

## EXHIBIT B

### FORESTAR RECREATIONAL USE POLICIES

Effective Date: October 15, 2010

#### 1. RECREATIONAL USE PROGRAM GOALS

***Forestar (USA) Real Estate Group Inc. (Forestar) maintains a large number of Recreational Use Agreements (recreational licenses) in order to provide outdoor recreational opportunities to its licensees. In recognition of the value of these agreements, Forestar has set a few goals to help guide our actions.***

***They include:***

- a. Providing recreational opportunities for customers that are consistent with Forestar objectives and stewardship goals;
- b. Cultivating good relationships and improving communications with recreational licensees and build support for Forestar in our local communities;
- c. Making wise decisions about wildlife habitat management, recreational license assistance, and license fee rates, while balancing those with our land management and real estate enhancement activities;
- d. Improving Forestar's knowledge of our local communities and neighbors; and
- e. Encouraging recreational licensees to take responsibility for their licensed property.

***It is the responsibility of all recreational licensees to comply with and enforce all Recreational Use Policies.***

#### 2. PURPOSE OF THIS DOCUMENT

The purpose of this document is to establish consistent guidelines relative to the administration of the Recreational Use Program in Texas, Georgia, and Alabama. The value of recreational licenses is recognized by Forestar and through these relationships we hope to better protect and enhance our land. Recreational Use Agreements help offset ownership cost, reduce exposure to theft, arson, dumping, and illegal trespass, and Recreational Use Agreements foster an atmosphere of good-will and cooperation.

#### 3. RECREATIONAL LICENSE CONTACTS

It is the responsibility of the Land Management Group to administer the Recreational Use Program along with these policies. The primary communications link between Forestar and the Licensee is the Area Land Manager. However the quickest way to find general information about the Recreational Use Program and lands available for recreational use is found on <http://hunting.forestargroup.com>. For information not available on the web site, contact your Area Land Manager. Any suspected illegal activities, including but not limited to trespass, game violations, property damage, theft and arson should first be reported to local law enforcement authorities or State Game and Fish officials, then to the Forestar Land Management Group.

#### 4. ESTABLISHMENT AND RENEWAL OF RECREATIONAL USE AGREEMENTS

##### 4.1 Applying for a New Recreational Use Agreement

Maps showing areas available for recreational use and application forms are available on Forestar's web site: <http://hunting.forestargroup.com>. **Applicants must be at least 18 years old.**

Forestar will review all applications and each applicant will receive an email of approval or rejection of their application.

## 4.2 New Recreational Use Agreement

The selected applicant will receive an email of approval. Upon applicant's confirmation, Forestar will e-mail a Recreational Use Agreement to be signed and returned by postal mail to:

Forestar (USA) Real Estate Group  
Attn: Accounts Receivable  
6300 Bee Cave Road, Building Two, Suite 500  
Austin, Texas 78746-5149

Forestar will provide a fully signed copy of the contract and use map (Exhibit A) to the licensee via licensee's customer account accessed through Forestar's website.

**All Licensees must maintain an email address for the designated representative and keep their membership list current (see Section 4.4).** If the Licensee is a "club" (whether incorporated or non-incorporated entity) a list of all members will be provided to Forestar and maintained current. The representative shall also indicate the club name and designate if the club is incorporated and the state of incorporation. Correspondence will be sent directly to the license representative by email.

Each Recreational Use Agreement will be given a unique User ID and password that will allow the representative access to update the membership list and contact information. Issues of membership and membership rights will be determined by the club.

## 4.3 Recreational Use Agreement Renewals

Customers will usually be given an opportunity to renew their current Recreational Use Agreement. The Licensee will be e-mailed a renewal invoice on an annual basis. However, Forestar reserves the right to cancel the Recreational Use Agreement with or without cause consistent with the terms of the agreement.

## 4.4 Club Member Directory

It is the responsibility of each representative to maintain an updated membership list online at <http://hunting.forestargroup.com> at all times as well as an updated Release Form. In the event a club is unable to resolve membership issues, Forestar reserves the right to terminate the agreement in accordance with its terms.

## 4.5 Important Dates

Early May Invoices e-mailed to representative  
June 1: If applicable, new contracts sent to representative  
June 30: License fee payment due to Forestar  
July 1: Late fee of 10 percent applied to unpaid invoices  
July 15: Unpaid licenses considered cancelled

## 5. RECREATIONAL USE FEES

### 5.1 Recreational Use License Fees

License Fees are typically established using a market based approach. License rates may change annually.

## **5.2 Insurance Costs**

To assure insurance coverage, Forestar contracts for public liability insurance on behalf of each license holder. **Licensee should be advised that guests of licensee or hunting club are not covered under said public liability insurance policy.**

## **6. RECREATIONAL USE**

### **6.1 Membership**

Ideally, recreational license members should be drawn from the immediate vicinity in which the license is located. Members may be selected from other areas if there are not enough interested local people to fill the membership. Members are expected to always hunt in a safe and prudent manner.

### **6.2 Hunter Safety and Education**

Forestar supports the efforts of each state to promote and increase hunting safety awareness through each state's Hunter Education Courses. Forestar recommends that each member of a recreational use agreement completes a Hunter Education Course and obtains a Hunter Education Certificate number.

### **6.3 Horseback Riding Safety**

Forestar supports the efforts of each state to promote and increase Equestrian Safety awareness through each state's Equine laws. Forestar recommends that each equestrian educate themselves about trail etiquette, preserving trail resources, and trail safety as contained in the American Equestrian Alliance safety guidelines: **[www.americanquestrian.com/aearules.htm](http://www.americanquestrian.com/aearules.htm)**. Forestar recommends that fluorescent orange safety vests be worn while recreating on the license premises during hunting seasons.

### **6.4 Recreational Vehicle Safety and Education**

Forestar supports the efforts of Recreational Vehicle Safety awareness through Recreational Vehicle Education Courses. Forestar recommends that each operator of a Recreational Vehicle complete a Recreational Vehicle Education Course.

### **6.5 Organization Rules and Bylaws**

Forestar recommends that each recreational license be well organized and operated in a democratic manner with specific rules governing their activities including club bylaws. You may visit **<http://hunting.forestargroup.com>** to view and print an example of club by laws. These requirements are to insure compliance with all game laws, protection of the licensehold premises, and to facilitate the administration of all recreational licenses on Forestar lands.

### **6.6 Licensee and Member Responsibilities**

The Licensee will not retain as members any person or persons who violates the terms and conditions of the agreement or these policies, displays a disregard for the safety and welfare of others, does not respect and protect Forestar property, does not act as a good neighbor to Forestar neighbors, or knowingly and willingly violates a state or federal game law. The Licensee is held responsible for the actions of its members and any improper actions will likely jeopardize the license.

## 7. PHYSICAL IMPROVEMENTS AND OTHER RECREATIONAL USE ISSUES

### 7.1 General Structures

Construction and installation of any food plots, fences, gates, or any other structures are prohibited without approval from a Forestar Representative. If approved, these structures will be constructed and installed at the Licensee's own cost and must adhere to specifications, limitations, or restrictions imposed by Forestar and maintained in good condition of repair, cleanliness, and safety.

### 7.2 Designated Campsites

Each recreational license will have designated campsites where they may keep temporary camp structures.

All camping facilities must be capable of being moved on demand (i.e. mounted on skids, wheels or trailers). No new structures may be permanently fixed to Forestar property, without prior written approval by Forestar. The use of mobile homes as a camping structure on Forestar property requires written permission by Forestar.

All campsites, grounds, trailers, camp shelters, tents, etc., shall not be visible from public roads and must be kept free from trash and other refuse. Trash may not be buried on Forestar property, but must be removed from the site and disposed of properly.

### 7.3 Utilities

Establishment of electric, sewer, and/or water must be prior approved by Forestar.

### 7.4 Company Roads

Company roads will be maintained as time and opportunity permit. Roads may remain impassable for long periods of time without repair due to company activities. The Licensee, or its members, may use a rubber tire tractor to conduct minor road repairs and with approval by Forestar and may at Licensee's expense contract with a Forestry Best Management Practices (BMP) approved contractor who has Forestar approved insurance.

### 7.5 Gates

Permission to erect gates must be obtained. In Texas all gates should be at least 20 feet wide and be set back at least 100 feet from the road surface and in Georgia and Alabama all gates should be at least 16 feet wide and 50 feet from the road surface to permit safe tractor-trailer access, unless other agreements are reached with a Forestar Representative. No new cable, chain, or wire gates are permitted on Forestar property. All newly constructed gates must be built at club expense to Forestar's construction specifications and become the property of Forestar. **In order to help prevent trespassing and/or illegal dumping, GATES MUST BE KEPT LOCKED AT ALL TIMES. Forestar reserves the right to charge licensee a Fee of \$50.00 per occurrence, due immediately upon request, for failure of licensee, its agents or assigns to keep gates closed and locked at all times.**

### 7.6 Locks

If the Licensee desires to place a lock on a gate, a Forestar "keyed" lock must be used in the sequence of locks on the gate. Forestar personnel have the right to forcibly enter Forestar lands that do not have Forestar locks installed. Only one licensee lock is permitted on gate. **For failure of licensee, its agents or assigns to utilize a Forestar-keyed lock resulting in Forestar, its agents or assigns not being able to access the property at any time for any purpose, Forestar reserves the right to charge licensee a Fee of \$50.00 per occurrence, due immediately upon request.**

In Texas, locks must be obtained from the following Forestar office:

**In Georgia and Alabama, locks must be obtained from one of the following:**

Carrollton Safe and Lock Co. (Carrollton, GA) 770-834-0010  
Safe Lock and Key Co. (Rome, GA) 706-291-0155  
North Georgia Lock & Key (Gainesville, GA) 706-336-8108

### **7.7 Temporary Hunting Structures**

Temporary structures such as stands and blinds may be constructed or installed on the licensed property. Each member must realize that Forestar does various forest management activities throughout the year and occasionally damage can occur to their private property. Forestar will make a reasonable effort not to damage the Licensee's property during timber management operations, but will not be held responsible for any damage. To be safe, it is best for the club member to remove their structures and other personal property from the premises when they are finished using it. Also, from time to time, the club may be asked to remove these structures from company premises. Temporary structures shall not be nailed or bolted to living trees so as to become permanent structures.

### **7.8 Placement of Deer Stands**

All deer stands must be at least 100 feet from the edge of a major road right-of-way and must be situated in a safe and prudent manner considering such factors as vehicle and pedestrian traffic, location of adjacent or nearby stands, adjacent property boundary lines and structures. Forestar's definition of a major road includes all public roads and Forestar company roads. Forestar company roads are those that have crowns and wing ditches. Deer stands will not be allowed within 100 feet of a Forestar property or license boundary line. Many clubs share adjoining boundaries and must honor the rights of one another. By strictly enforcing this policy we create a 200-foot buffer zone that will benefit all adjoining recreational licenses. We will strictly enforce this policy. Failure to comply will be grounds for termination of the license and recreational use agreement. This buffer zone may be increased by Forestar as necessary. (Review State and Federal Regulations).

### **7.9 Wildlife Management**

Food plot establishment is strongly encouraged, but should be limited to natural openings or other areas devoid of planted pine seedlings or hardwood regeneration. These should be established in a manner that minimizes soil disturbance (over seeding or drilling seed or fertilizing natural vegetation) on areas likely to erode. Typically log sets, right-of-ways, internal firebreaks and openings devoid of pine trees, are good food plot locations. Roadsides, pipelines, and buried utility right-of-ways are good food plot locations but should never be disked. When planting roadsides, pipelines, or buried utility right-of-ways always plant by mowing and over-seeding. If you have questions about a location for a food plot be sure to contact Forestar. Again, habitat enhancement (i.e. supplemental food plots, mineral stations, bush-hogging, etc.) is allowed but at the Licensee's expense. Please do not damage water diversion devices on roads when constructing food plots.

The translocation and release of the wildlife species or domestic stock of any kind on Forestar land is not allowed. Furthermore, feral hogs are not to be protected and must not be propagated on Forestar property. There should be no hog limits enforced, and harvest of hogs should be strongly encouraged, as long as it is done in a safe manner and does not constitute trespassing on neighboring licenses or properties.

Each Licensee is expected to participate in their respective State's Wildlife Management Program.

## **7.10 Signs**

Forestar does not provide "posted" signs, but encourages licensee to erect and display signs stating the premises are licensed. Preferred locations are along county/state road boundaries or at gate and access locations to the premises. It is advisable to display the hunting club name and license number on the signs using permanent ink/markers. Signs may not be nailed or stapled to live standing timber, unless aluminum nails are used. The use of purple paint in Texas is permitted, but should not interfere (i.e. do not paint over the blue paint) with the existing boundary line paint.

## **7.11 Trespass by Others and Club Misuse**

State Game Wardens and Sheriff Departments can be contacted to prosecute unauthorized individuals from trespassing, dumping trash, or any other illegal activity on the licensed property. Forestar ownership boundary lines are marked with blue paint blazed, hacked, and/or banded on trees, posts, and other type structures.

Abusive ATVing, Motorcycling, Mud-Bogging, and other Recreational Riding are not allowed and abuses should be reported to Forestar and local law enforcement. The use of ATVs on Forestar lands for hunting purposes are allowed but must be used in a manner that doesn't damage Forestar timber, roads and property.

## **7.12 Recreational Trail Use**

Forestar's roads and firebreaks may be used for recreation trails when specifically licensed for this purpose. Establishment of a one-way recreational trail system for recreational vehicle or equine use is preferred and strongly encouraged. Recreational vehicles or horses must remain on established roads, firebreaks, and approved trail locations, avoiding cross-country travel and damage to forestry crops, wildlife food plots and to road and firebreak water diversion structures. A Forestar Representative must approve the location of all proposed trails before construction and use may begin. The Licensee should "flag" any proposed recreational vehicle and equine trail location prior to approval or initiation of construction. Construction of recreational trails should be limited to minor trail surface modifications and light pruning of hardwood brush, vines, and branches and should avoid the damage to pine trees and seedlings. Trails should be established and maintained in a manner that complies with Forestry Best Management Practices for skid trails (BMP's). Trail construction and maintenance is allowed at the Licensee's expense. Competition events are strictly prohibited.

## **7.13 Distinctive and Sensitive Sites**

Some Forestar lands provide habitat for sensitive species, ecological communities, or Distinctive Sites. As a result, Licensee activities may be restricted to protect these important resources. A map will be provided online under your existing license website if there is a Distinctive site within your recreational license.

You may contact a Forestar Representative if you have questions about Distinctive sites located within the licensed premises.

## **7.14 Research Sites**

Some Forestar lands contain research plots, which are especially sensitive. Typically the plots are of rectangular or circular shape and can be scattered over several acres. Ways to identify these plots are the existence of PVC pipe, pin flags, aluminum tree tags, and sometimes a sign indicating 'Research Area'. Use of these areas needs to be limited. Restricted activities include mowing, disking, and ATV use. Much time and money is spent establishing, marking, and gathering data from these areas, therefore the club will be charged a fee if a plot is damaged. You may contact a Forestar Representative to determine if research plots are located within the licensed premises.

## **7.15 Trash and Litter**

There is zero tolerance for trash and litter. All incidental trash and litter must be picked up and disposed of properly at all times. This includes all litter regardless of the source. Existing dump sites must be reported to a Forestar

representative immediately. Failure to do so will result in termination of license or payment for cleanup of site. This policy applies to all areas of the licensed property, including roadways, gate areas, campsites, right-of-ways.

## 8. ADDITIONAL RESPONSIBILITIES OF LICENSEE

All club members collectively and individually are, by the acceptance of the Recreational Use Agreement and entering upon the licensed premises, obligated:

- a. To use every precaution to protect wildlife and timber and Forestar property from poaching, theft, fire, trash dumping, or other damage.
- b. To minimize the abuse of Forestar roads and firebreaks at all times. Road maintenance is expensive and funds are limited. Members are asked to protect the roads and limit traffic during wet weather as much as possible.
- c. To assume responsibility and to pay for any trees or other forest products, including mineral and archeological resources, that may be cut, used, damaged, burned and/or removed from the Property by Licensee.
- d. For all parties on the license to comply with all laws, rules and regulations of the county, state and federal government.
- e. To prohibit the use of dogs in the taking of deer on the premises.
- f. To report to Forestar any instance of violations of law, Forestar policy as set out herein; including road abuse and road problems, theft, damage, encroachment by adjoining landowners, Southern Pine Beetle, and fire on said land.
- g. To be bound by all of the terms and conditions set forth in the Recreational Use Agreement and to obey and abide by all of the rules and regulations herein.
- h. To refrain from the disposal of trash on Forestar lands. All trash must be removed from the premises. There will be no dumps allowed for any license.
- i. The members will be responsible for the protection of Forestar or contractor equipment while on site from vandalism.
- j. To, upon request of Forestar, have each member and/or invitee of any member sign Forestar's standard release form prior to entering Forestar lands.

## 9. ADDITIONAL COMPANY ACTIVITY AND RIGHT TO ENTER

At any time of the year, it may become necessary for Forestar or its agents to conduct activities on the licensed premises including, but not limited to, harvesting, controlled burning, aerial or ground applications of forest chemicals, site preparation with heavy tractors, road construction and road maintenance or mineral activity and Licensee should not interfere with such activities.

<u>Normal Forest Activity</u>	<u>Timing / Season of Event</u>
Harvesting	Age 10 and Older Year Round
Chemical Site Preparation	1st summer after Harvest June - October
Burn	1st summer after Harvest June - December
Mechanical Site Preparation	1st summer after Harvest Year Round
Planting	6-18 months after Harvest October - February
Chemical Weed Control	1st spring after Planting February - May
Fertilization	Various November - June
Stand Improvement Various	Year Round
Chemical Competition Control Various	June - October

**Special Events**

Southern Pine Beetle various levels of Activity  
Pre-commercial thinning between ages 2 and 5  
Prescribed Burning Planned

**Timing / Season of Event**

May - December  
Year Round  
Year Round

**10. CONDITIONS FOR CANCELLATION OF RECREATIONAL USE AGREEMENT**

- a. In the event of sub licensing, without approval of Forestar.
- b. In the event that any fire willfully or negligently is started or allowed to escape on the premises by the Licensee.
- c. Intentional violations of any laws, rules or regulations established by county, state or federal agencies.
- d. Failure of Licensee to have all temporary structures removed from the premises upon request.
- e. Failure of Licensee to enforce restrictions regarding use of Forestar roads.
- f. Failure to prevent the use of dogs in the taking of deer on the licensed premises.
- g. Failure to be a good neighbor, or other incidents involving the public or adjoining landowners.
- h. Failure of the Licensee to make license payment on time or failure to provide required information or correspondence.
- i. For any reason with or without cause, as determined in Forestar's absolute discretion and consistent with the terms of the Recreational Use Agreement.

**11. EFFECTIVE DATE**

**These Recreational Use Policies are effective as of October 15, 2010 and will remain in effect until altered, changed, amended or rescinded, in writing or by email, by or on behalf of Forestar.**