LIBER 165 PAGE 713
MARQUETTE COUNTY
MICHIGAN
RECEIVED FOR RECORD

2001 MAR 13 PM 4: 22

REGISTER OF DEEDS

CONSERVATION EASEMENT

THIS PROPERTY IS SUBJECT TO PART 511, THE COMMERCIAL FOREST PART OF THE NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION ACT, M.C.L. 324.

This is a CONSERVATION EASEMENT granted this 8th day of March, 2001 by ESCANABA PAPER COMPANY, a Michigan corporation (the "Grantor"), whose address is 7100 County 426 M.5 Road, P. O. Box 1008, Escanaba, Michigan 49829-6008 to THE NATURE CONSERVANCY, a non-profit corporation existing under and by virtue of the laws of the District of Columbia (the "Conservancy"), whose address is 4245 North Fairfax Drive, Arlington, Virginia 22203-1606.

RECITALS:

A. PROTECTED PROPERTY. Grantor is the owner in fee simple of approximately 800 acres of real property in Marquette County, Michigan, which is legally described in Exhibit A attached hereto and incorporated by reference herein ("Protected Property").

B. CONSERVATION VALUES. The Protected Property, in its present state, has significant natural, aesthetic, scientific and educational values as a "relatively natural habitat of fish, wildlife, or plants or similar ecosystem," as that phrase is used in Section 170(h)(4)(A)(ii) of the Internal Revenue Code, as that section may be amended from time to time, and in the regulations promulgated thereunder (collectively "Conservation Values"). These values are of great importance to the Grantor, to the people of Marquette County, Champion Township, and the people of the State of Michigan.

In particular, the Protected Property in its eastern most section contains a deep canyon of the Yellow Dog River, a river of high gradient and undisturbed nature. The terrain is steep with sudden, severe drop-offs. However the northeastern section contains a small portion of the Yellow Dog Plains – a flat area of extensive Jack Pine. The western section of the property is composed of small hills with several perched wetlands.

The topography also influences the microclimate producing a diversity of habitats. Reflecting this assemblage of unique habitats is the large number of rare plants found in the Mulligan Creek and Yellow Dog River riparian areas. Over 12 rare plant species have been found in the area including several state rare species of grape ferns or moonworts (*Botrychium*) on the specific property to be placed under easement. However the area remains largely uninventoried. Large mammals such as the gray wolf and many species of

Neotropical migrants use the area that is largely unfragmented. The escarpment cliffs and canyon rims offer unique nesting opportunities for raptors.

The Mulligan and Yellow Dog watersheds contained within this proposed easement are of rugged terrain and have high aesthetic value with an aura of unconquerable wilderness. The entire area has a remote, rugged atmosphere with habitats and terrain uncommon in Michigan, but which capture the unfragmented and biologically diverse nature of the Upper Peninsula.

C. EXISTING USES AND IMPROVEMENTS. The only improvement on the tract is a two-track road that enters a portion of the property in Section 29. This road is known as the "Mulligan Creek Truck Trail" and receives little use. ATV and 4X4 recreational users do use the road occasionally. The forests in this northern portion of Section 29 were cut sometime in the 1970's, but no cutting has taken place on this tract since that time. Forestry, following a forest management plan (outlined in Section 4) using Best Management Practices (BMP's) and state guidelines for riparian areas, may continue in the future on the Protected Property.

The Conservation Values of the Protected Property have not been and are not likely to be adversely affected to any substantial extent by uses of the Protected Property for limited cutting forestry - which are authorized under this Easement.

Nothing set forth in this Paragraph C or in Paragraph B above shall be deemed a representation or warranty by Grantor or otherwise impose any liability or obligation upon Grantor.

D. QUALIFIED ORGANIZATION. The Conservancy hereby represents and warrants to Grantor that it is a non-profit corporation created to preserve and conserve natural areas for aesthetic, scientific, charitable and educational purposes and is an organization qualified under Section 170(h) of the Internal Revenue Code, as that section may be amended from time to time, and in the regulations promulgated thereunder, to receive qualified conservation contributions.

GRANT OF CONSERVATION EASEMENT:

For and in consideration of the facts above recited and of the mutual covenants, terms, conditions, and restrictions herein contained, and pursuant to the laws of the State of Michigan and in particular the Conservation and Historic Preservation Easement Act, M.C.L. 324.2140 et seq., the Grantor hereby grants, conveys and quitclaims as an absolute and unconditional gift unto the Conservancy, its successors and assigns, forever, a Conservation Easement in perpetuity over the Protected Property. Accordingly, this is exempt from Transfer Tax pursuant to MCL 207.505(a) and 207.526(a). The Conservation Easement consists of the following terms and conditions ("Easement"):

1. PURPOSE. It is the purpose of this Easement to assure that the Protected Property will be retained forever substantially undisturbed in its natural, scenic, and wild condition and to prevent any use of the Protected Property that will significantly impair or interfere with the Conservation Values of the Protected Property ("Purpose"). Grantor

intends that this Easement will confine the use of the Protected Property to activities that are consistent with the Purpose of this Easement.

2. PROHIBITED USES/RESTRICTIONS. Any activity on or use of the Protected Property inconsistent with the purpose of this Easement is prohibited. Without limiting the generality of the foregoing, the following activities and uses are expressly prohibited except as provided in Paragraph 3 below:

2.1. Commercial Activity. There shall be no industrial, commercial, or agricultural activity undertaken or allowed on the Protected Property except under forestry practices described in Section 3.3. No right of passage shall be granted or retained across or upon the Protected Property if that right of passage is used in conjunction with such prohibited activities.

2.2. Structures. There shall be no construction or placing of any house, garage, barn or other building, tennis or other recreational court, landing strip, mobile home, swimming pool, fence or sign (other than those permitted, required or allowed by the Conservancy for appropriate management, etc.), asphalt, concrete pavement, billboard or other advertising display, antenna, utility pole, tower, conduit, line, sodium vapor light or any other temporary or permanent structure or facility on the Protected Property, except as cited in Section 3.7.

2.3. Subdivision. The Protected Property may not be divided, partitioned, subdivided or conveyed except in its current configuration as an entity, except as outlined in Section 3.2.

2.4. Mining. There shall be no mining, drilling, exploring for or removal of minerals from the Protected Property, except pursuant to mineral rights reservations, if any, of record as of the date hereof.

2.5. Topography. There shall be no ditching; draining; diking; filling; excavating; removal of topsoil, sand, gravel, rock, or other materials; or any change in the topography of the land in any manner except in conjunction with activities otherwise specifically authorized herein.

2.6. Water. There shall be no manipulation or alteration of creeks, streams, surface or subsurface springs or other bodies of water or the shorelines thereof or any activities on or uses of the Protected Property detrimental to water purity or quality.

2.7. Dumping. There shall be no dumping of trash, noncompostable garbage, hazardous or toxic substance or other unsightly or offensive material.

2.8. Roads. There shall be no building of new roads or other rights of way except for paths and foot trails consistent with the preservation of the Protected Property. Existing roads, bridges, and primitive trails may be maintained but shall not be widened or improved, except as described in Section 3.3 and Paragraph 4 under the Forestry Section.

2.9. Vehicles. Vehicles, including snowmobiles and all-terrain-vehicles, will be limited to existing roads on the property. Logging trucks will be limited to areas outlined in the Forestry Management Plan.

2.10. Animals. There shall be no livestock, no domestic or non-native animals and no feedlots permitted on the Protected Property. There shall be no introduction by Grantor of animal species not native to the Upper Peninsula within the State of Michigan. Species that are not native to Michigan are species that have been introduced to the state by humans.

2.11. Vegetation. There shall be no removal, destruction, cutting, trimming or mowing of any trees or other vegetation, living or dead except to:

a. remove hazardous trees for reasons of safety or to protect existing or authorized roads, foot trails and paths; and
b. allow forestry as outlined in Section 3.3.

No non-native species shall be introduced by Grantor to the Protected Property. Non-native vegetation refers to species of plants that were introduced to the State of Michigan by humans.

2.12. Plowing. There shall be no tilling or plowing or use of the Protected Property for commercial cultivation of row crops.

2.13. Spraying and Toxins. There shall be no use of pesticides or biocides, including but not limited to insecticides, fungicides, rodenticides and herbicides except as may be necessary to eliminate non-native species and with the prior written approval of the Conservancy.

3. GRANTOR'S RESERVED RIGHTS. The Grantor reserves for itself, its successors and assigns, all rights as owner of the Protected Property to use the Protected Property for all purposes that are not expressly prohibited herein and are not inconsistent with this Easement. Without limiting the generality of the foregoing, the following rights are expressly reserved:

3.1. Conveyance. Grantor may sell, give, mortgage, lease or otherwise convey the Protected Property, provided that such conveyance is subject to this Easement and written notice is provided to the Conservancy in accordance with Section 6.5 below.

3.2. Subdivision. For the purpose of donation of a portion or portions of the Protected Property to a qualified conservation organization, the Protected Property may be divided into parcels of 160 acres or more, or as mutually agreed to by and between the Grantor and the Conservancy at the time of the division and donation. As for subdivision for conveyance to a private party or entity, the Protected Property may be subdivided into no more than four parcels, as follows: That portion of the Protected Property located in Section 29 may be divided once, resulting in no more than two separate parcels, and that Portion of the Protected Property located in Sections 21 and 28 may be divided once, resulting in no more than two separate parcels, for a total of no more than four separate parcels.

3.3. Forestry Uses. Notwithstanding the foregoing, the Protected Property may be used for forestry provided that the conditions below are met, it being the intent of the Grantor and the Conservancy that the terms of this Easement are designed to allow the Protected Property to qualify as a Commercial Forest as that term is defined under Part 511, the Commercial Forest Part of the Natural Resources And Environmental Protection Act, M.C.L. 324., as it exists now or may be amended from time to time, and any regulations promulgated thereunder. Passage may be allowed across or upon the Protected Property in conjunction with this permitted activity. Forestry uses are permitted on the Protected Property provided that:

a. All such activities are conducted in accordance with the "Forestry Plan" or "Amended Forestry Plan" as defined by Paragraph 4 below;
b. All such activities are conducted under the supervision of a professional forester whose education and experience are approved by the Conservancy; and
c. Grantor shall provide the Conservancy with the opportunity to participate in an annual review of forestry activities as described in Paragraph 4, below.

3.4. Roads. Grantor may continue using existing two-track roads. Limited construction and maintenance may be allowed under the forestry plan or the amended forestry plan cited in Paragraph 4.

3.5. Signs. Grantor may, but shall not be obligated to, place interpretive signs or similar signs on the Protected Property.

3.6. Native Species. Grantor may, but shall not be obligated to, undertake to restore and enhance the native plant and animal communities on the Protected Property under an ecological management plan that has received the prior written approval of the Conservancy.

3.7. Fences. Grantor may, but shall not be obligated to, repair, replace, maintain, improve or remove any fence located on the Protected Property as of the date of this Easement. The Grantor may, but is not obligated to, construct, repair, replace, maintain, improve or remove additional fencing or gates as the Grantor deems necessary to secure the Protected Property.

3.8. Preservation. Grantor may, but shall not be obligated to, undertake any activity reasonably necessary to maintain the Protected Property in the condition in which it exists on the date of this Conservation Easement.

4. FOREST MANAGEMENT PLAN

As provided in Section 3.3 above, Grantor shall not construct roads, or harvest from the Protected Property timber or other wood products, or non-timber forest products, without first developing and submitting to the Conservancy for its approval a forestry management plan for the Protected Property (hereinafter the "Forestry Plan"). All updates, amendments or other changes to the Forestry Plan shall be submitted to the Conservancy for its recommendations, review and approval prior to any management activities. The Forestry

Plan as updated, amended or changed from time-to-time is hereinafter referred to as the "Amended Forestry Plan."

4.1 Forestry Plan Requirements. The Forestry Plan and any Amended Forestry Plan shall be consistent with the Purposes of this Grant, and shall include at least the following elements (except that those elements of the Forestry Plan or Amended Forestry Plan which do not change need not be re-submitted in updates, amendments or changes to the Forestry Plan):

a. Grantor's forest management objectives in compliance with Part 511, the commercial forest part of the Natural Resources and Environmental Protection Act, M.C.L. 324 of Michigan Compiled Laws;
b. An appropriately scaled, accurate map indicating such items as forest stands, streams and wetlands, and major access routes (truck roads, landings and major skid trails);
c. Forest stand descriptions (forest type, stocking levels before and after harvest, soil, topography, stand quality, site class, previous management history, and prescribed treatments);
d. Plant and wildlife considerations (identification of known significant habitats and management recommendations, and Grantor's plan with regard to retaining snag trees, den trees, and downed trees);
e. Recreational considerations; and
f. If any, historic and cultural resource considerations (identification of known resources and associated management recommendations).

5. NOTICE OF EXERCISE OF GRANTOR'S RESERVED RIGHTS. Although the Grantor need not obtain approval of the Conservancy in order to exercise any reserved right, unless otherwise stated herein, the Grantor hereby agrees to notify the Conservancy in writing before exercising any reserved right which may have a material adverse impact on the conservation interests associated with the Protected Property.

6. CONSERVANCY'S RIGHTS AND REMEDIES. In order to accomplish the conservation purposes of this Easement, the Conservancy shall have the following rights and remedies:

6.1. Remedies. The Conservancy shall have the right to enforce by proceedings at law or in equity the provisions of this Easement including, but not limited to, the right to require the restoration of the Protected Property to its condition at the date of this Easement, subject to the reserved rights of the Grantor set forth herein. The Conservancy, or its successors or assigns, shall not waive or forfeit the right to take action as may be necessary to ensure compliance with the terms and conditions of this Easement by any prior failure to act.

Nothing herein shall be construed to entitle the Conservancy to institute any enforcement proceeding against the Grantor for, or to impose any liability or obligation upon Grantor with respect to any changes to the Protected Property due to causes beyond the Grantor's control, such as changes caused by fire, flood, storm, infestations, natural deterioration, the acts of third parties legally authorized to act by recorded document or other legally established rights or the unauthorized wrongful acts of third persons; provided,

however, that the Grantor shall notify the Conservancy of any occurrence known to Grantor, which would materially adversely affect or interfere with the conservation purpose of the Easement, whether caused by the acts or omissions of the Grantor or third parties.

The Conservancy shall be entitled to seek expedited injunctive relief to enforce its rights with respect to the Protected Property, and the Grantor waives any bond requirement otherwise applicable to any petition for such relief. The Conservancy shall have the right to report to regulatory authorities any environmental conditions, or any potential or actual violations of environmental laws, with respect to the Protected Property.

All reasonable costs incurred by the Conservancy in enforcing the terms of this Easement against Grantor, including, without limitation, costs and expenses of suit and reasonable attorneys' fees, and any costs of restoration necessitated by Grantor's violation of the terms of this Easement shall be borne by Grantor; provided, however, that if Grantor ultimately prevails in a judicial enforcement action, each party shall bear its own costs.

6.2. Right of Entry. The Conservancy shall have the right to enter the Protected Property, in a reasonable manner and at reasonable times, but always upon reasonable prior notice to the Grantor, for the purposes of:

a. Inspecting the Protected Property to determine if the Grantor, or its successors or assigns, is complying with the provisions of this Easement;

b. Obtaining evidence for the purpose of seeking judicial enforcement of this Easement;

c. Making scientific and educational observations and studies and taking samples in such a manner as will not disturb the quiet enjoyment of the Protected Property by the Grantor;

d. Posting regulatory signs, the size, appearance, location, and content of which shall be reasonably acceptable to Grantor, on selected portions of the Protected Property for purposes of promoting the provisions of this Easement.

e. Monitoring compliance with the Forestry Plan or Amended Forestry Plan as cited in Paragraph 4.

The Conservancy's rights do not include the right, in the absence of a judicial decree, to enter the Protected Property for the purpose of becoming an operator of the Protected Property within the meaning of the Comprehensive Environmental Response, Compensation and Liability Act.

The Conservancy shall indemnify, defend, and hold harmless Grantor, its successors and assigns, against and from any loss, liability, cost or expense (including, without limitation, attorney's fees), arising from or in connection with any entry made pursuant to this Section 6.2 or Section 6.4 below, except to the extent caused by the gross negligence or intentional misconduct of Grantor, its successors and assigns.

6.3. Limitation of Conservancy Rights. Nothing contained herein shall give rise, in the absence of a judicial decree, to any right or ability of the Conservancy to become the operator of the Protected Property within the meaning of the Comprehensive Environmental Response, Compensation and Liability Act by exercising physical control over the day-to-day operations of the Grantor or becoming involved in management decisions of the Grantor regarding the generation, handling or disposal of hazardous substances.

6.4. Monitoring and Management. Subject to the last sentence of Paragraph 6.2 hereof, the Conservancy shall have the right, but not the obligation, to monitor the condition of the rare plant and animal populations, plant communities, and natural habitats on the Protected Property, and to manage them, if necessary, to ensure their continued presence and viability on the Protected Property. Such activities shall be in accordance with management practices of the Conservancy and may include, but shall not be limited to, mowing, fencing, gating, trapping, prescribed burning, etc. Any such management activities shall be set forth in a written management plan to be reviewed and approved by Grantor.

6.5. Discretionary Consent. The Conservancy's consent for activities otherwise prohibited under Paragraph 2 above or for any activities requiring the Conservancy's consent under Paragraph 2 or 3 above may be given under the following conditions and circumstances. If, owing to unforeseen or changed circumstances, any of the activities listed in Paragraph 2 above are deemed desirable by Grantor and the Conservancy, the Conservancy may, in its sole discretion, give permission for such activities, subject to the limitations herein. Such requests for permission, and requests for permission for activities requiring the Conservancy's consent under Paragraph 2 or 3 above, shall be in writing and shall describe the proposed activity in sufficient detail to allow the Conservancy to judge the consistency of the proposed activity with the purpose of this Easement. The Conservancy may give its permission only if it determines, in its sole discretion, that such activities (a) do not violate the purpose of this Easement and (b) either enhance or do not impair any significant Conservation Values of the Protected Property. Notwithstanding the foregoing, the Grantor and the Conservancy have no right or power to agree to any activities that would result in the termination of this Easement or to allow residential, commercial or industrial activities not provided for above.

7. GENERAL PROVISIONS.

7.1. Perpetual Burden. This Easement shall run with and burden the Protected Property in perpetuity and shall bind the Grantor, its successors and assigns.

7.2. Easement Documentation. The Grantor and the Conservancy agree that the natural characteristics, the ecological and aesthetic features, the physical condition and the Conservation Values of the Protected Property at the time of this grant are documented in an Easement Documentation Report, prepared by the Conservancy and signed and acknowledged by the Grantor and a representative of the Conservancy, establishing the condition of the Protected Property at the time of this grant and including reports, maps, photographs and other documentation. Such signature and acknowledgement shall not be deemed a representation or warranty by Grantor or otherwise impose any liability or obligation upon Grantor.

7.3. Access. Nothing contained in this Easement shall give or grant to the public a right to enter upon or to use the Protected Property or any portion thereof where no such right existed in the public immediately prior to the execution of this Easement.

7.4. Assignment. This Easement is in gross and may be assigned or transferred by the Conservancy. The Conservancy agrees that, if it transfers or assigns its interest in this Easement:

a. The organization or entity receiving this interest will be a qualified organization as that term is defined in Section 170(h)(3) of the Internal Revenue Code, as that section may be amended from time to time, and in the regulations promulgated thereunder and which is organized and operated primarily for one of the conservation purposes specified in Section 170(h)(4)(A) of the Internal Revenue Code, as that section may be amended from time to time, and in the regulations promulgated thereunder;

b. The transferee or assignee will be required to carry out in perpetuity the conservation purposes which this Easement was originally intended to advance; and

c. The Conservancy shall provide the Grantor with written notice of any assignment or transfer made pursuant to this Section 7.4.

7.5. Subsequent Transfers by Grantor. Unless this Easement is extinguished, as set forth in Section 7.6, or terminated pursuant to Section 7.16 below, the Grantor agrees that the terms, conditions, restrictions and purposes of this Easement will either be referenced or inserted by the Grantor in any subsequent deed or other legal instrument by which the Grantor divests himself of any interest in all or part of the Protected Property. The Grantor agrees to notify the Conservancy, its successors and assigns, of any such conveyance in writing by certified mail within fifteen (15) days after closing, except that no such notice shall be required with respect to the sale of the Protected Property to the James H. Kidder Revocable Trust and the Barbara K. Kidder Revocable Trust as of the date hereof.

7.6. Extinguishment. The Grantor agrees that this donation of a perpetual Easement gives rise to a property right, immediately vested in the Conservancy, with a fair market value that is at least equal to the proportionate value that the Easement, at the time of this conveyance, bears to the value of the Protected Property as a whole at that time. The proportionate value of the Conservancy's property rights shall remain constant.

If a subsequent unexpected change in the conditions of or surrounding the Protected Property makes impossible or impractical the continued use of the Protected Property for the conservation purposes described herein, and if the restrictions of this Easement are extinguished by judicial proceedings (including, but not limited to, eminent domain proceedings), then upon the sale, exchange or involuntary conversion of the Protected Property, the Conservancy shall be entitled to a portion of the proceeds at least equal to the proportionate value of the Easement described above. The Conservancy will use its share of any and all proceeds received for such sale, exchange or involuntary conversion in a manner consistent with the conservation purposes of this Easement or for the protection of a "relatively natural habitat of fish, wildlife, or plants or similar ecosystem," as that phrase is

used in Section 170(h)(4)(A)(ii) of the Internal Revenue Code, as that section may be amended from time to time, and in regulations promulgated thereunder.

7.7. Title Warranty. Grantor hereby warrants and represents that the Grantor is seized of the Protected Property in fee simple and has good right to grant and convey this Easement. Except as specifically set forth in the preceding sentence, this easement is granted with no representation or warranty, express or implied by Grantor. This easement is subject to all matters of record as of the date hereof, and the access easement reserved by Grantor in the Limited Warranty Deed to be conveyed following recording of this easement of even date herewith by Grantor to the James H. Kidder Revocable Trust and the Barbara K. Kidder Revocable Trust with respect to the Protected Property and all terms and provisions thereof (the "Reserved Easement").

7.8. Real Estate Taxes. The Grantor agrees to pay prior to delinquency any and all real property taxes and assessments levied by competent authority on the Protected Property and that the Conservancy shall have no duty or responsibility to manage or maintain the Protected Property.

7.9. Costs and Liabilities. Grantor retains all responsibilities and shall bear all costs and liabilities of any kind related to the ownership, operation, upkeep and maintenance of the Protected Property, including the maintenance of adequate comprehensive general liability insurance coverage. Grantor shall keep the Conservancy's interest in the Protected Property free of any liens arising out of any work performed for, materials furnished to or obligations incurred by Grantor.

7.10. Re-recording. The Conservancy is authorized to record or file any notices or instruments appropriate to assuring the perpetual enforceability of this Easement. Without limiting the foregoing, the Grantor agrees to execute any such instruments satisfactory in form and substance to Grantor upon request.

7.11. Definitions. The terms "Grantor" and "Conservancy" as used herein shall be deemed to include, respectively, the Grantor, its successors and assigns, and the Conservancy, its successors and assigns, except that the term "Grantor" shall be deemed to refer to Escanaba Paper Company, a Michigan corporation ("Escanaba") only during and with respect to such time period as Escanaba is the record owner of the Protected Property.

7.12. Notices. Any notices required by this Easement shall be sent by registered or certified mail, return receipt requested, to the following address or such address as may be hereafter specified in writing:

AS TO GRANTOR:

Escanaba Paper Company
P. O. Box 1008
Escanaba, MI 49829-6008
Attention: Lands Manager

AS TO THE CONSERVANCY:

The Nature Conservancy
4245 North Fairfax Drive, Suite 100
Arlington, VA 22203-1606
ATTN: General Counsel

cc: The Nature Conservancy
Midwestern Resource Office
1313 Fifth Street S.E.
Suite 314
Minneapolis, MN 55414
ATTN: Division Attorney

7.13 Severability. If any provision of this Easement or the application thereof to any person or circumstance is found to be invalid, the remainder of the provisions of the Easement and the application of such provisions to persons or circumstances other than those as to which it is found to be invalid shall not be affected thereby.

7.14. Liberal Construction. Any general rule of construction to the contrary notwithstanding, this Easement shall be liberally construed in favor of the grant to effect the purpose of this Easement and the policy and purpose of the Michigan Conservation and Historic Preservation Easement Act, M.C.L. 324.2140, et seq. If any provision in this instrument is found to be ambiguous, an interpretation consistent with the purpose of this Easement that would render the provision valid shall be favored over any interpretation that would render it invalid.

7.15. Entire Agreement; Amendment; Termination. This instrument sets forth the entire agreement of the parties with respect to the Easement and supersedes all prior discussion, negotiations, understandings, or agreements relating to the Easement, all of which are merged herein. This easement may be amended or terminated only by a written instrument in recordable form, executed by Grantor and the Conservancy (or its respective successors or assigns).

7.16. Termination of Rights and Obligations. A party's rights and obligations under this Easement terminate upon transfer of the party's interest in the Easement or Protected Property, except that liability for acts or omissions prior to transfer shall survive transfer. Notwithstanding the foregoing or any other provision hereof to the contrary, Escanaba shall be liable as "Grantor" hereunder only during and with respect to such period as Escanaba is the record owner of the Protected Property. Upon the conveyance of the Protected

Property by Escanaba to any other person ("Successor Owner"), Escanaba shall be released from all further obligations and liabilities hereunder except for such obligations and liabilities, if any, as shall have accrued prior to the date of such conveyance, and the Conservancy shall look solely to the Successor Owner, its successors and assigns, for the performance of all such obligations and liabilities arising or accruing after the date of such conveyance.

TO HAVE AND TO HOLD the above-described Conservation Easement to the use, benefit, and behalf of the Conservancy, its successors and assigns forever.

[Remainder of page intentionally left blank.]

LIBER 165 PAGE 725

IN WITNESS WHEREOF, the Grantor has executed this Conservation Easement this 8th day of March, 2001.

Signed and Acknowledged
in the Presence of:

Margaret J. Smith

Denise L. Williams

Margaret J. Smith

Denise L. Williams

GRANTOR:

ESCANABA PAPER COMPANY,
a Michigan corporation

By: Peter H. Vogel, Jr.
Vice President

ATTEST:

By: Elizabeth J. Milburn
Assistant Secretary

STATE OF OHIO)
)SS:
COUNTY OF MONTGOMERY)

The foregoing instrument was acknowledged before me this 8th day of March, 2001 by Peter H. Vogel, Vice President and Elizabeth J. Milburn, Assistant Secretary, of Escanaba Paper Company, a corporation under the laws of the State of Michigan, on behalf of said corporation.

Notary Public
My Commission Expires: May 1, 2002

NOTARIAL SEAL

DENISE L. WILLIAMS, Notary Public
In and for the State of Ohio
My Commission Expires May 1, 2002

ACCEPTANCE

LIBER 165 PAGE 726

The foregoing Conservation Easement is hereby duly accepted by The Nature Conservancy this 13th day of March, 2001.

THE NATURE CONSERVANCY

By: Diane B. Ray
DIANE B. RAY
Title: Assistant Secretary

STATE OF MINNESOTA)
)ss
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me this 6TH day of MARCH, 2001, by DIANE B. RAY, the ASSISTANT SECRETARY of The Nature Conservancy, a non-profit corporation under the laws of the District of Columbia, on behalf of said corporation.

ROSE A. ROZNOWSKI
NOTARY PUBLIC - MINNESOTA
MY COMMISSION EXPIRES
JANUARY 31, 2005

Rose A. Roznowski
Notary Public
My Commission Expires: 1-31-05

This instrument prepared by:

Diane B. Ray
The Nature Conservancy
Midwestern Resource Office
1313 Fifth Street S.E.
Minneapolis, MN 55414

and

Steven J. Davis, Esq.
Reg. No. 0039195
Thompson Hine & Flory LLP
2000 Courthouse Plaza N.E.
Dayton, OH 4540

EXHIBIT A

LEGAL DESCRIPTION

Situate in Champion Township, Marquette County, Michigan, to-wit:

Township 50 North, Range 28 West:

Section 29 -	South Half (S½) Northeast Quarter (NE¼) East Half of the Northwest Quarter (E ½ of NW¼)
Section 28 -	North Half of the Northwest Quarter (N½ of NW¼) Northwest Quarter of Northeast Quarter (NW¼ of NE¼)
Section 21 -	South Half of the Southwest Quarter (S½ of SW¼) Southwest Quarter of the Southeast Quarter (SW¼ of the SE¼)

For a total of 800 acres.