

Agency Of Agriculture, Food & Markets
116 State Street
Montpelier, VT 05620-2901
www.VermontAgriculture.com

MEMO

To: Sarah London
From: Sylvia Jensen
Date: February 19, 2014



Re: Governor's Acceptance & Approval

Attached are documents for the Nelson Farmland in Guildhall. I have also included an email from ANR verifying there are no hazardous wastes on this parcel.

Please have the Governor sign and return packet to my attention as soon as possible. I would prefer you return the document via pink mail (I will be on vacation Feb. 26th through March 7th.) Please feel free to email (sylvia.jensen@state.vt.us) or call me should you have any questions (782-3388).



Agency of Agriculture, Food & Markets
116 State Street
Montpelier, VT 05620-2901
www.VermontAgriculture.com

TO: Peter Shumlin, Governor

FROM: Charles R. Ross, Jr., Secretary, Vermont Agency of Agriculture, Food & Markets

DATE: January 27, 2014

RE: Acquisition of Development Rights – Nels P. Nelson, III, Guildhall

Deanne Barthell Deputy Secretary
For Secretary Ross

Your approval is requested for the acquisition of development rights, conservation restrictions, option to purchase, and right of enforcement of the United States on 56 acres of farmland in Guildhall owned by Nels P. Nelson, III.

The Guildhall Selectboard and the Northeastern Vermont Development Association indicate their support of this project and the Guildhall Planning Commission has indicated that the conservation of this property is in alignment with the Town planning and zoning, as evidenced by the attached letters.

I. Description of Property

The farmland includes 30 acres of tillable land, all mapped as prime or statewide important agricultural soils. The remainder of the property, 26 acres, is wooded, the majority of which has been documented as a state-significant Spruce-Fir-Tamarack Swamp that is considered to be part of the Great Guildhall Swamp. The Vermont Chapter of The Nature Conservancy owns the majority of the swamp and is a neighbor to this property. A special treatment area (STA) to protect this area, as well as to afford dispersed pedestrian public access from the adjoining Great Guildhall Swamp Natural Area, is part of the conservation easement.

Nels Nelson has owned this land on North Road in Guildhall for 40 years and has leased it to area farmers ever since. The Peaslee family leased the land for many years and rotated it in potatoes, hay, corn, and barley over the years. It is important agricultural land in the area and would be much sought after if it ever came up for sale – he was approached by four different Connecticut River dairy farmers interested in the land when the Peaslees gave up their lease this year. The tillage is currently in hay and now leased to Guildhall farmer Richard Martin.

II. Need

Nels is 71 years old and works as a plumber in the area. He loves this land dearly and as he plans for his retirement, wants to ensure that it always remains in agriculture. The land is surrounded by prime agricultural fields in the ownership of other area dairy farmers, which together constitute a block of important non-floodplain tillage in the area, up off the Connecticut River but still in close proximity to river-based dairy farms.



III. Source of Funds

The purchase price for the easement with the option to purchase at agricultural value is \$67,000. VHCB approved a grant for this project in the amount of \$71,000 (\$67,000 for easement purchase and \$4,000 for third-party costs).

In addition, a landowner contribution of \$1,000 (equal to 1.49% of the easement purchase and the minimum landowner contribution level for projects with an easement value under \$100,000) will be used toward the easement purchase and associated costs, including stewardship endowment.

**APPROVAL AND ACCEPTANCE OF
DEVELOPMENT RIGHTS IN REAL PROPERTY**

Now come Peter Shumlin, Governor, and Charles R. Ross, Jr., Secretary, the undersigned, and hereby approve and accept the Grant of Development Rights, Conservation Restrictions, Option to Purchase, Public Access Easement, and Right of Enforcement of the United States for 56 acres, more or less, of land owned by Nels P. Nelson, III, located in the Town of Guildhall, Vermont, by the Vermont Agency of Agriculture, Food and Markets. The Grant is to be recorded in the Land Records of the Town of Guildhall.

This action is taken pursuant to the authority vested in the Governor and the Secretary of the Vermont Agency of Agriculture, Food and Markets by Title 6, Chapter 1, Section 14 of the Vermont Statutes Annotated.

Date 3/10/14

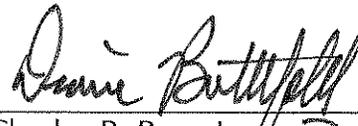
STATE OF VERMONT



Peter Shumlin
Governor

VERMONT AGENCY OF AGRICULTURE,
FOOD AND MARKETS

Date

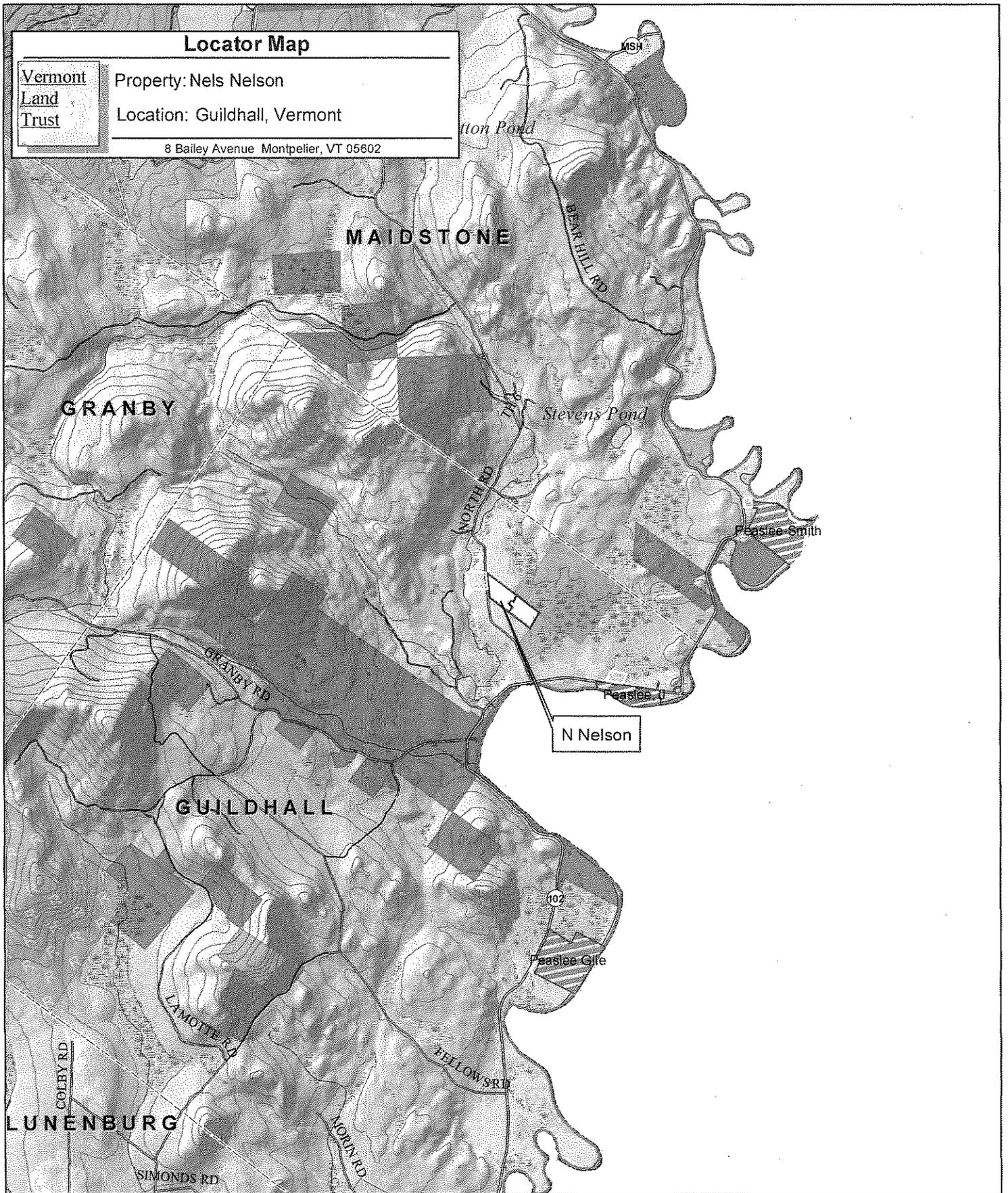


Charles R. Ross, Jr. Deputy Secretary
Secretary
For Secretary Ross

Locator Map

Vermont
Land
Trust

Property: Nels Nelson
Location: Guildhall, Vermont
8 Bailey Avenue Montpelier, VT 05602



VLT Conserved Land



State Land



Other Non-profit



Subject Property



Concurrent projects



Federal Land



Municipal Land

Scale: 1:70,000



Vermont Land Trust

Nelson N Farm
Town of Guildhall
Essex Co., VT

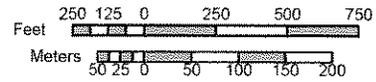
February 2014

VLT Project #131193 VHCB #2013-071-001

The Nelson N Farm Conservation Plan
is based on 2011 USDA Aerial Photography
Field Office 1:40000 source scale NAIP images.

1:5,000

1 inch = 416.7 feet



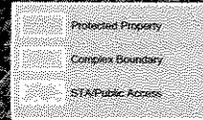
232000

232000

231000

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**Barn
Complex
±2.0 acres**



STA/Public Access

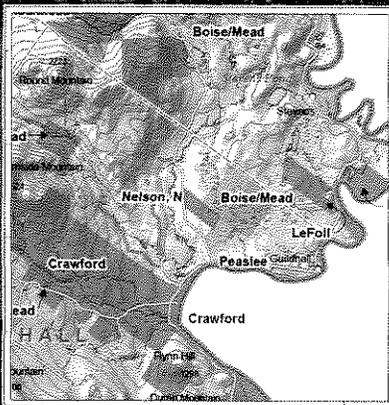
ACREAGE INFORMATION¹

Tillable	26.5 acres
Woods	17.0 acres
Wetland	10.5 acres
Barn Complex	2.0 acres
Total Protected Property	± 56.0 acres

1. All acreage is approximate, and exclusion of public road rights of way.

This map is not a survey or subdivision plat, and should not be used or construed for such purposes. It was prepared without the benefit of field measurements or extensive title research, it is intended solely to assist the owner(s) of the conserved land, and the trustee(s) of the conservation easement in the administration and interpretation of the conservation easement by clearly depicting the presumed boundaries of the protected property, calculating the approximate acreages, and showing the approximate locations of any excluded lands, farmstead or homestead complex, farm labor housing complex, or special treatment areas.

THIS MAP IS NOT A SURVEY



Reviewed and Accepted by:

Nels P. Nelson, III _____ Date

Duly Authorized Agent of _____ Date
Vermont Land Trust, Inc.

Jensen, Sylvia

From: Bothfeld, Diane
Sent: Wednesday, February 12, 2014 7:30 AM
To: Jensen, Sylvia; Smith, Stephanie
Subject: FW: N Nelson Farmland Parcel_Guildhall_Haz Mat Review_ANR

Another clean farm and we will be taught how to do this review for the future. Also – we may need to have the discussion that VHCB and or vlt needs to do this work to make sure their governor's acceptance is clean prior to sending.

From: Coster, Billy
Sent: Thursday, February 06, 2014 5:10 PM
To: Bothfeld, Diane
Subject: RE: N Nelson Farmland Parcel_Guildhall_Haz Mat Review_ANR

Diane,

I checked this farm against the Natural Resources Atlas, and it came up clean based on the available data.

It would literally take 5 minutes max for me to show someone at AG how to do the same review. If Sylvia is still preparing the Gov's acceptance packages, it may make sense for her – so just let me know if I can be helpful.

Thanks,
Billy

From: Bothfeld, Diane
Sent: Wednesday, February 05, 2014 1:28 PM
To: Coster, Billy
Subject: FW: N Nelson Farmland Parcel_Guildhall_Haz Mat Review_ANR

Billy,

Attached please find another property that is closing soon from VLT and VHCB.

Can you do the same review on this one.

So we need to find time to discuss how and who should be looking at these in ANR besides you. Get the process together and then have VLT or VHCB complete prior to brining governor's acceptance to ag or we add ANR into the review process for Governor's acceptance.....

Diane

From: Jensen, Sylvia
Sent: Wednesday, February 05, 2014 12:51 PM
To: Bothfeld, Diane
Cc: Smith, Stephanie; Zamos, Diane
Subject: N Nelson Farmland Parcel_Guildhall_Haz Mat Review_ANR

Good Morning Diane:

The nearest 911 address for a property on the same side of the road is the house and lot immediately to the south of the conserved Nelson parcel. The 911 address for that house is 518 North Road, Guildhall, VT. (info provided by VLT.) I have also attached an aerial photography and locater maps of the proposed conservation project.

Sincerely,
Sylvia.

Sylvia P. Jensen

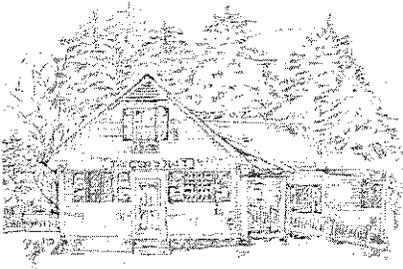
VT Agency of Agriculture, Food, and Markets

116 State Street

Montpelier, VT 05620

(802) 782-3388

www.vermontagriculture.com



Town of Guildhall, Vermont

P.O. Box 10 ~ Guildhall, VT 05905
Telephone 802-676-3797 ~ Fax 802-676-3518

April 15, 2013

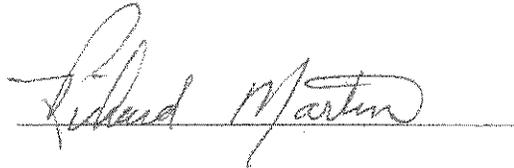
Tracy Zschau, Northeast Kingdom Director
Vermont Land Trust
PO Box 427
St. Johnsbury, Vt. 05819

Dear Tracy,

We, the Selectmen of Guildhall, support the Vermont Land Trust's effort to secure conservation easements on the Guile/Peaslee and Nelson properties in our town.

Sincerely,

Richard Martin, Chair



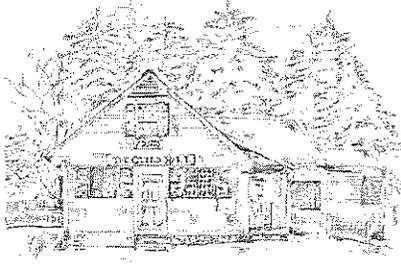
Timothy Cahill, Vice-Chair



James Fay, Clerk



Cc: landowners



Town of Guildhall, Vermont

P.O. Box 10 ~ Guildhall, VT 05905
Telephone 802-676-3797 ~ Fax 802-676-3518

Tracy Zschau
Vermont Land Trust
PO Box 427
St. Johnsbury, VT 05819

Dear Tracy Zschau,

The Guildhall Planning Commission has met to discuss the pending application of landowners Janice Peaslee and her daughter Karen Guile and the application of landowner Neils Nelson for development rights on their respective properties. It is the consensus of the Board that the conservation of these properties is in alignment with Town planning and zoning as required by VHCB.

Sincerely,

Ron Resden
Secretary, Guildhall Planning Commission

Cc: Landowners



NVDA

*Northeastern Vermont
Development Association*

March 1, 2013

Tracy Zschau
Northeast Kingdom Director
Vermont Land Trust
P.O. Box 427
St. Johnsbury, VT 05819

Dear Tracy,

This is in response to your February 21 letter, which outlines the proposal by Vermont Land Trust (VLT) to purchase the development rights three parcels of farmland in Essex County -- the Peaslee-Guile, Peaslee-Smith and N Nelson properties in Guildhall and Maidstone.

These purchases are in compliance with the Regional Plan and would further the goal of keeping these prime agricultural lands in productive agricultural and forestry use for the long term.

The Northeastern Vermont Development Association (NVDA) is the regional planning association for the Northeast Kingdom and it supports this proposal.

Sincerely,

Steve Patterson
Executive Director

**GRANT OF DEVELOPMENT RIGHTS, CONSERVATION RESTRICTIONS,
OPTION TO PURCHASE, PUBLIC ACCESS EASEMENT and RIGHT OF ENFORCEMENT OF THE
UNITED STATES**

KNOW ALL PERSONS BY THESE PRESENTS that **NELS P. NELSON, III**, a single person, of Guildhall, County of Essex, State of Vermont, on behalf of himself and his heirs, executors, administrators, successors, and assigns (hereinafter "Grantor"), pursuant to Title 10 V.S.A. Chapters 34 and 155 and in consideration of the payment of Ten Dollars and other valuable consideration paid to his full satisfaction, does freely give, grant, sell, convey, and confirm unto the **VERMONT LAND TRUST, INC.**, a non-profit corporation organized under the laws of the State of Vermont, with its principal offices in Montpelier, Vermont, and qualified under Sections 501(c)(3) and 170(h) of the Internal Revenue Code ("VLT"), the **VERMONT AGENCY OF AGRICULTURE, FOOD AND MARKETS**, an agency of the State of Vermont with its principal offices in Montpelier, Vermont ("VAAF"), and the **VERMONT HOUSING AND CONSERVATION BOARD**, an independent board of the State of Vermont with its offices in Montpelier, Vermont ("VHCB"), and their respective successors and assigns (hereinafter collectively "Grantees") as tenants in common, forever, the development rights, option to purchase at agricultural value, public access easement, and a perpetual conservation easement and restrictions in certain lands consisting of 56 acres, more or less, with the buildings and improvements now or hereafter situated thereon (hereinafter "Protected Property") located in the Town of Guildhall, County of Essex, State of Vermont, said Protected Property being more particularly described in Schedule A attached hereto and incorporated herein. Grantor also gives, grants, sells, conveys and confirms unto the UNITED STATES OF AMERICA, by and through the Natural Resources Conservation Service ("NRCS" or "UNITED STATES") acting on behalf of the Commodity Credit Corporation, as its interest appears herein, a right of enforcement for the purpose of forever conserving the agricultural productivity of the Protected Property and its value for resource preservation and as farmland.

The purpose of the Federal Farm and Ranch Lands Protection Program is to protect the agricultural use and related conservation values of eligible land by limiting non agricultural uses of that land. In order to achieve that purpose, the Secretary of the U.S. Department of Agriculture shall facilitate and provide funding for the purchase of conservation easements and other interests in eligible land. (16 USC 3838h and 3838i). Under the authority of the Farm and Ranch Lands Protection Program, the United States Department of Agriculture's Natural Resources Conservation Service ("NRCS") has provided federal funds to Grantee Vermont Housing and Conservation Board to assist in the acquisition of this Grant. In exchange for its funding and to help protect the public investment, the United States is granted a right of enforcement, set forth in detail below.

The development rights hereby conveyed to Grantees shall include all development rights except those specifically reserved by Grantor herein and those reasonably required to carry out the permitted uses of the Protected Property as herein described. The development rights and option hereby conveyed are rights and interests in real property pursuant to Title 10 V.S.A. §§ 823 and 6303. The conservation restrictions hereby conveyed to Grantees consist of covenants on the part of Grantor to do or refrain from doing, severally and collectively, the various acts set forth below, to the extent those acts relate to Grantor and not exclusively to Grantees. Grantor and Grantees acknowledge that the conservation restrictions constitute a servitude upon the land and run with the land.

I. Purposes of the Grant.

Grantor and Grantees acknowledge that the Purposes of this Grant are as follows:

1. Consistent with the goals set forth in 10 V.S.A. §§ 821 and 6301, the primary purpose of this Grant is to conserve productive agricultural and forestry lands and to promote the sustainable management of soil resources in order to facilitate active and economically viable farm use of the Protected Property now and in the future.
2. As a secondary objective, to conserve scenic and natural resources associated with the Protected Property, to improve the quality of life for Vermonters, and to maintain for the benefit of future generations the essential characteristics of the Vermont countryside. Natural resource conservation includes, but is not limited to, landform and vegetation changes that may accommodate riparian, floodplain and wetland functions, and therefore protects natural flowages and stream equilibrium conditions.
3. The objective of encouraging sustainable management of soil resources will be further advanced by the Grantor's agreement to work cooperatively with NRCS to limit soil erosion on highly erodible land ("HEL") in accordance with NRCS standards.
4. The objective of ensuring that working and productive agricultural lands remain available for production agriculture, affordable and owned by individuals actively engaged in farming will be further advanced by the Option to Purchase at Agricultural Value, as incorporated below.
5. These purposes will be advanced by conserving the Protected Property because it possesses the following attributes:
 - a) 18 acres of agricultural soils of prime significance;
 - b) 33 acres of agricultural soils of statewide significance;
 - c) 27.5 acres of woodland, including 24.5 acres of state-significant Spruce-Fir Tamarack Swamp, a rare natural community in Vermont, 10.5 acres of which are wooded wetland;
 - d) 1,150 feet of frontage on North Road, a public highway with scenic vistas;
 - e) adjacent to the Great Guildhall Swamp Natural Area, a preserve owned and managed by The Nature Conservancy; and
 - f) wetlands and wildlife habitat.

Grantor and Grantees recognize these agricultural, silvicultural, scenic, ecological and natural resource values of the Protected Property, and share the common purpose of conserving these values by the conveyance of conservation restrictions, development rights, option to purchase and public access easement, to prevent the use, fragmentation, or development of the Protected Property for any purpose or in any manner which would conflict with the maintenance of these values. Grantor and Grantees also recognize that the objectives of ensuring that working and productive agricultural lands remain available for production agriculture, affordable and owned by persons actively engaged in farming will be further advanced by the Option to Purchase at Agricultural Value, as incorporated below. Grantees accept such conservation restrictions, development rights, option to purchase and public access easement in order to conserve these values for present and future generations and to ensure resale of the Protected Property at its agricultural value.

The purposes set forth above in this Section I are hereinafter collectively referred to as

"Purposes of this Grant."

II. Restricted Uses of Protected Property.

The restrictions hereby imposed upon the Protected Property, and the acts which Grantor shall do or refrain from doing, are as follows:

1. No residential, commercial, industrial, or mining activities shall be permitted, and no building, structure or appurtenant facility or improvement shall be constructed, created, installed, erected, or moved onto the Protected Property, except as specifically permitted under this Grant. The Protected Property shall be used for agricultural, forestry, educational, non-commercial recreation, and open space purposes only.

2. Each time that the agricultural land on the Protected Property lies fallow for more than two successive years (the "fallow land"), Grantor shall cooperate with Grantees, at Grantees' request, to maintain the fallow land in an open condition (meaning without trees and brush) and in active agricultural use. For example, Grantor shall permit access to the fallow land by Grantees and Grantees' contractors to crop, mow, or brush-hog. No obligation is hereby imposed upon Grantor or Grantees to maintain the fallow land in an open condition or in active agricultural use.

3. No rights-of-way, or easements for ingress or egress, driveways, roads, utilities, or other easements or rights shall be constructed, developed, granted, or maintained into, on, over, under, or across the Protected Property, without the prior written permission of Grantees, except as otherwise specifically permitted under this Grant, and as appear of record prior to the date of this Grant. Grantees may grant permission for any rights-of-way, or easements for ingress or egress, driveways, roads, utilities, other easements or rights, if they determine, in their sole discretion, that any such rights-of-way, easements for ingress or egress, driveways, roads, utilities, other easements or rights are consistent with the Purposes of this Grant.

4. There shall be no signs, billboards, or outdoor advertising of any kind erected or displayed on the Protected Property. Grantor, however, may erect and maintain reasonable: (a) signs indicating the name of the Protected Property, (b) boundary markers, (c) directional signs, (d) signs regarding hunting, fishing, trapping, trespassing on the Protected Property or signs otherwise regarding public access to the Protected Property, (e) memorial plaques, (f) temporary signs indicating that the Protected Property is for sale or lease, (g) signs informing the public that any agricultural or timber products are for sale or are being grown on the Protected Property, (h) political or religious signs, or (i) signs informing the public of any rural enterprise approved pursuant to Section III below. Grantees, with the permission of Grantor, may erect and maintain signs designating the Protected Property as land under the protection of Grantees.

5. The placement, collection, or storage of trash, refuse, human waste, or any other unsightly or offensive material on the Protected Property shall not be permitted except at such locations, if any, and in such a manner as shall be approved in advance in writing by Grantees, in their sole discretion. The on-site storage and spreading of agricultural inputs including, but not limited to, lime, fertilizer, pesticides, compost or manure for agricultural practices and purposes, the storage of feed, and the temporary storage of trash generated on the Protected Property in receptacles for periodic off-site disposal, shall be permitted without such prior written approval.

6. There shall be no disturbance of the surface, including, but not limited to, filling, excavation, removal of topsoil, sand, gravel, rocks or minerals, or change of the topography of the land in any manner, except as may be reasonably necessary to carry out the uses permitted on the Protected Property under this Grant. In no case shall surface mining of subsurface oil, gas, or other minerals be permitted.

7. As required by section 1238I of the Food Security Act of 1985, as amended, the Grantor shall conduct all agricultural operations on the Protected Property in a manner consistent with a conservation plan for highly erodible land ("conservation plan") prepared in consultation with NRCS and approved by the Conservation District. This conservation plan shall be developed using the standards and specifications of the NRCS Field Office Technical Guide and 7 CFR Part 12 that are in effect on February ____, 2014. However, the Grantor may develop and implement a conservation plan that proposes a higher level of conservation that could include protecting and restoring stream equilibrium, wetlands, riparian and floodplain functions, and is consistent with the NRCS Policies and Field Office Technical Guide standards and specifications. NRCS shall have the right to enter upon the Property, with advance notice to the Grantor, in order to monitor compliance with the conservation plan.

8. In the event of non-compliance with the conservation plan, NRCS shall work with the Grantor to explore methods of compliance and give the Grantor a reasonable amount of time, not to exceed twelve months, to take corrective action. If the Grantor does not comply with the conservation plan, NRCS will inform Grantee VHCB of the Grantor's non-compliance. Grantee VHCB shall take all reasonable steps (including efforts at securing voluntary compliance and, if necessary, appropriate legal action) to secure compliance with the conservation plan following written notification from NRCS that (a) there is a substantial, ongoing event or circumstance of non-compliance with the HEL conservation plan, (b) NRCS has worked with the Grantor to correct such non-compliance, and (c) Grantor has exhausted his appeal rights under applicable NRCS regulations. Grantor shall be liable for any costs incurred by NRCS its successors or assigns as a result of Grantor's negligence and/or failure to comply with the requirements of this Grant as it relates to the conservation plan referenced herein.

9. If the NRCS standards and specifications for highly erodible land are revised after the date of this Grant based on an Act of Congress, NRCS will work cooperatively with the Grantor to develop and implement a revised HEL conservation plan. The provisions of this section apply to the highly erodible land conservation requirements of the Farm and Ranch Lands Protection Program and are not intended to affect any other natural resources conservation requirements to which the Grantor may be or become subject.

10. The Protected Property shall not be subdivided, partitioned or conveyed in separate parcels, nor shall ownership of the buildings on the Protected Property be separated from the ownership of the Protected Property without the prior written approval of Grantees, which approval may be granted, conditioned or denied in Grantees' sole discretion, except as otherwise specifically permitted in this Grant. In addition, a subdivision of the Protected Property for agricultural purposes may be permitted with the prior written approval of the Grantees and the NRCS State Conservationist. Such approval shall require a determination by Grantees and the NRCS State Conservationist that each resulting parcel qualifies as "eligible land" as defined under the Farm and Ranchlands Protection Program ("FRPP") at 16 U.S.C. 3838h(2)(A).

11. No use shall be made of the Protected Property, and no activity thereon shall be permitted which is or is likely to become inconsistent with the Purposes of this Grant. Grantor and Grantees acknowledge that, in view of the perpetual nature of this Grant, they are unable to foresee all potential future land uses, future technologies, and future evolution of the land and other natural resources, and other future occurrences affecting the Purposes of this Grant. Grantees, therefore, in their sole discretion, may determine whether (a) proposed uses or proposed improvements not contemplated by or addressed in this Grant, or (b) alterations in existing uses or structures, are consistent with the Purposes of this Grant.

12. Impervious surfaces, whether existing or permitted, including pavement, flooring, rooftops and any other surface which prevents the direct percolation of water into the ground, shall not exceed 4% of the area of the Protected Property. This limit does not include NRCS approved conservation practices on the Protected Property.

III. Permitted Uses of the Protected Property.

Grantor shall have the right to make the following uses of the Protected Property:

1. The right to establish, re-establish, maintain, and use cultivated fields, orchards, and pastures together with the right to construct, maintain, and repair fences and gravel or other permeable surfaced access roads for these purposes, all in accordance with sound agricultural practices and sound husbandry principles; provided, however, that Grantor shall obtain Grantees' prior written approval to clearcut forest land to establish fields, orchards or pastures. Grantees' approval shall not be unreasonably withheld if such clearcutting is consistent with the Purposes of this Grant.

2. The right to conduct maple sugaring operations, and the right to harvest timber and other wood products, together with the right to construct and maintain roads necessary for both such activities, in accordance with sound forestry practices and in accordance with a forest management plan for which Grantor has received the prior written approval of Grantees. Grantor may conduct maple sugaring operations, and may harvest firewood for heating residences and structures located on the Protected Property, both on existing woods roads only, without submission and approval of a plan. Grantees' approval of forest management plans that may be submitted from time to time shall not be unreasonably withheld or conditioned, if such plans have been approved by a professional forester and if such plans are consistent with the Purposes of this Grant.

3. The right to construct, maintain, repair, renovate, replace, enlarge, rebuild, and use new and existing barns, sugar houses, or similar non-residential structures or facilities, together with necessary access drives and utilities for agricultural and forestry uses, on the Protected Property; provided, however, that (a) the structures are used exclusively for agricultural or forestry purposes, and (b) any new construction, other than normal maintenance and repair, has been approved in writing in advance by Grantees. Grantees' approval may include designation of a "complex" (meaning an area or areas of the Protected Property within which certain structures are or shall be grouped together) surrounding the structures and shall not otherwise be unreasonably withheld or conditioned; provided, however, that the structure or other improvement is located in a manner which is consistent with the Purposes of this Grant. Grantor shall not deem unreasonable a condition by Grantees that certain structures must be located within an existing

complex or a complex which may be designated in the future as provided in this Section III.

4. The right to use, maintain, establish, construct, and improve water sources, courses, and bodies within the Protected Property for uses permitted in this Grant; provided, however, that Grantor does not unnecessarily disturb the natural course of the surface water drainage and runoff flowing over the Protected Property. Grantor may disturb the natural water flow over the Protected Property in order to improve drainage of agricultural soils, reduce soil erosion or improve the agricultural potential of areas used for agricultural purposes, but shall do so in a manner that has minimum impact on the natural water flow and is otherwise consistent with the Purposes of this Grant and complies with all applicable laws and regulations. The construction of ponds or reservoirs shall be permitted only upon the prior written approval of Grantees, which approval shall not be unreasonably withheld or conditioned; provided, however, that such pond or reservoir is located in a manner which is consistent with the Purposes of this Grant. Notwithstanding the foregoing, after obtaining the prior written approval of Grantees, which approval shall not be unreasonably withheld or conditioned, Grantor may disturb the existing water flow over the Protected Property as part of a state, federal, or other qualified conservation program to restore wetland and floodplain function, and the natural course of surface waters, including practices that encourage long-term stream equilibrium conditions.

5. The right to clear, construct, and maintain trails for non-commercial walking, horseback riding, skiing, and other non-commercial, non-motorized recreational activities within and across the Protected Property, all in a manner consistent with the Purposes of this Grant. Non-commercial snowmobiling may be permitted at the discretion of Grantor.

6. The right to construct, maintain, repair, renovate, replace, enlarge, rebuild, use and occupy new farm buildings for non-residential, agricultural uses and appurtenant non-residential structures and improvements, including drives and utilities, normally associated with a farm, all within the designated Barn Complex without the prior written approval of Grantees. With the prior written approval of Grantees, the right to construct, maintain, repair, replace, relocate, improve and use systems for disposal of human waste and for supply of water for human consumption (collectively "Systems") on the Protected Property outside of the Barn Complex for the benefit of buildings or structures permitted in the Barn Complex, provided that such Systems comply with Vermont Department of Environmental Conservation Wastewater System and Potable Water Supply Rules or the then applicable law or regulations governing Systems. The Barn Complex is an area consisting of two (2) acre, more or less, and is more particularly described in Schedule B attached hereto and incorporated herein, and is depicted on the Nelson N Farm Plan. Grantor shall notify Grantees in writing prior to commencing construction on any new structure or improvement within the Barn Complex.

7. For the purpose of providing housing exclusively for Grantor who is engaged in farming operations on the Protected Property or for persons employed by the Grantor in farming operations on the Protected Property, and for the employee's family or household members, as a nonmonetary benefit of farm employment, the right to construct, use, maintain, repair, renovate, replace, enlarge and rebuild farm labor housing which may be within an existing building or a new building ("the FLH") together with appurtenant non-residential structures and improvements, including drives, utilities, and water and wastewater systems normally associated with a residence; provided, however, that prior to construction, renovation, replacement, enlargement or rebuilding Grantor shall obtain Grantees' written approval which, in Grantees' sole discretion, may be

withheld or given subject to such conditions as the Grantees deem appropriate, if Grantor demonstrates to Grantees' satisfaction that the FLH or alteration thereto is:

- a) necessary to the current and reasonably foreseeable farm business on the Protected Property in order to facilitate the active and long-term economically viable agricultural use of the Protected Property; and
- b) located within an existing building complex or, if not, that there are specific reasons why the proposed location is necessary to the current and reasonably foreseeable farm business on the Protected Property and otherwise consistent with the Purposes of the Grant; and
- c) designed and sized to be no larger than is necessary to meet the needs of the current and reasonably foreseeable farm business on the Protected Property and to ensure that the Protected Property remains available for production agriculture, affordable and owned by persons actively engaged in farming; and
- d) otherwise consistent with the Purposes of the Grant.

The FLH shall not be conveyed separately from the Protected Property, but may be subdivided with the prior written approval of Grantees if such subdivision is required by state or local regulation.

If the FLH is not needed for farm labor housing in the future, temporary alternative uses of the structure deemed by the Grantees in their sole discretion to be consistent with the Purposes of this Grant may be permitted with the prior written approval of the Grantees.

8. The right to conduct rural enterprises consistent with the Purposes of this Grant, especially the economically viable use of the Protected Property for agriculture, forestry and open space and the conservation of agriculturally and silviculturally productive land. In connection with such rural enterprises, the right to maintain, repair, enlarge, replace and use permitted structures with associated utility services, drives and appurtenant improvements within a Barn Complex or other designated complex permitted by this Section III. Grantees may approve a new, non-residential, structure for an approved rural enterprise only if an existing structure is not suitable and the new structure is:

- a) located within a permitted Barn Complex or other designated complex;
- b) fewer than 1500 square feet as an exterior measure of the footprint and no more than 25 feet from the lowest undisturbed ground level to the roof peak;
- c) inclusive of all storage space so that no part of the business is conducted outside of the structure;
- d) of a nature, intensity, scope, size, appearance, type and quantity compatible with the existing agricultural structures;
- e) located in a way that minimizes negative impact on future operations and expansion of agricultural uses, does not interfere with current agricultural operations and does not displace farm or forestry storage, use or functions;
- f) non-residential; and
- g) not inconsistent with the Purposes of this Grant.

No use or structure contemplated under this Section III(8) shall be commenced, constructed or located without first securing the prior written approval of Grantees, which approval Grantees may

deny or condition in their sole discretion. All structures and uses shall conform with all applicable local, state and federal ordinances, statutes and regulations. Grantees' approval may be conditioned upon, without limitation, receipt of copies of any necessary governmental permits and approvals that Grantor obtains for such use or construction. Grantee VHCB shall not approve a new structure for a non-agricultural approved rural enterprise unless the proposed structure meets factors (a) through (g), above. However, VHCB may waive factors (b), (c) or (d) if the Grantees determine that the unique circumstances of the situation warrant waiver and approval.

9. The right to construct, use, maintain, repair and replace one (1) tent platform, lean-to or Adirondack shelter not to exceed 300 square feet in area provided, however, that any such structure shall be used exclusively for non-commercial, periodic camping, hunting and recreational purposes, and not for permanent occupancy; shall not have commercial utility services or an access road improved beyond what is minimally required to afford reasonable vehicular access; and shall not be located within the Special Treatment Area described in Section IV, below. Grantor shall notify Grantees in writing prior to commencing the placement, construction or relocation of such permitted structure or access so that Grantees may review and approve the proposed location and dimensions of the structure and access, in order to ensure that the dimensions of the structure are in compliance with this section and the structure and access are located in a manner consistent with the Purposes of this Grant. In addition, Grantor may place a limited number of small hunting blinds on the Property in order to carry-out permitted hunting activities, provided that the location of such blinds must be consistent with the Purposes of this Grant.

IV. Special Treatment Area.

The Special Treatment Area consists of a state-significant area of Spruce-Fir-Tamarack Swamp, a rare natural community in Vermont, as well as some upland buffer adjacent to the swamp (hereinafter the "Swamp"). The Special Treatment Area is approximately 24.5 acres and is generally depicted as "STA/Public Access" on the Nelson N Farm Plan (hereafter the "STA").

Within the STA described herein, the goals, prescriptions and restrictions of this Section IV are in addition to the provisions of Sections II and III, and where inconsistent, the provisions of this Section IV shall supersede the provisions of Sections II and III.

Within the STA the following restrictions shall apply:

1. Protection of the ecological values of the Spruce-Fir-Tamarack Swamp, or other natural communities that naturally replace it over time, shall be Grantor's highest priority in planning and conducting all activities within the STA. Forest management prescriptions within the STA shall be planned and implemented with the goal of perpetuating the natural communities present.

2. All forest management activities planned and conducted within the STA, including the silvicultural system, harvest timing, equipment employed, and harvest intensity, shall be focused on the goals of retaining soil integrity, natural hydrology, water quality values, and the natural structure and species composition of the natural communities present.

3. All timber management activities shall be subject to a forest management plan that is consistent with the Purposes of this Grant and this Section IV. Any such activities must comply

with the provisions of the publication, "Acceptable Management Practices for Maintaining Water Quality on Logging Jobs in Vermont" (AMPs) or successor publications adopted by the Department of Forests, Parks and Recreation to meet the requirements of the "Vermont Water Quality Standards." The forest management plan shall rely on the best current biological and silvicultural science to determine appropriate management methods. Grantor and Grantees understand that uneven aged management via single tree and small group selection, conducted under frozen ground conditions, is the silvicultural treatment that meets the objectives of this Section IV as of the date of this Grant ("Preferred Treatment").

4. Approval of a forest management plan submitted to Grantees pursuant to Section III(2), above, shall not be unreasonably withheld or conditioned, if such plans are consistent with the Purposes of this Grant and with the provisions of this Section IV and if such plans have been approved by a professional forester. In their reasonable discretion, Grantees may permit a silvicultural treatment of the STA other than the Preferred Treatment, provided Grantor demonstrates to Grantees' satisfaction that the alternative treatment is consistent with the Purposes of the Grant and this Section IV, and that the treatment will achieve the objectives set forth in paragraphs (2) and (3), above.

5. No agricultural activity shall be conducted within the STA.

V. Public Access in the STA.

Grantor covenants and agrees that the STA described in Section IV, above, and generally depicted as "STA/Public Access" on the Nelson N Farm Plan, shall be available to the general public and does freely give, grant, sell, convey and confirm unto Grantees, and their respective successors and assigns, forever, a perpetual and separately assignable easement for all types of public non-commercial, non-mechanized, non-motorized, dispersed pedestrian recreational and educational uses which are consistent with the Purposes of this Grant (including, but not limited to, bird-watching, cross-country skiing, fishing, hiking, hunting, snowshoeing, swimming, trapping, walking and wildlife observation). Notwithstanding the foregoing, Grantor may limit or restrict public access to the STA to assure compliance with the requirements of this Grant, to protect natural habitats, or to protect the public health or safety (including, but not limited to, the right to permit, regulate or prohibit fishing, hunting and trapping). The public access easement contained herein applies to the STA only and not the remainder of the Protected Property; accordingly, the public's access to the STA shall be from the adjacent Great Guildhall Swamp Natural Area, which is accessed from North Road in a location other than the western boundary of the Protected Property.

VI. Enforcement of the Covenants and Restrictions.

Grantees shall make reasonable efforts from time to time to assure compliance by Grantor with all of the covenants and restrictions herein. In connection with such efforts, Grantees may make periodic inspection of all or any portion of the Protected Property, and for such inspection and enforcement purposes, Grantees shall have the right of reasonable access to the Protected Property. In the event that a Grantee becomes aware of an event or circumstance of non-compliance with this Grant, Grantee shall give notice to Grantor and the other Grantees of such event or circumstance of non-compliance via certified mail, return receipt requested, and demand corrective action by Grantor sufficient to abate such event or circumstance of non-compliance and

restore the Protected Property to its previous condition. If Grantees, in their sole discretion, determine that the event or circumstance of noncompliance requires immediate action to prevent or mitigate significant damage to the conservation values of the Protected Property as provided in the Purposes of this Grant, then Grantees may pursue their rights under this enforcement section without prior notice to Grantor. In the event there has been an event or circumstance of non-compliance which is corrected through negotiation and voluntary compliance, but which has caused Grantees to incur extraordinary costs, including staff time, in investigating the non-compliance and securing its correction, Grantor shall, at Grantees' request, reimburse Grantees for all such costs incurred in investigating the non-compliance and in securing its correction.

Failure by Grantor to cause discontinuance, abatement, or such other corrective action as may be demanded by Grantees within a reasonable time after receipt of notice and reasonable opportunity to take corrective action shall entitle Grantees to bring an action in a court of competent jurisdiction to enforce the terms of this Grant and to recover any damages arising from such non-compliance. Such damages, when recovered, may be applied by Grantees to corrective action on the Protected Property. If the court determines that Grantor has failed to comply with this Grant, Grantor shall reimburse Grantees for any reasonable costs of enforcement, including court costs and reasonable attorneys' fees, in addition to any other payments ordered by such court. In the event that a Grantee initiates litigation and the court determines that Grantor has not failed to comply with this Grant and that one or more of Grantees have initiated litigation without reasonable cause or in bad faith, then the Grantee(s) who commenced the court proceedings shall reimburse Grantor for any reasonable costs of defending such action, including court costs and reasonable attorneys' fees; provided, however, that this clause shall not apply to the VAAFM and the United States.

Grantor is responsible for the acts and omissions of persons acting on his behalf, at his direction or with his permission, and Grantees shall have the right to enforce against Grantor for events or circumstances of non-compliance with this Grant resulting from such acts or omissions. However, as to the acts or omissions of third parties other than the aforesaid persons, Grantees shall not have a right to enforce this Grant against Grantor unless Grantor: (i) is complicit in said acts or omissions, (ii) fails to cooperate with Grantees in all respects to halt or abate the event or circumstance of non-compliance resulting from such acts or omissions, or (iii) fails to report such acts or omissions to Grantees promptly upon learning of them. Nor shall Grantees institute any enforcement proceeding against Grantor for any change to the Protected Property caused by natural disasters such as fire, flood, storm or earthquake.

Grantees shall have the right, but not the obligation, to pursue all legal and equitable remedies against any third party responsible for an event or circumstance of non-compliance with this Grant and Grantor shall, at Grantees' direction, assign his right of action against such third party to Grantees, join Grantees in any suit or action against such third party, or appoint a Grantee his attorney in fact for the purpose of pursuing an enforcement suit or action against such third party.

The parties to this Grant specifically acknowledge that events and circumstances of non-compliance constitute immediate and irreparable injury, loss, and damage to the Protected Property and accordingly entitle Grantees to such equitable relief, including but not limited to injunctive relief, as the court deems just and appropriate. The remedies described herein are in addition to, and not in limitation of, any other remedies available to Grantees at law, in equity, or

through administrative proceedings.

No delay or omission by Grantees in the exercise of any right or remedy upon any breach by Grantor shall impair Grantees' rights or remedies or be construed as a waiver. Nothing in this enforcement section shall be construed as imposing a liability upon a prior owner of the Protected Property, when the event or circumstance of non-compliance occurred after termination of said prior owner's ownership of the Protected Property.

VII. Enforcement Right of United States of America.

Grantees covenant and agree that:

1. Grantees shall periodically monitor the Protected Property to assure compliance with the terms and conditions of this Grant and, if an event of non-compliance or violation is discovered, Grantees shall take all reasonable steps to secure compliance with this Grant, including efforts at securing voluntary compliance and, if necessary, appropriate legal action.

2. In the event that Grantees fail to enforce this Grant, the United States has a right to enforce this Grant, which shall be exercised by mailing a written notice (the "Notice") by certified mail to Grantees or the last known address of any successors or assigns. Said Notice shall declare that the right of enforcement is being exercised and shall state the specific event of non-compliance which caused the action. Grantees shall have a period of sixty (60) days from the date of their receipt of said Notice to correct the non-compliance. If, in the opinion of the United States, the non-compliance is not cured within said sixty (60) day period, the United States' right of enforcement shall become final. The rights of the United States contained in this Section shall not terminate or otherwise alter Grantees' interests in this Grant. The United States shall have the right to recover any and all administrative and legal costs from Grantee VHCB, including attorney's fees or expenses associated with any enforcement or remedial action as it relates to the enforcement of this Grant.

VIII. Option to Purchase at Agricultural Value.

Grantees shall have an option to purchase the Protected Property at its agricultural value in accordance with the terms and provisions of this Section VIII ("this Option"). This Option is an integral part of this Grant and constitutes a restriction and a right and interest in real property that runs with the land. This Option shall be perpetual in duration and is given on the following terms and conditions.

1. **Option Trigger.** Grantor shall not sell, transfer or convey the Protected Property, in whole or in part, without first offering the Protected Property for sale to Grantees pursuant to this Section VIII; provided, however, that the following described transactions shall not trigger Grantees' rights under this Option:

- a) Any mortgage, pledge, or other assignment of the Protected Property to a lender as security for indebtedness, provided the Grantees' interest under this Option is treated as an interest in real estate such that in the event of foreclosure Grantees are deemed necessary parties defendant in such foreclosure case and have the right to redeem the Protected Property from the foreclosure action; and

- b) Any conveyance by the Grantor to Grantor's family, as the latter term is defined in Section IX below, by gift, inheritance, sale or other transfer; and
- c) Any conveyance of the Protected Property to a person who presently earns at least one-half of his or her annual gross income from the "business of farming," as that term is defined in Regulation 1.175-3 issued under the Internal Revenue Code of 1986 and who, in connection with the farming operations on the Protected Property, will continue to earn at least one-half of his or her annual gross income from the "business of farming" ("a Qualified Farmer"); and
- d) Any lease to a Qualified Farmer or a lease having a term of 15 years or less, including renewal rights; provided, however, that any such lease shall expressly provide that, unless otherwise agreed by Grantees, the lease shall terminate and possession shall be delivered free and clear of any rights of the tenant upon a closing of the sale of the Protected Property following exercise of this Option.

This Option shall apply to all other sales and conveyances of the Protected Property, including any sale or conveyance of any interest in the Protected Property including any conveyance by, or conveyance of any interest in a corporation, limited liability company, partnership or other holding entity.

2. **Notice of Intent to Sell.** Whenever Grantor receives an offer from a person or persons ("Buyer") to purchase or lease for a term in excess of fifteen (15) years, including renewal rights, all or any part of the Protected Property including an offer involving property other than the Protected Property ("the Offer"), and Grantor accepts the Offer subject to this Option, Grantor shall deliver to Grantees at their principal places of business by certified mail, return receipt requested a Notice of Intent to Sell, which notice shall include:

- a) A complete duplicate of the Offer, together with such other instruments as may be required to show the bona fides of the Offer; and
- b) A written description of the Buyer's training and experience as an agricultural producer and an agricultural business plan for the Protected Property, including a description of the agricultural activities to be conducted or facilitated by Buyer, proposed improvements to the Protected Property, and a statement of anticipated agricultural income and expenses for the three-year period following Buyer's acquisition of the Protected Property or, if Buyer has no such training and experience or intention of operating an agricultural business on the Protected Property, a written statement to that effect; and
- c) If the Buyer is purported to be a Qualified Farmer or family member, the documents necessary to establish the Buyer as such, including the Buyer's most recent federal income tax filing, if applicable; and
- d) The Grantor's current mailing address.

Information delivered to Grantees pursuant to this clause shall remain confidential and shall not be

released to any person or entity not a party to this Grant, without the prior consent of Grantor.

3. **Exercise of Option.** This Option may be exercised by Grantees as follows:
 - a) A Grantee shall give written Notice of Intent to Exercise not more than thirty (30) days following receipt of the Notice of Intent to Sell described in Section VIII(2); failure by a Grantee to provide such notice shall constitute a waiver of its rights under this Option; and
 - b) Thereafter, Grantor and Grantee shall fix the purchase price for the Protected Property by establishing a Price Agreement in the manner described in Section VIII(4), below.
 - c) A Grantee shall exercise this Option by giving written Notice of Intent to Purchase not more than thirty (30) days following Grantor's and Grantee's establishment of the Price Agreement.

Notices required by this Section VIII(3) shall be delivered to Grantor either personally or by certified mail, return receipt requested to the address provided by Grantor in the Notice of Intent to Sell described in Section VIII(2), above. In the event that more than one Grantee exercises this Option, the Vermont Land Trust, Inc. shall have first priority, the Vermont Housing and Conservation Board second priority, and the Vermont Agency of Agriculture, Food and Markets third priority. The Grantee with highest priority which exercises this Option is hereafter referred to in Sections VIII(4), (5) and (6) as "Grantee."

4. **Purchase Price.** The Purchase Price shall be determined by mutual agreement of Grantor and Grantee; provided that if no such agreement can be reached, the purchase price of the land only shall be the greater of:

- a-1) \$53,000.00 plus an inflation adjustment determined by multiplying the foregoing value by 1 (one) plus the fractional increase calculated from the date hereof in the Consumer Price Index for all Urban Consumers, Northeast, All Items published by the Bureau of Labor Statistics, U.S. Department of Labor, or a successor index published by the United States government to the date of the Offer; or
- a-2) The full fair market value of all Protected Property land subject to the Offer (including the site of any structures) assuming its highest and best use is commercial agricultural production commonly occurring within the market area where the Protected Property is located on the date of the Offer, as determined by a mutually approved disinterested appraiser selected by Grantor and Grantee, with the expense of such appraisal divided equally between Grantor and Grantee. Permanently installed land improvements, such as in-ground irrigation systems, farm roads, and drainage tiling shall be considered part of the land. This appraisal shall take into consideration the permitted and restricted uses set forth in, and the impact on value caused by the Grant.

With respect to any agricultural, forestry or minor incidental structures and improvements in existence as of the date of the Offer, then in addition to the foregoing land value, the Purchase

Price shall also include:

- b) The value of all such structures and improvements on the Protected Property as of the date of the Offer excluding all land (which is included in the Section VIII(4)(a) valuation, above). The value of the structures and improvements shall be determined using the replacement cost approach to valuation (i.e., the cost to replace the structures and improvements with those of comparable size and utility, less depreciation and functional obsolescence) by a mutually approved disinterested appraiser selected by Grantor and Grantee, with the expense of such appraisal divided equally between Grantor and Grantee.

With respect to any residence(s) in existence as of the date of the Offer, then in addition to the foregoing land value, the Purchase Price shall also include:

- c) The value of the residence and its appurtenant structures and improvements as of the date of the Offer excluding the value of the land upon which these structures sit (which is included in the Section VIII(4)(a) valuation, above). The value of the residence and appurtenant structures and improvements shall be determined using the replacement cost approach to valuation (i.e., the cost to replace the residence, structures and improvements with those of comparable size and utility, less depreciation and functional obsolescence) by a mutually approved disinterested appraiser selected by Grantor and Grantee, with the expense of such appraisal divided equally between Grantor and Grantee.

Grantor and Grantee shall establish the Purchase Price by either entering into a written agreement fixing the Purchase Price as provided in this Section VIII(4), within ten working days of reaching mutual agreement or, if no such agreement is reached, the Purchase Price shall be based upon the appraised values which shall be the Purchase Price unless another Purchase Price is mutually agreed upon in writing by the parties within ten working days after the last party's receipt of the appraisals. The passage of said ten working days shall constitute the effective date of establishing the Purchase Price. ("Price Agreement")

5. **Entry onto the Protected Property.** After receiving the notice from Grantor described in Section VIII(2), above, and upon reasonable notice to the Grantor, the Grantee shall have the right to enter upon the Protected Property from time to time for the purpose of preparing for the purchase and disposition of the Protected Property, including but not limited to preparing appraisals, conducting soils tests or engineering studies, advertising, showing prospective buyers or assignees, or obtaining other information about the Protected Property. Grantee's entry onto or testing of the Protected Property shall be conducted in a manner that minimizes any disturbance to the land and to the use and enjoyment of the Protected Property by the Grantor or any tenants in possession.

6. **Closing of the Purchase.** If this Option is exercised, the parties shall close on the sale on or before thirty (30) days from the delivery of the Notice of Intent to Purchase described in Section VIII(3)(c), above, unless otherwise agreed. The following conditions shall apply to said closing:

- a) Grantor shall, by Vermont Warranty Deed, deliver good, clear, record and marketable title to the Grantee, free of all liens or other encumbrances (including discharge or release of outstanding mortgages), sufficient for the Grantee to secure title insurance at Grantee's sole expense. Grantee agrees to accept title subject to (i) customary utility distribution easements, (ii) rights of the public to use roads laid out by municipalities, the state or federal government, (iii) rights of way and other easements that do not, in the Grantee's opinion, materially impair beneficial use of the Protected Property; and (iv) the terms and conditions of this Grant. The state of title to the Protected Property shall be determined by a title examination paid for by the Grantee.
- b) Grantor agrees to use reasonable efforts to deliver marketable title as set forth in Section VIII(6)(a), above. In the event Grantor is unable to give marketable title, then the Grantee may elect to terminate its exercise of this Option. The Grantee shall have the right to elect to accept such title as Grantor can deliver and to pay the purchase price without reduction.
- c) Grantor agrees to obtain at his sole expense any and all permits and approvals required under law or regulation for the conveyance of the Protected Property to Grantee under this Option. The parties shall extend the closing date as necessary to enable Grantor to obtain all such final permits and approvals.
- d) Grantor represents to Grantee that Grantor is not aware of any hazardous waste having been dumped or placed upon the Protected Property. Grantor will update this representation in writing upon the Grantee's delivery of the Notice of Intent to Exercise described in Section VIII(3)(a), above. Grantor agrees that the Grantee may, at the Grantee's expense, perform any and all tests and/or inspections necessary to confirm these representations. In the event that the Grantee discovers that hazardous wastes have been dumped or placed upon the Protected Property, the Grantee may at the Grantee's option declare its exercise of this Option to be null and void.
- e) The Grantor and the Grantee shall prorate property taxes as of the date of closing.
- f) The Grantor shall not physically alter the Protected Property or the improvements on the Protected Property or enter into any lease after a Grantee delivers the Notice of Intent to Exercise provided in Section VIII(3)(a), above, and while the Grantee may purchase pursuant thereto, except to perform generally accepted agricultural practices and normal repairs. In the event any structure is substantially destroyed by fire or other casualty, Grantee may elect to (1) proceed to closing and accept the proceeds of any insurance policy Grantor may have with respect to such destruction; or (2) if such insurance proceeds are less than the value of the structure as determined under Section VIII(4), above, proceed to closing and accept the proceeds of said insurance policy and reduce the purchase price by the difference between such value and insurance proceeds; or (3) withdraw its election to exercise this Option.
- g) The Protected Property shall be conveyed free of all leases, tenancies, tenants and

occupants, unless Grantee otherwise agrees in writing.

- h) All personal property, livestock, machinery and equipment not included in the sale shall be removed from the Protected Property, and all other waste and debris shall be removed from the Protected Property prior to closing. Grantor and Grantee will jointly inspect the Protected Property 24 hours prior to closing.
- i) After closing, this Option shall remain in full force and effect with respect to all subsequent conveyances of the Protected Property, except as identified in Section VIII(1), above.

7. **Partial Release of Option.** At the request of Grantor, Grantees shall execute a partial release of their rights under this Option Agreement ("the Partial Release"), and upon the first to occur of the following events, the Grantees shall immediately deliver the Partial Release to the Guildhall Town Clerk for recording in the Guildhall Land Records:

- a) Grantees' failure to deliver the Notice of Intent to Exercise as described in Section VIII(3)(a), above;
- b) Grantees' failure to deliver the Notice of Intent to Purchase as described in Section VIII(3)(c), above; or
- c) Grantees' election to terminate its exercise of this Option based on title defects as provided in Section VIII(6)(b), hazardous materials as provided in Section VIII(6)(d), or destruction of structures as provided in Section VIII(6)(f).

Should no Grantee exercise this Option as provided in Section VIII(3), above, or should a Grantee fail to close following its delivery of the Notice of Intent to Purchase, Grantor may proceed to close on the sale to the Buyer on the terms and conditions described in the Notice of Intent to Sell, within twelve (12) months of the delivery of said Notice to Grantees. Provided, however, this Option shall remain in full force and effect with respect to all subsequent conveyances of the Protected Property, except as identified in Section VIII(1) above.

8. **Partial Assignment by Grantees.** A Grantee may partially assign its rights under this Option, provided:

- a) No such assignment shall be made prior to Grantor and Grantee establishing the Price Agreement described in Section VIII(4), above;
- b) Such assignment shall be in writing, with the assignee undertaking to discharge all obligations of Grantee with respect to purchase of the Protected Property, and a copy of the written assignment shall be delivered to Grantor;
- c) The assignee shall be a party which, in the reasonable opinion of the Grantee, will use or will facilitate the use of the Protected Property for commercial agricultural production; and

- d) The partial assignment shall pertain only to a single exercise of this Option in response to a discrete Notice of Intent to Sell delivered to Grantees. While no consent of Grantor shall be required for said single exercise, no Grantee shall otherwise assign all of its rights and interests under this Option without the prior written consent of Grantor.

IX. General Provisions.

1. Where Grantor is required, as a result of this Grant, to obtain the prior written approval of Grantees before commencing an activity or act, and where Grantees have designated in writing another organization or entity which shall have the authority to grant such approval, the approval of said designee shall be deemed to be the approval of Grantees. Grantor shall reimburse Grantees or Grantees' designee for all extraordinary costs, including staff time, incurred in reviewing the proposed action requiring Grantees' approval; but not to include those costs which are expected and routine in scope. Upon the request of Grantor, Grantees shall deliver to Grantor, in written recordable form, any approval, disapproval, election, or waiver given by Grantees pursuant to this Grant.

2. Grantor agrees that the construction of any buildings, structures, or improvements, or any use of the land otherwise permitted under this Grant, or the subdivision and separate conveyance of any land excluded from this Grant in Schedule A attached hereto, shall be in accordance with all applicable ordinances, statutes, and regulations and at Grantor's sole expense.

3. It is further agreed that the Protected Property is accurately depicted and described in both the Nelson N Farm Plan and a Baseline Documentation Report ("BDR") signed by the original Grantor on or about the date of this Grant and held by Grantee VLT, on behalf of all Grantees. Grantees may use the Nelson N Farm Plan or BDR in enforcing this Grant, but are not limited in their use of the Nelson N Farm Plan and BDR to show a change of conditions.

4. Grantees shall transfer the development rights, option to purchase, and conservation easement and restrictions conveyed by Grantor herein only to a State agency, municipality, or qualified organization, as defined in Chapter 34 or Chapter 155 Title 10 V.S.A., in accordance with the laws of the State of Vermont and the regulations established by the Internal Revenue Service governing such transfers. No such assignment limitation shall apply to the access easement which shall be separately assignable.

5. Due to the federal interest in this Grant, the Grant may not be extinguished by eminent domain without the advance approval of the United States. Upon receipt of notification of any pending condemnation action brought by any government entity affecting and/or relating to the Protected Property, Grantor shall notify Grantees and the United States, in writing, within fifteen (15) days of receipt of said notification. Any proceeds from extinguishment shall be allocated between Grantor and Grantees in accordance with the value of their respective interests as determined by an appraisal commissioned by Grantees at the time of extinguishment; provided, however, that the allocation of proceeds to Grantees shall be no less than 55.8% of the full fair market value of the Protected Property exclusive of the value of improvements. Grantor and Grantees agree that 55.8% is the relative value of the conservation restrictions as compared to the unrestricted value of the Protected Property as of the date of this Grant. Grantees shall use any proceeds from extinguishment to preserve undeveloped and open space land in order to protect

the aesthetic, agricultural, educational, scientific, forestry and natural resources of the State through non-regulatory means. The United States shall receive, at the time this Grant is extinguished or terminated, its share of the Grant based on the appraised fair market value of this Grant at the time this Grant is extinguished or terminated. The United States' share shall be proportionate to its percentage of its original investment. Since the proportional share of the United States in the fair market value of VHCB's interest in this Grant is fifty percent (50%), the proportional share applicable to the amount of any proceeds from extinguishment received by VHCB shall be 50% for the United States and 50% for VHCB.

6. In any deed or lease conveying an interest in all or part of the Protected Property, Grantor shall make reference to the conservation easement, restrictions, and obligations described herein and shall indicate that said easement and restrictions are binding upon all successors in interest in the Protected Property in perpetuity. Grantor shall also notify Grantees of the name(s) and address(es) of Grantor's successor(s) in interest.

7. Grantees shall be entitled to re-record this Grant, or to record a notice making reference to the existence of this Grant, in the Town of Guildhall Land Records as may be necessary to satisfy the requirements of the Record Marketable Title Act, 27 V.S.A., Chapter 5, Subchapter 7, including 27 V.S.A. §§603 and 605.

8. While title is herein conveyed to Grantees as tenants in common, the rights and interests described in this Grant, including enforcement of the conservation easement and restrictions, may be exercised by Grantees collectively, or by any single Grantee individually; provided, however, that court enforcement action by a single Grantee shall foreclose action on the same issue(s) by the other Grantees who shall be bound by the final determination.

9. The term "Grantor" includes the heirs, executors, administrators, successors, and assigns of the original Grantor, Nels P. Nelson, III. The term "Grantees" includes the respective successors and assigns of the original Grantees, VLT, VAAFM and VHCB. The term "family" includes: (a) any spouse of Grantor and any persons related to Grantor by blood to the 4th degree of kinship or by adoption, together with spouses of family members, (b) a corporation, partnership or other entity which is wholly owned and controlled by Grantor or Grantor's family (as defined herein), (c) any estate of Grantor or Grantor's family, and (d) all owners of a Grantor corporation, partnership, trust or other entity who are related to each other by blood to the 4th degree of kinship or by adoption, together with spouses of family members.

10. Grantor shall pay all real estate taxes and assessments on the Protected Property and shall pay all other taxes, if any, assessed in lieu of or in substitution for real estate taxes on the Protected Property.

11. Grantor warrants that there are no notices by any governmental authority of any violation or alleged violation of, non-compliance or alleged non-compliance with or any liability under any environmental law relating to the operations or conditions of the Protected Property. Grantor further warrants that Grantor has no actual knowledge of a release or threatened release of hazardous materials, as such substances and wastes are defined by applicable federal and state law.

12. Grantor hereby promises to hold harmless and indemnify Grantees and the United States against all litigation, claims, demands, penalties and damages, including reasonable

attorneys' fees, arising from or connected with the Protected Property, including but not limited to, ones arising from or connected to release or threatened release of any hazardous materials on, at, beneath or from the Protected Property, or arising from or connected with a violation of any environmental laws by Grantor or the actions or inactions of Grantor as owner or operator of the premises, or those of Grantor's agents. Grantor's indemnification obligation shall not be affected by any authorizations provided by Grantees to Grantor with respect to the Protected Property or any restoration activities carried out by Grantees or the United States at the Protected Property.

13. If any Grantee takes legal title to Grantor's interest in the Protected Property, the Grantee acquiring title shall commit the monitoring and enforcement of the Grant to another Grantee until the Grantee acquiring title conveys title to a successor Grantor.

14. This Grant is created pursuant to Chapter 34 of Title 10, Conservation and Preservation Rights and Interests (10 V.S.A. 821-823) and Chapter 155 of Title 10, Acquisition of Interests in Land by Public Agencies (10 V.S.A. 6301 – 6309), and this Grant shall be governed by and construed in accordance with the laws of the State of Vermont to effectuate the Purposes of the Grant. In the event that any provision or clause in this Grant conflicts with applicable law, such conflict shall not affect other provisions hereof which can be given effect without the conflicting provision. To this end the provisions of this Grant are declared to be severable.

15. Amendment or Modification of Grant – This Grant may be amended or modified only if such amendment or modification furthers or is consistent with the Purposes of this Grant. Any amendment or modification must be mutually agreed upon by the Grantor and Grantees under this Grant, comply with all applicable laws and regulations, and be signed and duly recorded. The United States must receive timely notice of the proposed amendment and/or modification prior to signing and recordation. No substantive amendment shall be made without the express written approval of NRCS.

16. Boundary Line Adjustments. Boundary line adjustments may be permitted by Grantees either by approval or by amendment. The approval of only the Grantees is required in the case of an amendment or other action related to boundary adjustments: (i) for technical errors made in the survey or legal description of the Protected Property; or (ii) where the acreage of the Protected Property will be increased; or (iii) where the acreage of the Protected Property will not decrease by the greater of 1% of its original acreage or 2 acres. All other boundary line adjustments must also be approved by the United States. If necessary, an amendment to Schedule A of this Grant shall be properly executed and duly recorded.

17. Subordination – Any mortgage or lien arising after the date of this Grant shall be subordinate to this Grant.

18. Merger. The Grantor and Grantees explicitly agree that it is their express intent, forming a part of the consideration hereunder, that the provisions of this Grant are to last in perpetuity, and that to that end no purchase or transfer of the underlying fee interest in the Protected Property by or to the local grantee, the United States, or any successor or assignee will be deemed to eliminate the terms of this Grant, or any portion thereof, pursuant to the doctrine of "merger" or any other legal doctrine.

INVALIDATION of any provision hereof shall not affect any other provision of this Grant.

TO HAVE AND TO HOLD said granted development rights, option to purchase, public access easement and a perpetual conservation easement and restrictions, with all the privileges and appurtenances thereof, to the said Grantees, **VERMONT LAND TRUST, INC., VERMONT AGENCY OF AGRICULTURE, FOOD AND MARKETS, and VERMONT HOUSING AND CONSERVATION BOARD**, their respective successors and assigns, and the UNITED STATES and its assigns to the extent of its enforcement rights, to their own use and behoof forever, and the said Grantor, **NELS P. NELSON, III**, for himself and his heirs, executors, administrators, successors, and assigns, does covenant with the said Grantees and the UNITED STATES, their successors and assigns, that until the ensembling of these presents, he is the sole owner of the premises, and has good right and title to convey the same in the manner aforesaid, that the premises are free from every encumbrance, except those of record, not intending hereby to reinstate any interest or right terminated or superseded by this Grant, operation of law, abandonment or 27 V.S.A. Ch. 5, Subch. 7; and he hereby engages to warrant and defend the same against all lawful claims whatever, except as aforesaid.

I herein set my hand at _____, Vermont this ____ day of _____, 2014.

GRANTOR

Nels P. Nelson, III

STATE OF VERMONT
_____ COUNTY, ss.

At _____, this ____ day of _____, 2014, Nels P. Nelson, III personally appeared and he acknowledged this instrument, by him sealed and subscribed, to be his free act and deed, before me.

Notary Public
My commission expires: 02/10/2015

Approved by the VERMONT HOUSING AND CONSERVATION BOARD:

Date By: _____
Its Duly Authorized Agent

The Natural Resources Conservation Service, United States Department of Agriculture, an agency and Department of the United States Government, hereby accepts and approves the foregoing conservation easement deed and the rights conveyed therein, on behalf of the United States of America.

State Conservationist
Natural Resources Conservation Service
United States Department of Agriculture

COUNTY OF CHITTENDEN)
STATE OF VERMONT)

On this ____ day of _____, 2014, before me, the undersigned, a notary public in and for the State, personally appeared _____ known or proved to me to be the person whose signature appears above, and who being duly sworn by me, did say that he or she is the State Conservationist of the Natural Resources Conservation Service, United States Department of Agriculture, is authorized to sign on behalf of the agency and acknowledged and accepted the rights conveyed by the deed to be his or her voluntary act and deed.

In witness whereof, I have hereunto set my hand and official seal the day and year first above written.

Notary Public, State of Vermont
My Commission Expires 02/10/2015

SCHEDULE A
PROTECTED PROPERTY

Being all and the same lands and premises, with any and all structures and improvements that may be situated thereon, conveyed to Grantor and Kathleen Nelson (now deceased) by the following deeds:

1. Warranty Deed of Ralph H. Barris and Gloria B. Barris, dated August 2, 1978, and recorded in Book U, Page 262 of the Guildhall Land Records.
2. Warranty Deed of Joan I. Bernier dated April 16, 1982 and recorded in Book V, Page 127 of the Guildhall Land Records.

Meaning and intending to include in this description of the Protected Property all of the land with the buildings and improvements thereon lying on the easterly side of Town Highway #3 (also known as North Road), in the Town of Guildhall, Vermont, and generally described as containing 56 acres, more or less.

NOTICE: Unless otherwise expressly indicated, the descriptions in this Schedule A and in any subsequent Schedules are not based on a survey or subdivision plat. The Grantor and Grantees have used their best efforts to depict the approximate boundaries of the Protected Property and any excluded parcels, complexes or special treatment areas on a plan entitled "Vermont Land Trust – Nelson N Farm, Town of Guildhall, Essex Co., VT, February 2014" signed by the Grantor and VLT (referred to throughout this Grant and its Schedules as "Nelson N Farm Plan"). The Nelson N Farm Plan is based upon Vermont Base Map digital orthophotos and other information available to VLT at the time of the Plan's preparation. Any metes and bounds descriptions included in the Schedules herein are approximate only. They are computer generated and are not the result of field measurements or extensive title research. The Nelson N Farm Plan and any metes and bounds descriptions herein are intended solely for the use of the Grantor and Grantees in establishing the approximate location of the areas described and for administering and interpreting the terms and conditions of this Grant. No monuments have been placed on the ground. The Nelson N Farm Plan is kept by VLT in its Stewardship Office. **The Nelson N Farm Plan is not a survey and must not be used as a survey or for any conveyance or subdivision of the land depicted thereon.**

Grantor and Grantees do not intend to imply any limitation on the area of land included in this description, should a survey determine that additional land is also encumbered by the Grant. If, in the future, the Grantor or Grantees shall prepare a survey of the Protected Property, of any portion thereof, or of any excluded lands, and that survey is accepted by the other party or confirmed by a court, the descriptions in the survey shall control.

Reference may be made to the above described deed and record, and to the deeds and records referred to therein, in further aid of this description.

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SCHEDULE B
BARN COMPLEX

The "Barn Complex" referred to in Section III(6) of this Grant contains two (2) acres, more or less, located easterly of North Road (Town Highway #3) and is more particularly described as follows, all bearings are referenced to "Grid North:"

Beginning at a point on the easterly sideline of the North Road right of way (assumed 3 rod width) said point marking a southwest corner of lands n/f Peaslee; thence proceeding South 53° 45' East 260 feet more or less, along a southerly boundary of lands n/f Peaslee thence turning and proceeding South 2° East 350 feet more or less, across the Protected Property; thence turning and proceeding South 86° 30' West 185 feet more or less, across the Protected Property to a point on the easterly sideline of the North Road right of way; thence turning and proceeding North 7° 15' West 230 feet more or less, along the easterly sideline of the North Road right of way; thence turning and proceeding North 1° 30' West 285 feet more or less, along the easterly sideline of the North Road right of way to the point of beginning.

