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excess of those that would be incurred in a sale to Lessee at Forty Thousand (\$40,000.00) Dollars per acre shall be borne by Lessor, including but not limited to costs of identifying suitable assets for the triangular like kind exchange. This provision is intended to give Lessor nonrecognition-of-gain benefits afforded by Section 1031 of the Internal Revenue Code of 1954, as Amended.

THIRD: SELECTION OF LOCATION OF PARCELS SOLD OR EXCHANGED.

The parcels of PATE HOMESTEAD TRACT B to be sold or exchanged pursuant to Item FIRST of this Article. Lessor may select the location of the parcel represented by the first exercise of the right to sell or exchange parcels of PATE HOMESTEAD TRACT B pursuant to Items FIRST or SECOND of this Article. The location of all subsequent parcels sold or exchanged shall be determined by Lessee. Whenever practicable, the ratio of front dimension of any parcel to the side dimension of any parcel shall be a ratio of 1 to 2 (unless such ratio would substantially interfere with the future development of the portion of PATE HOMESTEAD TRACT B then retained by Lessor in a manner inconsistent with principles of sound land management). At the time of the sale or exchange, the Lessor shall possess good and marketable title to said parcels, free and clear of any and all liens and encumbrances - except those of prior record expressly waived by Lessee, and except such other encumbrances as the Lessee, or anyone claiming through or under Lessee, may have placed upon said PATE HOMESTEAD TRACT B.

Under no circumstances shall a tract of thirteen (13) acres, more or less, on the northern boundary of PATE HOMESTEAD TRACT B, adjoining Pelham Road, be eligible for sale or exchange to Lessee unless and until such time as certain restrictive covenants that now run with the land are removed. These restrictive covenants were contained in a deed or deeds of four (4) tracts to Lessor and restrict, among other things, the use of the thirteen (13) acres, more or less, to single family dwellings with setback requirements.

FOURTH: DEVELOPMENT VENTURE conditioned upon put of entire tract of PATE HOMESTEAD TRACT B or the entire remaining parcel thereof exceeding twenty (20) acres if previous puts for sale or exchanges have been exercised.

Should the Lessor alternatively desire to share in the subsequent net gains or losses associated with the development of the entire tract PATE HOMESTEAD TRACT B or the entire remaining parcel thereof if previous puts for sale or

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