

MEMO

To: Sarah London
From: Stephanie Smith
Date: April 12, 2016



Re: Governor's Acceptance & Approval

Attached you will find a Governor's Acceptance for the Kaiser Farm in Stowe, Vermont. This is a farmland transfer project. A memo outlining this project, maps, and a draft easement are included for your review. This conservation easement will not be co held by the VAAF. The VAAF will hold an executory interest (EI) granted to it by the VHCB, which will be filed in the Stowe land records at the time the project closes. Included is the draft EI for your review. The "Approval and Acceptance" document for the Governor's signature also changed to reflect the EI.

This project is not funded with Natural Resource Conservation Service (NRCS) funds, consequently there is no hazardous materials site investigation from NRCS.

As part of VAAF's review of the conservation project in advance of your receipt we contacted the following resources to confirm there are no outstanding violations within VAAF's divisions and inquired with the ANR Brownfields program, an additional step in assessing if there are hazard materials issue on the parcel.

- VAAF
 - ARM Division – None
 - Consumer Assurance -None
 - Dairy
 - Animal Health
 - Meat
 - Consumer Protection
- ANR
 - Brownfields Division- None

Please do not hesitate to contact me via email (stephanie.smith@vermont.gov) or phone if you have any questions (828-1732). Once signed please email me for pick up.

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

TO: Peter Shumlin, Governor

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

Deanne Battaglia Deputy Secretary

DATE: April 13, 2016

RE: Acquisition of Development Rights – Kaiser, Stowe

Your approval is requested for the acquisition of development rights, conservation restrictions, option to purchase, and right of enforcement of the United States on 49 acres of farmland in Stowe owned by Christine Gonyaw Kaiser.

The Vermont Land Trust has notified the Stowe Selectboard and the Central Vermont Regional Planning Commission about the plans for conservation and has received no objection.

I. Description of Property

The Kaiser Farm has been in Christine Kaiser's family for seventy years and she is now ready to retire. The land has most recently been used by Christine as a diversified farm, including a small goat dairy, chickens (meat birds and layers) and pigs. Currently, Christine has scaled back the operation to include only chickens and pigs. Eggs and meat are available for sale at the farm, and are provided to a local commercial kitchen (Mount Mansfield Trout Club). Christine has kept numerous fields along Nebraska Valley Road in agricultural use and certified organic, and the community is eager to maintain a true agricultural presence in the town. Conservation of the Kaiser farm with an OPAV and the simultaneous transfer to young, capable farmers will help secure that presence.

Annie and Andrew Paradee are young, beginning farmers who have been planning for some time to start a diversified sheep farm in Vermont. As neighbors of Christine's, they have already been active at the farm, helping her with farm chores over the past year. They are eager to purchase the farm and make it the home of their truly diversified operation. Centered around a sheep dairy (yogurt and cheese), they will also offer pork, poultry, and eggs available for on-farm purchase by community members and sell maple sap to local syrup producers. The Paradees have worked with Sam Smith at the Intervale Center to prepare a farm business plan, and Sam has provided a solid endorsement of the

Paradees and their plan. Andrew and Annie will be drawing on their experiences growing up on a dairy farm in Vermont, working on a sheep farm in France, and assisting farmers through the Peace Corps in Zambia. Importantly, Christine is also very enthusiastic about the couple purchasing the farm. She will continue to live on the excluded land and can serve as mentor. The property is bounded by Mount Mansfield State Forest on two sides and abuts land previously conserved by Stowe Land Trust to the north. It has 3,200 feet of frontage on Miller Brook, which has long been enrolled in CREP and has an established riparian buffer. A permanent river corridor easement and



riparian buffer will be part of the conservation easement. A transition that keeps the property in farm ownership will be a great success for Stowe and the surrounding area.

II. Need

The sale of a Conservation Easement and the Option to Purchase at Agricultural Value will enable Christine Kaiser to keep her family's land in farming long after she retires and it will enable Annie and Andrew Paradee to afford the land and begin their farming business.

III. Source of Funds

The purchase price for the easement with the option to purchase at agricultural value is \$365,000. VHCB approved a grant for this project in the amount of \$26,750 (\$25,000 for easement purchase and \$1,750 for third-party costs). Financial leverage for this conservation effort includes a \$65,000 bargain sale equal to about 17.5% of the easement purchase.

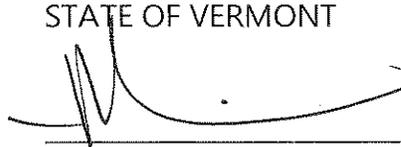
In addition, local fundraising by Stowe Land Trust funds totaling more than \$275,000 will be used toward the easement purchase and associated costs, including stewardship endowment, leveraging VHCB funds more than ten times.

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

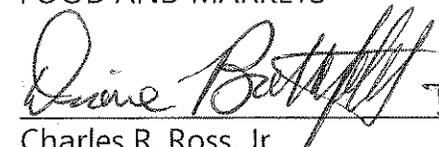
Now come Peter Shumlin, Governor, and Charles R. Ross, Jr., Secretary, the undersigned, and hereby approve and accept from the Vermont Housing and Conservation Board the Grant of Executory Interest in the property interest described within the instrument entitled "Grant of Development Rights, Conservation Restrictions and Option to Purchase" on land owned by Christine Gonyaw Kaiser, located in the Town of Stowe, Vermont. The Grant of Executory Interest in the aforementioned property is granted to the Vermont Agency of Agriculture, Food and Markets and is to be recorded in the Land Records of the Town of Stowe.

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.

4/12/16
Date

STATE OF VERMONT

Peter Shumlin
Governor

4/13/16
Date

VERMONT AGENCY OF AGRICULTURE,
FOOD AND MARKETS
 Deputy Secretary
For Charles R. Ross, Jr.
Secretary

GRANT OF EXECUTORY INTEREST

KNOW ALL PERSONS BY THESE PRESENTS that the **VERMONT HOUSING AND CONSERVATION BOARD**, a public instrumentality and agency of the State of Vermont with its offices in Montpelier, Washington County, Vermont, and its respective successors and assigns ("Grantor"), in consideration of Ten Dollars and other valuable consideration paid to its full satisfaction, does freely give, grant, sell, convey, assign, and confirm unto the **VERMONT AGENCY OF AGRICULTURE, FOOD AND MARKETS**, an agency of the State of Vermont with its principal offices in Montpelier, Washington County, Vermont and its successors and assigns forever ("Grantee"), an executory interest in the property interest more particularly described as follows:

All those rights, interests and restrictions on 49 acres of land, more or less, in the Town of Stowe (the "Property") conveyed to Grantor by instrument entitled "Grant of Development Rights, Conservation Restrictions, and Option to Purchase" (the "Grant") dated of even date herewith and to be recorded in the Town of Stowe Land Records (the "Land Records").

A. COVENANTS.

Grantor covenants and agrees as follows:

- 1) Grantor shall annually monitor the Property as required by the Grant to assure compliance with the Grant and shall, upon request, report the results of the monitoring to Grantee.
- 2) Grantor shall take all reasonable steps to secure compliance with the Grant as required therein.

B. EXECUTORY INTEREST. In the event that Grantor Vermont Housing and Conservation Board ceases to exist, and its rights, obligations and interests in the Grant have not otherwise been disposed of in accordance with law, then such rights, obligations and interests may shift to and be vested in Grantee, its successors and/or assigns. In such event, the Grantee shall provide to Grantor at its last known address and to the office of the Vermont Attorney General by certified mail, return receipt requested, a written notice of Grantee's intention to accept the Grantor's rights, obligations and interests under the Grant. Grantee may record a Notice of its acceptance of the Grantor's rights, interests and obligations under the Grant in the Land Records and thereupon Grantor's rights, obligations and interests under the Grant shall shift to and be immediately vested in the Grantee.

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

TO HAVE AND TO HOLD said granted executory interest, with all the privileges and appurtenances thereof, to the said Grantee, VERMONT AGENCY OF AGRICULTURE, FOOD AND MARKETS, its successors and assigns, to their own use and behoof forever, and the said Grantor, VERMONT HOUSING AND CONSERVATION BOARD, for itself and its successors and assigns, does covenant with the said Grantee, its successors and assigns, that until the ensembling of these presents, it is a co-owner of the Grant and has good right and title to convey an executory interest in the same in the manner aforesaid, that the Grant is free from every encumbrance, except those of record, and it hereby engages to warrant and defend the same against all lawful claims whatever.

The party hereto has caused this Grant to be executed by its duly authorized agent.

Vermont Housing and Conservation Board

By: _____
Its Duly Authorized Agent

STATE OF VERMONT
WASHINGTON COUNTY, ss.

At Montpelier this ____ day of _____, 2016, Lawrence W. Mires, duly authorized agent for Vermont Housing and Conservation Board., personally appeared and he acknowledged this instrument, by him sealed and subscribed, to be his free act and deed, and the free act and deed of Vermont Housing and Conservation Board.

Before me,

_____, Notary Public
My commission expires: 2/10/19

Vermont Land Trust

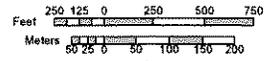
Kaiser Farm
Town of Stowe
Lamoille Co., VT

June 2016

VLT Project #131387 VHCB #2016-005

The Kaiser Farm Conservation Plan is based on the following State of Vermont Base Map 1:5000 orthophoto(s):
Luce Hill, #132216, 2013;
Stowe-Waterbury, #128216, 2013

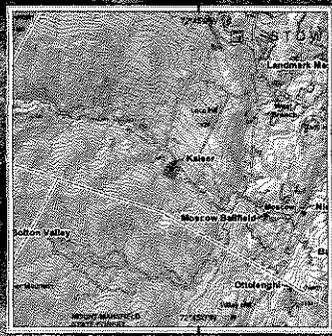
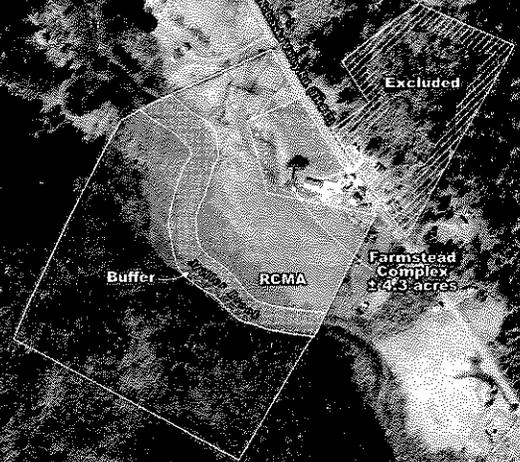
1:5,000 1 inch = 416.7 feet



Reference(s):

- 1) Proposed Subdivision, Christine Gonyaw Kaiser, 1148 Nebraska Valley Road, Stowe, VT* by Glenn R. Towne, dated April 2014.

- Protected Property
- Complex Boundary
- Buffer
- RCMA (River Corridor Management Area)
- Excluded Land



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 holder(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

ACREAGE INFORMATION¹

Tillable	7.8 acres
Pasture	4.4 acres
Woods	30.8 acres
Open Water/Wetland	1.6 acres
Farmstead Complex	4.3 acres
Total Protected Property	± 49 acres
Excluded Land	± 13.8 acres

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

Reviewed and Accepted by:

Christine Gonyaw Kaiser Date

Duly Authorized Agent of Vermont Land Trust, Inc. Date

EXHIBIT B
GRANT OF DEVELOPMENT RIGHTS, CONSERVATION RESTRICTIONS
and OPTION TO PURCHASE

KNOW ALL PERSONS BY THESE PRESENTS that **CHRISTINE GONYAW KAISER**, of Stowe, County of Lamoille, State of Vermont, on behalf of herself and her 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 her 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") 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, and a perpetual conservation easement and restrictions (all as more particularly set forth below) in certain lands consisting of 49 acres, more or less, with the buildings and improvements situated thereon (hereinafter "Protected Property") located in the Town of Stowe, Lamoille County, State of Vermont, said Protected Property being more particularly described in Schedule A attached hereto and incorporated herein.

An objective of the Vermont Agency of Natural Resources, Department of Environmental Conservation's ("DEC") river management program is to acquire channel management rights and conservation restrictions on land it considers to be within the corridors of sensitive, erosive streams in order to enhance and accommodate floodplain functions thereby reducing erosion and flood damage.

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 (a) to conserve productive agricultural and forestry lands and soil resources in order to facilitate active and economically viable farm use of the Protected Property now and in the future, ; and (b) within the River Corridor Management Area described in Section IV of this Grant, to re-establish the natural meander pattern of the Miller Brook and its natural floodplains in order to reduce erosion hazards, improve water quality, and conserve and enhance aquatic and wildlife habitats, and the natural processes associated with 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.

3. These purposes will be advanced by conserving the Protected Property because it possesses the following attributes:

- a) 11 acres of agricultural soils of prime significance;
- b) 14 acres of agricultural soils of statewide significance;
- c) 31 acres of managed forest;
- d) traversed by 1,700 feet of Miller Brook;
- e) 975 feet of frontage on Nebraska Valley Road, a public highway with scenic vistas;
- f) ___ acres of land as a river corridor in which the Miller Brook is unconstrained by permanent structural modifications and improvements and where its changing dimension, pattern and profile can be accommodated; and
- g) adjacent to Mount Mansfield State Forest.

Grantor and Grantees recognize these agricultural, silvicultural, scenic, 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, and option to purchase 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 agricultural, silvicultural, scenic, and natural values. Grantees accept such conservation restrictions, development rights and option to purchase 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 the "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, easements of ingress or egress, driveways, roads, utility lines, other easements, or other use restrictions 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, easements of ingress or egress, driveways, roads, utility lines, other easements, or other use restrictions, if they determine, in their sole discretion, that any such rights-of-way, easements of ingress or egress, driveways, roads, utility lines, other easements or other use restrictions 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 which approval shall not be unreasonably withheld if such placement, collection or storage is consistent with the Purposes of this Grant. 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. The Protected Property shall not be subdivided 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.

8. 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.

III. Permitted Uses of the Protected Property.

Notwithstanding the foregoing, 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 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.

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 maintain, repair, renovate, replace, enlarge, rebuild, and use: (a) the existing farm buildings for non-residential, agricultural uses, (b) the existing non-residential appurtenant structures and improvements, including drives and utilities, normally associated with a dwelling or farm, and (c) construct, maintain, repair, renovate, replace, enlarge, rebuild, use and occupy new farm buildings for non-residential, agricultural uses and appurtenant structures and improvements, including drives and utilities, normally associated with a dwelling or farm, all within the designated Farmstead 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 Farmstead Complex for the benefit of buildings or structures permitted in the Farmstead 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 Farmstead Complex is an area consisting of 4.3 acres, more or less, and is more particularly described in Schedule B attached hereto and incorporated herein, and is depicted on the Kaiser Farm Plan described in Schedule A attached hereto and incorporated herein. Grantor shall notify Grantees in writing prior to commencing construction on any new structure or improvement within the Farmstead Complex.

7. The right to construct, maintain, repair, renovate, replace, enlarge, rebuild, and use one (1) farm labor housing unit ("FLH"), together with appurtenant non-residential structures and improvements, including drives and utilities, normally associated with a residence; provided, however, that the FLH shall be (a) occupied by Grantor or at least one person who is a member of Grantor's family or who is employed on the farm, and (b) located in the area depicted as "Farmstead Complex" on the Kaiser Farm Plan. 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 Farmstead Complex for the benefit of buildings or structures permitted in the Farmstead 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 FLH shall consist of no more than 2500 square feet of total floor area measured from the exterior walls, excluding the attic crawl space, attached garage, and any floor completely below grade level. Grantees in their sole discretion may permit an increase over the 2500 square foot limit, provided, however, such larger structure is deemed necessary and found by Grantees to have no greater negative impact on the conservation values and affordability goals underlying the Purposes of this Grant than the original size. In the event the FLH is not required for housing a farm employee, Grantor, or a member of Grantor's family, Grantor may rent the FLH to other persons for successive lease terms not to exceed one year each, but shall not otherwise transfer ownership or possession of the FLH. 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.

Grantees, in their sole discretion, may permit, in a written letter of approval, an alternative FLH site; provided, however, such an alternative FLH site is (i) located in a manner consistent with the Purposes of this Grant as stated in Section I, above, and (ii) found by Grantees to have no greater negative impact on the conservation values underlying the Purposes of this Grant than the original FLH site.

8. 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.

9. 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 the Farmstead 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 the permitted Farmstead 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(9) 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.

10. The right to construct, use, maintain, repair and replace one (1) fully enclosed camp being no more than fifteen (15) feet high as measured from the average undisturbed ground level to the roof peak and having a footprint of no more than 600 square feet including decks and porches, provided, however, that any such camp shall be used exclusively for non-commercial, periodic camping, hunting and recreational purposes, and not for permanent occupancy, and shall not have commercial utility services or an access road improved beyond what is minimally required to afford reasonable vehicular access. Alternatively, Grantee may approve a camp having different dimensions; provided, however that such camp shall have an aggregate total exterior wall surface area from undisturbed ground level to stud wall height, excluding gables and roof, of no more than 600 square feet. Grantor shall notify Grantee in writing prior to commencing construction on the camp, relocating it or enlarging it so that Grantee may review and approve the proposed location, dimensions and access of the camp which approval shall not be unreasonably withheld or conditioned, provided that the dimensions and access of the camp are in compliance with this section and are located in a manner consistent with the Purposes of this Grant.

11. The right to construct, repair, maintain, and use a minimal number of minor structures (for example: deer stands, gazebos, hunting blinds, lean-tos, Adirondack shelters, tent platforms, tree houses, children's play houses, privies, kiosks, outdoor fireplaces) on the Protected Property provided that such structures shall not have any access roads or drives, utility services or facilities, waste disposal systems, or plumbing, and shall not be used for year-round, continuous residential occupancy or for any commercial activity of any nature (except as Grantee may permit in its sole discretion pursuant to the rural enterprises clause in Section III) and shall not exceed 300 square feet of floor space and fifteen feet in height. Grantor shall secure the written approval of Grantee prior to the construction of any such minor structure, which approval shall not be unreasonably withheld or conditioned, provided that the structure complies with the requirements of this Section III(11) and the number and location of such structures are consistent with the

Purposes of this Grant.

IV. River Corridor Management Area

The River Corridor Management Area ("the RCMA") is that portion of the Protected Property which includes the Miller Brook ("the Brook") consisting of ___ acres, more or less, depicted on the Kaiser Farm Plan described in Schedule A attached hereto, and also depicted on a survey entitled "Survey of _____" prepared by _____, dated _____ 2016 and recorded in _____ of the Stowe Land Records ("the DEC Survey").

Grantors acknowledge that the Vermont Agency of Natural Resources, Department of Environmental Conservation ("DEC") and any successor agency or department thereto (any reference hereinafter to "DEC" is intended to include any successor agency or department thereto) is an intended third party beneficiary under this Section IV and covenant not to contest the ability of the DEC to enforce any provision or restriction of Section IV. As a condition of its status as a third party beneficiary, the DEC shall provide technical assistance to the Grantees for any channel management or maintenance activities required under Section IV and shall perform the responsibilities conferred upon it under this Section IV.

The restrictions and rights of foregoing Sections II and III shall apply in the RCMA. In addition, the RCMA shall be subject to the following restrictions, terms, conditions and requirements which, to the extent they are inconsistent, shall supersede the provisions of the foregoing Sections II and III:

1. Except as otherwise permitted under this Section IV, Grantors shall not construct, place, repair, remove or modify structures or structural elements such as revetments, levees, or earthen fills. Grantors shall not remove or deposit sand, gravel or rock, or otherwise manipulate the River and the other natural watercourses, wetlands or other water bodies in the RCMA in a manner that will alter natural water levels of the Brook during ordinary high water flows, or intervene in the natural physical adjustment of said water bodies.

2. Except as hereinafter otherwise permitted in this Section IV, an undisturbed buffer within the RCMA, a minimum of fifty feet (50') in width measured landward from the top of the bank of the Brook as it may move from time-to-time, and also any land located between the top of said bank and the low water mark of the Brook (together hereinafter referred to as "the Buffer") shall be established and maintained. The Buffer, as it exists on the date of this instrument, is generally depicted as "Buffer" on the Kaiser Farm Plan described above. No agricultural activities except as permitted below in this Section IV shall occur within the Buffer. Grantees may grant written permission for a non-commercial, non-motorized recreational trail and/or a new drainage structure through the Buffer to provide for drainage of lands outside the Buffer, if they and DEC determine, in their sole discretion, that any new trail or drainage structure will have minimal impact through or across the Buffer (consistent with Section IV(10), below), and is consistent with the Purposes of this Grant.

3. No timber harvesting shall be allowed within the Buffer, except when the Protected Property is included in a Forest Management Plan approved by the Grantees or enrolled as managed forest land in the State of Vermont's Use Value program or similar successor program.

Harvesting must be conducted consistent with a forest management prescription, which has the primary purpose of maintaining a forested riparian buffer and is consistent with the Purposes of this Grant. The Grantees may grant written permission for a temporary opening and crossing of the Buffer for the purpose of enabling timber harvesting on lands across Miller Brook that have no other reasonable access.

4. No clearing of existing forests to establish fields, orchards or pastures, shall occur within the RCMA except with prior written permission from the Grantees, if they and the DEC determine, in their sole discretion, that the clearing of existing woody vegetation outside the Buffer to enable agricultural use will be consistent with the Purposes of this Grant. Notwithstanding the foregoing, Grantors may clear orchards or other tree-based agricultural areas outside of the Buffer when switching from one agricultural use to another.

5. Except for routine seasonal preparation of agricultural fields for planting that does not require filling or excavation, or disturbances that may be approved as hereinafter provided, 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. With the prior written approval of the Grantees and DEC, other disturbances of the surface of the RCMA may be undertaken as may be reasonably necessary to carry out the agricultural and forestry uses permitted on the Protected Property under this Grant, including the installation and maintenance of man-made drainage improvements under Section IV(10), below.

6. Only fences and at-grade fords of streams may be constructed, repaired, replaced, maintained or moved onto the RCMA. Other structures and improvements may be constructed, repaired, replaced, and maintained on the RCMA only if specifically permitted under this Section IV or as may be permitted in writing by Grantees if deemed by Grantees and DEC in their sole discretion to be consistent with the Purposes of this Grant.

7. A pedestrian bridge may be constructed across Millers Brook in the area where bedrock is exposed on the eastern bank in the upstream section of the RCMA depicted as location 9 on the DEC Survey for the purposes of accessing the sugarbush on the south western side of the RCMA. This bridge must span a width equal or greater to 1.5 times the bankfull channel. Any structural abutments must be above the floodprone height (as determined by a cross section survey) so as to not constrict flows and to ensure that the bridge freely passes all water, sediment, debris, and ice. The banks of the Brook may not be armored or managed in any way to protect the bridge. All applicable state, federal, and town permits must be obtained prior to bridge construction. The bridge may be temporary in nature (similar to a portable skidder bridge) and placed only when needed.

8. A sap collection pump station may be located in the RCMA so long as it is portable in nature, is anchored, and can be moved out of the RCMA if the Brook moves towards its location. The river bank may not be armored or managed in any way to protect the structure. All necessary state, federal, and town permits must be obtained before use and placement of the structure within the RCMA.

9. Following a flood event, Grantors may remove wood and other non-earthen debris from those portions of the RCMA outside the Brook and the Buffer, but only if necessary to prevent injury or damage to persons or property outside of the RCMA, or to enable the resumption of

agricultural, silvicultural or non-commercial recreational activity, being conducted within the RCMA prior to the flood event.

10. Grantors may maintain existing drainage improvements on the RCMA in compliance with all applicable laws and regulations, including drainage improvements to those watercourses that have not been specifically identified for protection within the RCMA (Section IV(1), above), but only to the extent necessary to enable continued use of agricultural soils on property outside the Buffer. Subject to receiving the prior written approval of the Grantees and DEC, Grantors may create and maintain new man-made drainage improvements across the RCMA, but only to the extent necessary to maintain productive agricultural soils outside the RCMA for agricultural purposes, constructed in a manner to have minimum impact on natural water flow on the RCMA, are otherwise consistent with the Purposes of this Grant, and comply with all applicable laws and regulations.

11. Grantors may manage beaver dams in accordance with best management practices established by the Vermont Agency of Natural Resources but only to the extent necessary to prevent or mitigate flooding outside of the Buffer

12. Controlling invasive species, that have the potential to harm either riparian ecological integrity or agricultural productivity and viability, shall be permitted within the Buffer with the prior written approval of the Grantees, if in their sole discretion, the Grantees find the control methodology, scope, and timing, as well as the species to be targeted, to be consistent in the long term with both creating and maintaining a forested Buffer, as well as with the Purposes of this Grant.

13. Subject to receiving the prior written approval of the Grantees, not to be unreasonably withheld, the Grantors may place on the RCMA temporary, portable agricultural structures (such as irrigation intakes, pump platforms, above ground piping), temporary recreational structures (such as hunting blinds) and one small seasonal dock or boat landing as long as these structures require no excavation or any tree removal other than may be necessary for the ingress and egress of the temporary structure. Machinery associated with such uses shall be removed if not in use. All such structures or improvements shall not be protected from river flooding or movement, and any loss of the capital investment is assumed solely by the Grantors.

14. Grantors and Grantees acknowledge and agree that achieving the Purposes of this Grant generally means no intervention in the physical changes that may occur in the course, current, or cross-section of the Brook. Achieving the Purposes of this Grant, however, may require limited management of the RCMA. Therefore, in addition to the other rights and interests conveyed by this Grant, the following rights are hereby conveyed to the Grantees, and to the Grantees' designees, expressly intending to include the DEC, and the Grantees' agents, licensees, successors and assigns in interest:

A. A right of access over, across and within the Protected Property, upon reasonable notice, to conduct any and all activities within the RCMA provided hereunder or related to the Purposes of this Grant.

B. With the approval and participation of the Grantors, the right to mark the general boundaries of the RCMA.

C. The right within the RCMA, with approval from the DEC and consistent with the Purposes of this Grant, to conduct stream and channel management activities including, but not limited to: installing, maintaining, repairing, or removing structural elements or improvements including, but not limited to, bank revetments, levees, or earthen fills; adjusting bank height or otherwise manipulating the water courses. No such management activity shall be undertaken without adequate notice to the Grantors and due regard to the impact of such management activity on the Grantors' use of the RCMA otherwise permitted under this Grant, particularly agricultural use; so that Grantors' capital investments in the Protected Property approved by the Grantees subsequent to this Grant, if any, and which will be lost due to management activity are reasonably considered but without the obligation to pay compensation for such loss.

D. The right to establish and maintain native woody vegetation within the Buffer and the right to manage for exotic invasive species.

V. Enforcement of the 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. 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 necessary. 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. 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. 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 said prior owner's ownership or control of the Protected Property terminated.

VI. Option to Purchase at Agricultural Value.

Grantee shall have an option to purchase the Protected Property at its agricultural value in accordance with the terms and provisions of this Section VI ("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.** Grantors shall not sell, transfer or convey the Protected Property, in whole or in part, without first offering the Protected Property for sale to Grantee pursuant to this Section VI; provided, however, that the following described transactions shall not trigger Grantee's rights under this Option:

- a) Any mortgage, pledge, or other assignment of the Protected Property to a lender as security for indebtedness, provided the Grantee's interest under this Option is treated as an interest in real estate such that in the event of foreclosure Grantee is deemed a necessary party defendant in such foreclosure case and has the right to redeem the Protected Property from the foreclosure action; and
- b) After _____, 202 ***[Insert date 5 years post closing.]***, any conveyance by the Grantor to Grantor's family (specifically including Andrew Paradee and Annie Paradee as Grantors as contemplated by the definition in Section VII(9), below), as the latter term is defined in Section VII 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 Grantee, 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;

- e) Conveyance of the Protected Property by Grantor to Andrew Paradee and Annie Paradee by Warranty Deed of even date herewith to be recorded in the Stowe Land Records.

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 Grantors receive 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 Grantors accept the Offer subject to this Option, Grantors shall deliver to Grantee at its principal place 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 Grantors' current mailing address.

Information delivered to Grantee 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 Grantors.

3. **Exercise of Option.** This Option may be exercised by Grantee 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 VI(2); failure by a Grantee to provide such notice shall constitute a waiver of its rights under this Option; and
- b) Thereafter, Grantors and Grantee shall fix the purchase price for the Protected Property by establishing a Price Agreement in the manner described in Section VI(4), below.

- c) A Grantee shall exercise this Option by giving written Notice of Intent to Purchase not more than thirty (30) days following Grantors' and Grantee's establishment of the Price Agreement.

Notices required by this Section VI(3) shall be delivered to Grantors either personally or by certified mail, return receipt requested to the address provided by Grantors in the Notice of Intent to Sell described in Section VI(2), above.

4. **Purchase Price.** The Purchase Price shall be determined by mutual agreement of Grantors 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) \$105,000.00 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 Grantors and Grantee, with the expense of such appraisal divided equally between Grantors 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 VI(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 Grantors and Grantee, with the expense of such appraisal divided equally between Grantors 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 VI(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 Grantors and Grantee, with the expense of such appraisal divided equally between Grantors and Grantee.

Grantors and Grantee shall establish the Purchase Price by either entering into a written agreement fixing the Purchase Price as provided in this Section VI(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 Grantors described in Section VI(2), above, and upon reasonable notice to the Grantors, 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 Grantors 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 VI(3)(c), above, unless otherwise agreed. The following conditions shall apply to said closing:

- a) Grantors 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) Grantors agree to use reasonable efforts to deliver marketable title as set forth in Section VI(6)(a), above. In the event Grantors are 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 Grantors can deliver and to pay the purchase price without reduction.
- c) Grantors agree to obtain at their 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 Grantors to obtain all such final permits and approvals.

- d) Grantors represent to Grantee that Grantors are not aware of any hazardous waste having been dumped or placed upon the Protected Property. Grantors will update this representation in writing upon the Grantee's delivery of the Notice of Intent to Exercise described in Section VI(3)(a), above. Grantors agree 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 Grantors and the Grantee shall prorate property taxes as of the date of closing.
- f) The Grantors shall not physically alter the Protected Property or the improvements on the Protected Property or enter into any lease after Grantee delivers the Notice of Intent to Exercise provided in Section VI(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 Grantors 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 VI(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. Grantors 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 VI(1), above.

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

- a) Grantee's failure to deliver the Notice of Intent to Exercise as described in Section VI(3)(a), above;

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

Should Grantee not exercise this Option as provided in Section VI(3), above, or should Grantee fail to close following its delivery of the Notice of Intent to Purchase, Grantors 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 Grantee. 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 VI(1) above.

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

- a) No such assignment shall be made prior to Grantors and Grantee establishing the Price Agreement described in Section VI(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 Grantors;
- 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 Grantee. While no consent of Grantors shall be required for said single exercise, Grantee shall not otherwise assign all of its rights and interests under this Option without the prior written consent of Grantors.

VII. Miscellaneous 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. It is hereby agreed 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 of the Town of Stowe and the State of Vermont and at Grantor's sole expense.

3. It is further agreed that the Protected Property is accurately depicted and described in both the Kaiser 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 Kaiser Farm Plan or BDR in enforcing this Grant, but are not limited in their use of the Kaiser 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.

5. In the event the development rights or conservation restrictions conveyed to Grantees herein are extinguished by eminent domain or other legal proceedings, Grantees shall be entitled to any proceeds which pertain to the extinguishment of Grantees' rights and interests. 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 70.5% of the full fair market value of the Protected Property exclusive of the value of improvements. Grantor and Grantees agree that this percentage figure 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. ***[The Percentage Figure is determined by the relative value of the conservation restrictions as compared to the "unrestricted value" of the Protected Property at the time the Rights are purchased]***. Grantees shall use any such proceeds 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.

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 Stowe 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, Christine Gonyaw Kaiser. The term "Grantees" includes the respective successors and assigns of the original Grantees, VLT 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 Grantor has no actual knowledge of a release or threatened release of hazardous substances or wastes on the Protected Property.

12. Grantor shall hold harmless, indemnify and defend Grantees from and against any liabilities, claims and expenses, including reasonable attorney's fees to which Grantees may be subjected, including, but not limited to, those arising from any solid or hazardous waste/hazardous substance release or disposal or hazardous waste/ hazardous substance cleanup laws or the actions or inactions of Grantor as owner or operator of the premises, or those of Grantor's agents.

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 shall be governed by and construed in accordance with the laws of the State of Vermont. 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. Grantor and Grantee recognize that rare and unexpected circumstances could arise that justify amendment of certain of the terms, covenants or restrictions contained in this Grant. To this end, this Grant may be amended only by mutual agreement of Grantor and Grantee; provided that Grantee determines in its sole discretion that such amendment furthers or does not materially detract from the Purposes of this Grant. Amendments shall be in writing, signed by both Grantor and Grantee, and shall be recorded in the Town of Stowe Land Records. Notwithstanding the foregoing, Grantor and Grantee have no right or power to agree to any amendment that would limit the term of the Grant, or adversely affect the qualification of this Grant or the status of Grantee under applicable laws, including without limitation Title 10 V.S.A. Chapters 34 and 155, Section 170(h) and 501(c)(3) of the Internal Revenue Code, as amended, and regulations issued pursuant thereto.

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 and a perpetual conservation easement and restrictions, with all the privileges and appurtenances thereof, to the said Grantees, **VERMONT LAND TRUST, INC.** and **VERMONT HOUSING AND CONSERVATION BOARD**, their respective successors and assigns, to their own use and behoof forever, and the said Grantor, **CHRISTINE GONYAW KAISER**, for herself and her heirs, executors, administrators, successors, and assigns, does covenant with the said Grantees, their successors and assigns, that until the ensembling of these presents, she 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 of 27 V.S.A. Ch. 5, Subch. 7; and she hereby engages to warrant and defend the same against all lawful claims whatever, except as aforesaid.

I set my hand at _____, Vermont this ____ day of _____, 2015.

GRANTOR

Christine Gonyaw Kaiser

STATE OF _____
_____ COUNTY, ss.

At _____, this ____ day of _____, 201_, Christine Gonyaw Kaiser personally appeared and she acknowledged this instrument, by her sealed and subscribed, to be her free act and deed, before me.

Notary Public
My commission expires: 02/10/2019

Approved by the VERMONT HOUSING AND CONSERVATION BOARD:

Date

By: _____
Its Duly Authorized Agent

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SCHEDULE A
PROTECTED PROPERTY

Being a portion and the same lands and premises conveyed to Grantor (fka Christine M. Gonyaw) by Decree of the Probate Court for the District of Lamoille in the Estate of Bernadene M. Gonyaw, dated July 6, 1979 and recorded in Book 93 at page 99 of the Stowe Land Records. Being also "Parcel One" as described in the Quitclaim Deed from Phillip Kaiser to Grantor, dated June 21, 2001, and recorded in Book 433, Page 200 of the Stowe Land Records.

Excepted and excluded from this description of the Protected Property is all of Grantor's land lying on the northeast side of Town Highway #43 (also known as Nebraska Valley Road), with the buildings and improvements thereon.

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 southwest side of Town Highway #43 in the Town of Stowe, Vermont, except as excluded above, and generally described as containing 49 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 - Kaiser Farm**, Town of Stowe, Lamoille Co., VT, _____ 2015" signed by the **Grantor** and **VLT** (referred to throughout this Grant and its Schedules as "Kaiser Farm Plan"). The Kaiser 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 Kaiser 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 Kaiser Farm Plan is kept by VLT in its Stewardship Office. **The Kaiser 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 deeds and the records thereof, and to the deeds and records referred to therein, in further aid of this description.

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**SCHEDULE B
FARMSTEAD COMPLEX**

The "Farmstead Complex" referred to in Section III(6) of this Grant contains 4.3 acres, more or less, located on the southwesterly side of Nebraska Valley Road, and is more particularly described as follows, all bearings are referenced to "Grid North":

Beginning at the intersection of the easterly boundary of the Protected Property and the southwesterly edge of the Nebraska Valley Road right of way (assumed 3 rods wide);
thence proceeding

North $78\frac{1}{2}^{\circ}$ West a distance of 550 feet, more or less, across the Protected Property to a point;
thence turning and proceeding

North 16° West a distance of 370 feet, more or less, across the Protected Property to a point;
thence turning and proceeding

North 66° East a distance of 285 feet, more or less, across the Protected Property to a point on the southwesterly edge of the Nebraska Valley Road right of way; thence turning and proceeding

Southeasterly a distance of 695 feet, more or less, along the southwesterly edge of the Nebraska Valley Road right of way to the point of beginning.