manage Native Plant and Wildlife Habitat. The Owner may restore, enhance, and manage native plant and wildlife habitat in a manner consistent with a conservation plan approved by the Grantee and Third Parties and prepared by a qualified conservation professional acceptable to the Grantee and Third Parties.

The Owner is permitted seasonally and temporarily to store fencing materials, posts, feed, equipment and other personal property necessary to conduct habitat restoration, enhancement or management activities on the Property in a location and manner that is not unsightly and that does not impair the Conservation Values of the Property. Owner may not store such materials for longer than sixty (60) days without notice and approval by the Grantee for the purposes of preserving the Conservation Values on the Property. The Owner is permitted to compost bio-degradable materials resulting from the habitat restoration, enhancement or management practices on the Property.

5. Right to Use Agrichemicals and Biological Controls. The Owner is permitted, with prior written consent of Grantee and Third Parties, to use biological controls licensed for the control of pests and agrichemicals only as necessary to accomplish the habitat restoration, enhancement or management goals in accordance with the Conservation Values of this Easement, or to control problem animals or invasive species detrimental to the Conservation Values of the Property, provided that any agrichemicals or biological controls are used according to applicable government regulations.
6. Hunting, Fishing or Trapping. The Owner may conduct and allow hunting, fishing, and trapping activities only to the extent such activities would not interfere with the Purpose of this Easement or impair the Conservation Values of the Property and in accordance with all applicable federal, state and local laws, restrictions, and ordinances and the provisions of this Easement. Guests of Owner may conduct hunting, fishing, and trapping activities only when Owner is physically present on the Property. Owner may place or allow temporary, removable structures such as observation decks or blinds associated with the activities permitted under this Section 6. Commercial leasing for hunting, trapping, and fishing is prohibited on the Property except with prior written approval by the Grantee and Third Parties.
7. Rights Associated with Other Easements. The continued use and maintenance of existing easements of record granted prior to this Easement are permitted. Any modifications to these existing easements require the consent of the Grantee and Third Parties. Any new easements voluntarily granted by the Owner shall require the prior written consent of the Grantee and Third Parties, which shall not be unreasonably withheld, conditioned, or delayed, and must protect the Conservation Values of the Property, and be consistent with the Purposes of this Easement. Neither the Grantee nor Third Parties shall be entitled to any of the proceeds of the new easements.
8. Right to Conduct Limited Educational Activities. Owner, in its sole and non- reviewable discretion, may permit Grantee and select third parties to conduct limited non- invasive educational activities on the Property that are consistent with the Purpose of this Easement and that will not impair the Conservation Values of the Property. To the extent Owner may allow the conduct of such activities, those activities would be governed by whatever requirements Owner may choose to impose that are consistent with the terms, requirements and Conservation Values of this Easement.

9. Right to Construct Limited Structures. Upon prior written approval by the Grantee and Third Parties, Owner may construct limited structures that do not constitute dwellings or habitations (such as a barn, animal shelter, or storage shed), to the extent that such construction would not interfere with the Purpose of this Easement or impair the Conservation Values of the Property. This Section 9 does not apply to temporary, removable structures associated with activities permitted under Section 6 of Exhibit D.
10. Right to Allow Passive Recreational Use. Owner may allow passive recreational use (such as hiking or bird watching) to the extent that such use would not interfere with the Purpose of this Easement or impair the Conservation Values of the Property.

Discussion of the Impact of Conservation Easements

It's the appraiser's opinion, that the primary limiting factors related to the conservation easement are outlined in the draft easement document. The conservation easement inherently hinders or limits rights which otherwise be available to a property owner. The degree to which these rights are encumbered thereby affecting overall market value of the property, is the topic of this valuation section. Since an easement held by a non-owner limits and reduces the owner's rights, an easement is typically perceived by market participants as negatively impacting the property's marketability and the owner's value (expected selling price).

Perpetual conservation easements limit the rights of the present owner and any future owners. Rights which are held by non-owners can often create management problems and/or complicate buy/sell decisions. Significant rights conveyed to non-owners can also bring about disputes and lawsuits in the future; it is not uncommon to find owners of pipeline easements, mineral interest, power line easements, access easements, etc. in dispute with the property owner.

Most buyers of land have little to no interest in buying a property with lack of control on their part. A conservation easement inherently hinders, or limits rights which would otherwise be available to a property owner. The degree to which these rights are encumbered, thereby affecting the overall market value of the property, is the topic of this valuation section. Since easements held by a non-owner reduces the owner's rights, an easement is typically perceived by market participants as negatively impacting the property's marketability.

The previously described conservation easement removes subdivision rights from the grantor of this easement. The subject property is not a development tract but could potentially be subdivided in the future for recreational hunting and fishing purposes. Due to the lack of legal access and significant exposure to the 100-year flood plain and federally designated wetlands, the highest and best use of the property is continued conservation easement use with recreational applications as outlined in the conservation easement. It is the appraisers' opinion that the removal of property rights and the inability to subdivide the property affects the market value of the property. The diminished "bundle of rights" also negatively affects the marketability of the property and its value.

Considering the term of the easement, in perpetuity, and the rights and provisions prescribed by the easement in relation to the property's overall bundle of property rights, the limitations are believed to negatively impact and restrict the property's overall market value and marketability. Market evidence shows when other property is available for sale without restrictions in perpetuity with the same recreational amenities, there would have to be a significant decrease in pricing and/or value between the properties.

The highest and best use of the property prior to the conservation easement is for recreational pursuits. The highest and best use of the property after the conservation easement was placed on the property is continued conservation easement use with recreational applications as outlined in the conservation easements. In essence, this results in diminished "bundle of rights" associated with ownership of the property. The diminished "bundle of rights" negatively affects the marketability of the entire property and value.

Conservation Easement/Encumbered Sales Discussion

In addition to reviewing the conservation easement, the appraiser has consulted market participants, brokers, landowners and other real estate professionals to seek insight with reference to transactions of similar encumbered properties. The appraisers have confirmed a number of transactions of conservation easement encumbered properties in Texas. Each transaction exhibits a negative impact on land pricing due to the conservation easement encumbrance. The impact of the conservation easement is measured on a percentage "basis" compared to the unencumbered value.

The details of the Conservation easement case studies follow.