

Summary of Forestar Mineral Reservation

Created under 2009 Deeds from Forestar to Hancock

Forestar previously owned hundreds of thousands of acres of mineral rights in Texas which are quite valuable due to the oil and gas production in that region. It is our understanding that as a corporate policy and presumably as a precaution against unknowingly selling a valuable asset for less than its true worth, Forestar reserved the mineral rights on most timberland sales in all states, including Georgia and Alabama. Forestar subsequently sold the mineral rights in Texas, Georgia, Alabama and other states to Mineral Resource Partners (MRP). TIR's understanding is that MRP was required to buy the Georgia/Alabama minerals in order to acquire Forestar's more lucrative Texas mineral rights.

In the past, MRP has sold mineral rights to the surface owner on a case-by-case basis. TIR can help to facilitate this discussion for any interested buyer if requested.

General terms of the mineral reservation (per language recited in the vesting deed from Forestar to Hancock) include:

- Forestar conveyed to Hancock the surface estate of the real property which includes all rights to use, enjoy and control the surface of the property for any purpose permitted by law other than exploitation of the reserved mineral interests.
- The mineral interests and rights reserved by Forestar (and later acquired by MRP) expressly exclude any Surface Rights (as that term is defined in Exhibit C to the Forestar to Hancock vesting deed).
- The reserved mineral interests and rights will not materially interfere with the water rights appurtenant to the fee interest in the surface estate.
- The Surface Rights conveyed to Hancock and subsequent owners include rights for ingress, egress and access on, over and upon or to enter or use the surface of the Property.
- The owner of the reserved minerals is responsible and liable for repair of any and all damage to the surface of the Property and all trees, shrubs, buildings and improvements located on the Property.
- The Surface Rights conveyed to Hancock and subsequent owners explicitly prohibit entry by the mineral owner into a property for the purposes of exploring, developing, removing, extracting, and producing minerals from the property. Further, Forestar expressly waived rights to surface mining per Exhibit C to its vesting deed in favor of Hancock.
- The mineral owner does not have a right to enter the Property. It can only access the minerals from an adjacent parcel of property through lateral mining techniques that do not impact the surface owner.
- TIR's experience indicates that the mineral use pattern in these parts of Georgia and Alabama is generally limited to small rock quarries, which would be difficult to develop in the absence of surface rights. Moreover, surface mining is expressly prohibited per Exhibit C to the vesting deed from Forestar to Hancock.
- TIR believes that the goal of the mineral reservation language found in the Georgia and Alabama deeds from Forestar to Hancock was geared toward reserving oil/gas production on property located in Texas, but Forestar included the blanket mineral reservation language in every

disposition deed, regardless of location. TIR is unaware of any oil and gas production in this region of Georgia/Alabama.

DISCLAIMER: The foregoing is merely a summary of TIR's understanding of the mineral rights created under the 2009 deeds from Forestar to Hancock designed to facilitate a further review by a prospective purchaser. This does not constitute a representation or warranty by TIR or the property owner, and all parties should review the subject mineral rights in question in their entirety and reach their own conclusions.