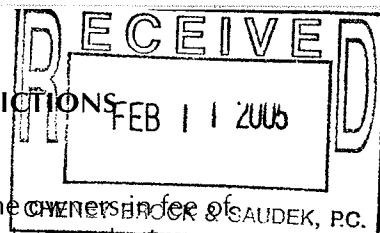


GRANT OF DEVELOPMENT RIGHTS, CONSERVATION RESTRICTIONS
and PUBLIC ACCESS EASEMENT



WHEREAS, E. Christopher Pratt, Peter W. Pratt and Vera C. Pratt are the owners in fee of certain real property in East Montpelier, Washington County, Vermont, which has aesthetic, recreational, and natural resource values in its present state; and

WHEREAS, this property contains 481 acres (more or less) of undeveloped land in agricultural and forestry use, which provides wildlife habitat as well as recreational opportunities; and

WHEREAS, the Town of East Montpelier and the East Montpelier Trails Association, Inc., in partnership with the Trust for Public Land, have contributed to the conservation of this property and wish to be involved in the management of the recreational aspects of this easement;

WHEREAS, the VERMONT LAND TRUST, INC. is a publicly supported non-profit corporation incorporated under the laws of the State of Vermont, and qualified under Sections 501(c)(3) and 170(h) of the Internal Revenue Code, whose purpose is to preserve undeveloped and open space land in order to protect the aesthetic, recreational, cultural, educational, scientific, and natural resources of the State through non-regulatory means, thereby reducing the burdens on state and local governments;

WHEREAS, the economic health of Vermont is closely linked to its forest lands, which not only produce fuel, timber and other products, but also provide much of Vermont's scenic beauty, upon which the state's tourist and recreation industries depend; and

WHEREAS, the State of Vermont has repeatedly sought to foster the conservation of the State's forest, and other natural resources through planning, regulation, land acquisition, and tax incentive programs, including, but not limited to, Title 10 V.S.A. Chapter 151 (Act 250); Title 24 V.S.A. Chapter 117 (Regional and Municipal Planning and Development Act); Title 10 V.S.A. Chapter 155 (Acquisition of Rights and Interests in Land); Title 32 V.S.A. Chapter 124 (Current Use Taxation); Title 32 V.S.A. Chapter 231 (Property Transfer Tax); Title 32 V.S.A. Chapter 235 (Land Gains Tax); and Title 10 V.S.A. Chapter 15 (Housing and Conservation Trust Fund).

KNOW THEREFORE, ALL PERSONS BY THESE PRESENTS that **E. CHRISTOPHER PRATT** of East Montpelier, Washington County, Vermont, **PETER W. PRATT** of Bridgewater, Litchfield County, Connecticut and **VERA C. PRATT** of Washington, in the District of Columbia, all being single persons, and their respective heirs, executors and administrators, successors and assigns (hereinafter collectively "Grantors"), 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 their full satisfaction, do 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, (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 "Grantees"), as tenants in common, forever, the development rights, perpetual conservation easement restrictions, and public access easement (all as more particularly set forth below) in a certain tract of land (hereinafter "Protected Property") situated in the Town of East Montpelier, Washington County, State of Vermont, the Protected Property being more particularly described in Schedule A attached hereto and incorporated herein.

The development rights hereby conveyed to Grantees shall include all development rights except those specifically reserved by Grantors herein and those reasonably required to carry out the permitted uses of the Protected Property as herein described. The development rights, perpetual conservation easement restrictions, and public access easement hereby conveyed to Grantees consists of covenants on the part of Grantors to do or refrain from doing, severally and collectively, the various acts set forth below. It is hereby acknowledged that the development rights, perpetual conservation easement restrictions, and public access easement shall constitute a servitude upon and shall run with the land.

I. Purposes of the Grant.

Grantors and Grantees acknowledge that the Purposes of this Grant are as follows (hereinafter "Purposes of this Grant"):

1. To contribute to the implementation of the policies of the State of Vermont designed to foster the conservation of the State's agricultural, forest, and other natural resources through planning, regulation, land acquisition, and tax incentive programs;
2. The principal objectives of this Grant are to conserve productive agricultural and

woodlands, wildlife habitats, non-commercial recreational opportunities and activities, and other natural resource and scenic values of the Protected Property (the "Primary Objectives").

3. The two secondary objectives of this Grant are to:

a) Encourage sustainable management of soil resources, 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; and

b) Provide the public with recreational and educational outlets in a natural environment and in a manner that minimizes negative impact and the duration of impact on surface water quality, drinking water quality, wildlife habitat, and other conservation values.

4. To recognize that establishing and maintaining productive forestry resources as one of the Principal Objectives of this Grant (outside the Special Treatment Areas), and that both the resource values of the Protected Property and responsible forest management standards will evolve over time, by using the following forest management objectives (hereinafter "Forest Management Objectives"):

a) Manage forest stands for long rotations that maximize the opportunity for harvesting high quality sawlogs, sustained over time, while maintaining a healthy and biologically diverse forest. Grantors and Grantees acknowledge that site limitations and biological factors may preclude the production of high quality sawlogs, and further that the production of a variety of forest products can be consistent with the goal of producing high quality sawlogs. "Long Rotations" means management for the production of target products consisting of saw timber quality trees.

b) Conduct forest management and harvesting activities (including the establishment, maintenance and reclamation of log landings and skid roads) using the best available yet commercially feasible management practices in order to prevent soil erosion and to protect water quality.

c) Create a sustained yield of forest products and prevent liquidation harvest practices.

5. To advance these objectives by conserving the Protected Property because it possesses the following attributes:

a) 416 acres of high quality forest land with excellent species composition, good soils and a high percentage of high-value saw timber which has been professionally managed for over twelve (12) years, as well as rich Northern Hardwood Forest attributes and a northern white cedar swamp;

b) Over one and three-quarters miles of both sides of Mallory Brook and Bennett Brook, tributaries to the Winooski River;

c) Opportunities for snowmobiling and traditional public non-motorized recreational access such as hunting, fishing, hiking, cross-country skiing and nature study, along an existing network of logging roads and trails which are currently existing and which may be developed pursuant to the terms of this Easement;

d) Three productive springs and aquifers which constitute the drinking water for the Village of East Montpelier Center.

e) Adjacent, conserved forest ownerships and large tracts of productive forestland

f) Two separate rich fens, a rare community type at the state and global level, designated as a Vermont Natural Heritage Site of Statewide Significance;

g) 50 acres of open fields managed for agricultural use and for grassland bird habitat;

h) Excellent views of the Spruce Mountain Range, the Granite Hills, and the Marshfield Hills across the Protected Property from Town Hill Road, Cherry Tree Hill Road and Brazier Road; and

i) Important wintering deer habitat.

Grantors and Grantees recognize these agricultural, silvicultural, scenic and natural values of the Protected Property, and share the common purpose of conserving these values by the conveyance of the conservation easement and restrictions and development rights, 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 resource values. Grantees accept the Grant of such conservation easement and restrictions and development rights in order to conserve these values for present and future generations.

II. Restricted Uses of Protected Property.

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

1. The Protected Property shall be used for agricultural, forestry, educational, non-commercial recreation, and open space purposes only. 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.

2. No rights-of-way, easements of ingress or egress, driveways, roads, or utility lines or easements shall be constructed, developed or maintained into, on, over, under, or across the Protected Property, without the prior written permission of the Grantees, except as otherwise specifically permitted under this Grant, and as set forth in Schedule B attached hereto and incorporated herein. Grantees may grant such permission (with or without conditions) if it determines, in its sole discretion, that any such improvement would be consistent with the Purposes of this Grant. Grantors shall not convey use restrictions or other easements on, over, under, or across the Protected Property without the prior written permission of the Grantees.

3. There shall be no signs, billboards, or outdoor advertising of any kind erected or displayed on the Protected Property; provided, however, that the Grantors may erect and maintain reasonable signs indicating the name of the Protected Property, boundary markers, directional signs, signs restricting hunting without permits on the Protected Property, signs restricting hunting or trespassing on the building envelope or drinking water extraction portions of the Protected Property, memorial plaques, temporary signs indicating that the Protected Property is for sale or lease, and signs informing the public that any agricultural or timber products are for sale, political or religious signs, or signs informing the public of any rural enterprises approved pursuant to Section III, below. Grantees, with the permission of Grantors, may erect and maintain signs designating the Protected Property as land under the protection of the Grantees, and agrees to include specific mention that the Protected Property was acquired through the efforts of the above-named partners to this transaction, along with the assistance of the East Montpelier Trails Association, Inc. and The Trust for Public Land.

4. The placement, collection or storage of trash, human waste, or any 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. 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.

5. 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 the terms of this Grant. In no case shall surface mining of subsurface oil, gas, or other minerals be permitted.

6. The Protected Property shall not be subdivided or conveyed in separate parcels without the prior written permission of Grantees which permission may be granted, denied or conditioned in Grantees' sole discretion.

7. 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. Grantors and Grantees acknowledge that, in view of the perpetual nature of this Grant, they are unable to foresee all potential future land uses, future technology, 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, Grantors 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 Grantors 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 Grantors have received the prior written approval of Grantees. Grantors 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. Grantors 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(3).

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 Grantors do not unnecessarily disturb the natural course of the surface water drainage and runoff flowing over the Protected Property. Grantors 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. 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 Grantors.

6. The right to construct, maintain, repair, renovate, enlarge, or rebuild one (1) single-family dwelling and associated non-residential structures and improvements, including associated drives and utilities, normally associated with a dwelling within a designated Homestead Complex without the prior written approval of Grantees. The Homestead Complex is an area consisting of 15 acres, more or less, and is more particularly described in Schedule C attached hereto and incorporated herein, and is depicted on the Pratt Conservation Plan. Grantors shall notify Grantees in writing prior to commencing construction on any new structure or improvement within the Homestead Complex.

7. 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 Homestead 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 Homestead 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 or silvicultural uses, does not interfere with current agricultural or silvicultural 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(7) 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 Grantors obtain for such use or construction. Grantee VHCB shall not approve a new structure for a non-agricultural or silvicultural 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.

8. 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 for the benefit of buildings or structures permitted under this Section III within a designated building complex ("Complex"). Any such systems may be constructed, maintained, operated, repaired, replaced, relocated or improved on the Protected Property only if there does not exist within the designated Complex any suitable location for such systems, under the then applicable law or regulations, as determined by a licensed designer as defined in the wastewater system and potable water supply rules, retained at Grantors' sole cost and expense. Grantors shall first obtain the written approval of Grantees for the location, relocation, replacement or improvement of such systems on the Protected Property, which approval shall not be unreasonably withheld nor conditioned, provided that:

- a) All reasonable attempts to locate, relocate, replace or improve the systems within the Complex in a manner that complies with the then current law and regulations are exhausted; and
- b) Such systems are located in a manner consistent with the Purposes of this Grant and especially minimize the loss of agricultural soils; and,
- c) Such systems are designed by a licensed designer as defined in the wastewater system and potable water supply rules retained at Grantors' sole cost and expense, certified by the licensed designer as complying with the wastewater system and potable water supply rules, installed in compliance with the wastewater system and potable water supply rules, certified by an installer or licensed designer as being installed in accordance with the certified design and approved in accordance with all the then applicable State and Local ordinances, statutes and regulations.

9. The right to construct, maintain, repair, relocate, and use a gravel or other permeable surfaced residential driveway of sufficient width to comply with state and local regulations for ingress and egress, together with customary residential utilities, to one single-family dwelling located within the "Homestead Complex" described in Section III(6), above. Said driveway together with said utility corridor shall each not exceed fifty (50) feet in width. Grantors and Grantees agree that in the event it is not cost prohibitive, said utilities shall be constructed underground. Prior to commencing construction on the driveway or utility corridor, Grantors shall obtain the prior written approval of Grantees, which approval shall not be unreasonably withheld or conditioned, provided, however, that such driveway and corridor is located in the area generally depicted as "ROW" on the Conservation Plan and otherwise complies with this Section III(9).

10. In consultation with VLT, VHCB may approve Grantors' right to develop, construct, maintain, repair, renovate, replace, enlarge, and rebuild one structure containing up to two (2) affordable dwelling units (for example, a single-family home, a duplex, or single-family house with a rental unit) including drives and utilities normally associated with such residential use, together with the right to subdivide and separately convey a portion of the Protected Property not to exceed the minimum acreage then required by the zoning laws of the Town of East Montpelier or an area not to exceed two acres in size, which ever is larger, for said residential structure. Grantors shall obtain

VHCB's prior written approval of such development, subdivision and separate conveyance, which approval shall not be unreasonably conditioned or denied if Grantors comply with the following:

- a) the residential structure described in a written affordable housing proposal and located within a designated building complex, both approved by VHCB; and
- b) the affordable housing proposal is prepared in conjunction with Central Vermont Community Land Trust, Inc. or another qualified housing development corporation which, in the opinion of VHCB, is experienced in constructing, owning and managing perpetually affordable housing; and
- c) the residential units are perpetually affordable to low or moderate income households as defined by VHCB in accordance with regulations of the U.S. Department of Housing and Urban Development; and
- d) occupancy and resale of the residential structure is controlled by a Housing Subsidy Covenant (or comparable legal document) approved by VHCB and recorded in the Town of East Montpelier Land Records; and
- e) the proposed residential use is not inconsistent with the Purposes of this Grant.

11. The right to construct, maintain, repair and replace one (1) camp being no more than 15 feet high and no more than 800 square feet in total useable area, provided, however, that any such camp 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 any improved access road, and shall be located in the wooded portion of the Protected Property. The camp shall not be relocated or enlarged without the prior written approval of Grantees, which approval shall not be unreasonably withheld or conditioned, provided that the camp is located in a manner consistent with the Purposes of this Grant. Any replacement of the camp must be substantially similar in scale to the original camp. Grantors shall notify Grantees in writing prior to commencing construction on the camp so that Grantees may review the location and dimensions of the camp.

12. The right to construct, maintain, repair and replace two (2) permeable surfaced access drives and parking areas at a location to be mutually agreed upon in writing by Grantors and Grantees appurtenant and accessory to a non-commercial recreational use only. Prior to the commencement of construction on such access drives or parking areas, Grantors shall secure the prior written approval of Grantees, which approval shall not be unreasonably withheld or conditioned, provided the drives and parking areas have a parking capacity of no greater than ten (10) passenger automobiles each.

13. The right to use, maintain, repair, renovate, replace, and rebuild the existing springs and well house located within the Protected Property for commercial drinking water supply purposes. This reserved right shall include the right to drill additional wells and develop springs as may be allowed under existing rights to remove water from the Protected Property together with the right to use, construct, maintain, repair, renovate, replace and rebuild associated drives and utilities, including electrical incidental and necessary to the extraction of water pursuant to existing rights. To the extent that the Grantor has the right to control any new construction on the Protected Property, the Grantor agrees to address and minimize any anticipated impacts on the Protected Property and insure that to the extent reasonably practicable, any new structures and improvements associated with existing water rights are consistent with the Purposes of this Grant. In advance of any new construction, Grantor will seek the approval in writing from the Grantees, which approval will not and cannot be unreasonably withheld.

IV. Surface Water Buffer Zones

A. Stream Buffers:

The following areas of the Property shall be designated as Surface Water Buffer Zones (hereinafter "SWBZ"):

- 1) Those areas lying within 125 feet from each bank of Bennett and Mallory Brooks, beginning where they enter the property at its northern boundaries, extending downstream to the confluence of Bennett and Mallory Brooks, and beyond that confluence for an additional distance of 2,000 feet along Mallory Brook; and,
- 2) Those areas lying within 100 feet of each bank of the remaining portions of Mallory Brook and along an unnamed brook as depicted as "Surface Water Buffer Zone" on the Pratt Conservation Plan.

Within the SWBZ described herein, the goals, prescriptions and restrictions of this Section

IV are in addition to the provisions of Sections II, III and V, and where inconsistent, the provisions of this Section IV shall supersede the provisions of Sections II, III and V.

The principal goal for management within the SWBZ is the establishment and maintenance of a high quality buffer that provides an array of ecological benefits including but not limited to:

- a) buffering aquatic and wetland plants and animals from disturbance;
- b) preventing wetland and water-quality degradation;
- c) providing important plant and animal habitat;
- d) providing adequate corridors for species that require such areas for their seasonal, annual, or dispersal movements/migrations; and
- e) providing organic matter, nutrients, and structure to aquatic systems.

Within the SWBZ the following restrictions shall apply:

- i. Forestry shall be prohibited.
- ii. There shall be no machinery operated within the SWBZs.
- iii. Stream crossings, for the purpose of trails and trail construction, and constructing roads for transporting machinery and harvested timber, are exempt from this restriction, but shall be avoided in the portion of the SWBZ described in Section IV(A)1 above. The number and width of such crossings outside of that zone shall be kept to a minimum and said crossings shall include the installation of all erosion control devices and employ all recommended practices described in the AMPs.

B. Wetland Buffers:

The three areas identified on the Pratt Conservation Plan as "Fen Area," "Red Spruce-Balsam Fir-Hemlock Swamp," and "Fen/Cedar Swamp Area," contain two separate rich fens, a globally rare plant community type. The Fen Area is designated as a Vermont Natural Heritage Site of Statewide Significance. The Red Spruce-Balsam Fir-Hemlock Swamp is an unusual example of a spring-fed swamp with high local significance. The other fen is also locally significant, and is integrated into a cedar swamp complex. This Fen/Cedar Swamp Area is connected by hydrology, soils, and vegetation to a Class 2 Wetland as mapped by the Vermont Department of Environmental Conservation, and is therefore, regulated under the Vermont Wetland Rules adopted by the Vermont Water Resources Board under 10 V.S.A. § 905(7). The Fen Area, Red Spruce-Balsam Fir-Hemlock Swamp, and Fen/Cedar Swamp Area (collectively, the "Wetland Areas") shall be subject to the following restrictions:

- 1) There shall be no machinery operated within the Wetland Areas as depicted on the Pratt Conservation Plan.
- 2) Any trails located in these areas should be for educational and pedestrian purposes only, and should be located to avoid alteration of surface and subsurface water flows into and out of these wetlands.
- 3) There shall be no forestry, livestock grazing, manure application, nutrient application, or fertilizing within the Wetland Areas or within existing forested areas within the next 50 feet from the boundaries of the Wetland Areas depicted on the Pratt Conservation Plan. Herbicide and pesticide application within the Wetland Areas and the next 50 feet from these areas shall be limited to the purpose of ecological restoration or enhancement of habitat for native plants and animals, or upon the discovery of a disturbance capable of causing catastrophic change to these ecological communities.
- 4) Disturbance within these areas shall be kept to a minimum. Sampling or plant management for research, ecological restoration, and/or educational purposes is allowed, provided that is consistent with the goals of this section.

V. Forest Management Plans.

As provided in Section III(3) above, Grantors shall not harvest timber or other wood products (except for maple sugar production and the cutting of firewood for use on the Protected Property) without first developing and submitting to Grantees for their approval, a Forest Management Plan for the Protected Property (hereinafter the "Forestry Plan"). All updates, amendments, or other changes to the Forestry Plan shall be submitted to Grantees for their approval prior to any harvesting. The Forestry Plan as updated, amended, or changed from time-to-time is

hereinafter referred to as the "Amended Forestry Plan." Grantees' approval of the Forestry Plan and any Amended Forestry Plan shall not be unreasonably withheld or conditioned, if the Forestry Plan or Amended Forestry Plan has been approved by a professional forester and if the Forestry Plan and the Amended Forestry Plan are consistent with the Purposes of this Grant, and in particular, one of the Primary Objectives set forth in Section I(2). Grantees may rely upon the advice and recommendations of such foresters, wildlife experts, conservation biologists, or other experts as Grantees may select to determine whether the Forestry Plan or Amended Forestry Plan would be detrimental to the values identified in Section I. The Forestry Plan and any Amended Forestry Plan shall be consistent with the Purposes of this Grant and shall include at least the following elements (except that those elements of the Forestry Plan or Amended Forestry Plan which do not change need not be re-submitted in updates, amendments or changes to the Forestry Plan):

- a) Grantors' forest management objectives;
- b) An appropriately scaled, accurate map indicating such items as forest stands, streams and wetlands, and major access routes (truck roads, landings and major skid trails);
- c) Forest stand ("treatment unit") descriptions (forest types, stocking levels before and after harvesting, soils, topography, stand quality, site class, insect and disease occurrence, previous management history, and prescribed silvicultural treatment);
- d) Plant and wildlife considerations (identification of known significant habitats and management recommendations);
- e) Aesthetic and recreational considerations (impact on viewsheds from public roads, trails, and places); and
- f) Historic and cultural resource considerations (identification of known resources and associated management recommendations).

The Forestry Plan shall be updated at least once every ten (10) years if Grantors intend to harvest timber or other wood products. Amendments to the Forestry Plan shall be required in the event that Grantors propose a treatment not included in the Forestry Plan, but no such amendment shall be required for any change in timing or sequence of treatments if such change does not vary more than five years from the prescription schedule set forth in the Forestry Plan as approved by Grantees. In the event that any treatment unit is substantially damaged by natural causes such as insect infestation, disease, fire or wind, Grantors may elect to conduct an alternative treatment in which event Grantors shall submit an amendment to the Forestry Plan for Grantees' approval prior to conducting any alternative treatment.

Disapproval by Grantees of a Forestry Plan or an Amended Forestry Plan proposing a heavy cut (as defined below) shall not be deemed unreasonable. Grantees, however, may approve a Forestry Plan or an Amended Forestry Plan in their discretion if consistent with the Purposes of this Grant, such as to permit the planting of different species of trees, promote natural regeneration, or establish or re-establish a field, orchard, or pasture. "Heavy cut" shall mean the harvesting of wood products below the "C-Line" or minimum stocking level on the Protected Property as determined by applying the protocol set forth in the current U.S. Department of Agriculture, Forest Service Silvicultural Guidelines for the Northeast or by applying a similar, successor standard approved by Grantees.

VI. Public Access.

Grantors covenant and agree that the Protected Property shall be available to the general public for all types of non-commercial, non-motorized dispersed recreational and educational purposes (including, but not limited to, bird-watching, boating, cross-country skiing, fishing, hiking, hunting, snowshoeing, swimming, trapping, walking and wildlife observation) consistent with the Purposes of this Grant. Equestrian access to the Protected Property shall be at the discretion of the Grantor. Notwithstanding the foregoing, Grantors may limit or restrict public access to the Protected Property 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). If Grantees approve a conveyance of the Protected Property, then Grantees may also require that a separate Grant of Public Access Easement also be conveyed to Grantees in a form approved by Grantees. Grantees may designate the Town of East Montpelier and the East Montpelier Trails Association, Inc. or any other appropriate designee, as managers that shall enter in separate Management Agreements with the Grantors.

Grantors and Grantees shall work in good faith to resolve any issues with respect to public recreational access to the Protected Property. Any issue not resolved voluntarily shall be submitted to binding arbitration. The arbitrator's authority shall include the right to determine: (1) whether a violation of Section VI by either Grantors or Grantees has or continues to occur, (2) whether public use materially interferes with Grantors' use of the Property, (3) whether public use has caused significant damage to natural resources, and (4) what corrective action should be implemented to

achieve the objectives of permitting reasonable dispersed public recreational access without materially interfering with Grantors' use of the Protected Property and without damaging natural resources.

The arbitrator shall be selected by the parties or by the American Arbitration Association if the parties cannot agree on an arbitrator. The costs of arbitration shall be shared equally by the parties, unless otherwise determined by the arbitrator due to one party being unreasonable or otherwise dilatory. The decision of the arbitrator shall be binding on the parties. The parties shall select an arbitrator within two weeks of the submission of an issue to arbitration, and every reasonable effort shall be made to complete arbitration of any dispute within thirty (30) days of the selection of an arbitrator.

VII. Enforcement of the Restrictions.

Grantees shall make reasonable efforts from time to time to assure compliance by Grantors 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 Grantors and the other Grantees of such event or circumstance of non-compliance via certified mail, return receipt requested, and demand corrective action by Grantors 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, Grantors shall, at Grantees' request, reimburse Grantees for all such costs incurred in investigating the non-compliance and in securing its correction.

Failure by Grantors 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 Grantors have failed to comply with this Grant, Grantors 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 Grantors have 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 Grantors 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 Grantors 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.

VIII. Miscellaneous Provisions.

1. Where Grantors are 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. Grantors 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 Grantors, Grantees shall deliver to Grantors, 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 East Montpelier and the State of Vermont and at Grantors' sole expense.

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

4. Grantees shall transfer the development rights and conservation easement and restrictions conveyed by Grantors 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 public access easement which shall be separately assignable.

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 Grantors and Grantees using a ratio based upon the relative value of the development rights and conservation restrictions, and the value of the fee interest in the Protected Property, as determined by a qualified appraisal performed at the direction of either Grantors or Grantees in the year of this conveyance. Grantees shall use any such proceeds to preserve undeveloped and open space land in order to protect the aesthetic, cultural, educational, scientific, 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, Grantors 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. Grantors shall also notify Grantees of the name(s) and address(es) of Grantors' 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 East Montpelier 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 "Grantors" includes the heirs, executors, administrators, successors, and assigns of the original Grantors, E. Christopher Pratt, Peter W. Pratt, and Vera C. Pratt. The term "Grantees" includes the respective successors and assigns of the original Grantees, VLT and VHCB. The term "family" includes: (a) any spouse of Grantors and any persons related to Grantors 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 Grantors or Grantors' family (as defined herein), (c) any estate of Grantors or Grantors' 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. Grantors 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. Grantors warrant that Grantors have no actual knowledge of a release or threatened release of hazardous substances or wastes on the Protected Property.

12. Grantors 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 Grantors as owners or operators of the premises, or those of Grantors' agents.

13. If any Grantee takes legal title to Grantors' 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. Invalidation of any provision hereof shall not affect any other provision of this Grant.

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

TO HAVE AND TO HOLD said granted development rights, 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 successors and assigns, to their own use and behoof forever, and the said Grantors, E. CHRISTOPHER PRATT, PETER W. PRATT and VERA C. PRATT, for themselves, and their respective heirs, executors, administrators, successors and assigns, do covenant with the said Grantees, their successors and assigns, that until the ensembling of these presents, are free from every encumbrance, except easements and use restrictions of record as set forth in Schedule B attached hereto and incorporated herein, and they hereby engage to warrant and defend the same against all lawful claims whatever.

IN WITNESS WHEREOF, they have set their hands and seals this 8th day of October, 2004.

Signed, sealed and delivered
In The Presence Of:

GRANTORS

Richard J. Burton
Witness as to all
Burton

E. Christopher Pratt
E. Christopher Pratt

E. Christopher Pratt
as attorney in fact for Peter W. Pratt
E. Christopher Pratt as attorney-in
Fact-for Peter W. Pratt

E. Christopher Pratt as attorney-in
fact for Vera C. Pratt
E. Christopher Pratt as attorney-in-
fact for Vera C. Pratt

STATE OF VERMONT
WASHINGTON COUNTY, ss.

At Montpelier, this 8 day of October, 2004, E. Christopher Pratt personally appeared and in his individual capacity and as attorney-in-fact for Peter W. Pratt and Vera C. Pratt he acknowledged this instrument, by him sealed and subscribed, to be his free act and deed, both, before me.

Richard J. Burton
Notary Public
My commission expires: 2/10/07

Approved by the VERMONT HOUSING AND CONSERVATION BOARD:

10/07/04
Date

By: [Signature]
Its Duly Authorized Agent

ACKNOWLEDGMENT OF ARBITRATION

We understand that Section VI of this instrument contains an agreement to arbitrate. After signing this document we understand that we will not be able to bring a lawsuit concerning any dispute that may arise which is covered by the arbitration agreement set forth in Section VI, unless it involves a question of constitutional or civil rights. Instead, we agree to submit any such dispute to an impartial arbitrator. We understand that the arbitration provisions of this instrument are limited exclusively to matters set forth in said Section VI.

E. Christopher Pratt
Owner Dated: 10/8/04

E. Christopher Pratt
as attorney in fact for Robert Pratt
Owner Dated: 10/8/04

E. Christopher Pratt
as attorney in fact for Vera C. Pratt
Owner Dated: 10/8/04

[Signature]
Holder Dated: 10/8/04

[Signature]
Holder Dated: 10/8/04

Vermont Property Transfer Tax 32 V.S.A. Chap. 231
- ACKNOWLEDGEMENT -
Return Rec'd - Tax Paid Board of Health Cert. Rec'd -
Vt. Land Use & Development Plans Act. Cert. Rec'd.
Return No. _____
Signed [Signature] Clerk
Date 11 October 04

WINDHAM TOWN CLERK'S OFFICE
RECEIVED FOR RECORD
11th DAY OF October A.D. 2004
10 O'CLOCK 46 MINUTES A.M.
RECORDED IN LAND RECORDS, BOOK 87 PAGE 2-16
Attest [Signature] TOWN CLERK

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SCHEDULE A
PROTECTED PROPERTY

Being all and the same land and premises conveyed to E. Christopher Pratt, Peter W. Pratt and Vera C. Pratt by the following deeds of Jan C. and Glenda J. Otto dated April 6, 1992:

Parcel 1, as recorded at Book 47 page 387-8 and being all and the same lands conveyed to Otto and Otto by warranty deed of Cherry Hill Farms, dated December 28, 1978 and recorded at Book 29 page 190, the "Cherry Hill Farms" parcel said to be 300 acres, plus or minus. Excepting, however, the following: 3.56 acres conveyed to Charles Karparis as recorded at Book 54 p 386-8 and shown at Map Slide 26; and 1.71 acres conveyed to Frank and Patricia Carriveau as recorded at Book 50 p. 163-5 and shown at Map Slide 50.

Parcel 2, as recorded at Book 47 page 393-4, and being all and the same lands as were conveyed to Jan C. and Susan Otto by warranty deed of Hall Farms of Vermont dated January 11, 1979 and recorded at Book 29 Page 210, the "Hall Farms of Vermont" parcel of 37.8 acres, plus or minus.

Parcel 3, as recorded at Book 47 page 389-90, and being all and the same lands conveyed to Otto and Otto by warranty deed of Earnest D. Massucco dated July 12, 1979 and recorded at Book 29 Page 253, the "Massucco" parcel said to be .5 acre, plus or minus.

Parcel 4, as recorded at Book 47 page 395-6 and being all and the same lands conveyed to Otto and Otto by warranty deed of Cherry Hill Farms dated September 3, 1979 and recorded at Book 29 Page 266.

Parcel 5, as recorded at Book 47 page 391-2, Parcel 5 and being all and the same lands conveyed to Otto & Otto by warranty deed of Arthur J. Cunningham and Arlene N. Cunningham dated October 17, 1979 and recorded at Book 29 page 287, the "Cunningham" parcel, said to be 7 acres, plus or minus.

Parcel 6, as recorded at Book 47 page 385-6 and being all and the same lands conveyed to Jan C. and Glenda J. Otto by warranty deed of Jasper W. and Judy V. Covey dated April 29, 1983 and recorded at Book 32 Page 88, the "Covey" parcel, said to be 130 acres. Excepting, however, 10.9 acres conveyed to G. Mark and Susan Catlin by deed recorded at Book 62 p 54-5 and shown at Map Slide 67.

Parcel 7, as recorded at Book 47 page 383-4, being all and the same lands conveyed to Jan C. and Glenda J. Otto by warranty deed of Carol E., Jr. and Helen B. Witham dated January 27, 1984 and recorded at Book 32 Page 273-274, the "Witham" parcel said to be 37 acres, plus or minus.

Parcel 8, as recorded at Book 47 page 381-2, and being all and the same lands conveyed to Jan Otto and Glenda Otto by warranty deed of Hall Farms of Vermont dated January 31, 1984 and recorded at Book 32 page 275, another "Hall Farms of Vermont" parcel, this one of 113.79 acres, plus or minus. Excepting, however, the following: 7 acres conveyed to Michael and Pamela Heffernan as recorded at Book 56 p 175-8 and shown at Map Slide 35; and 8.3 acres conveyed to Alex Brown and Clark Jordan as recorded at Book 57 p 472 and shown at Map Slide 43.

Futher excepted and excluded from this description is a non-contiguous 7.6 acres, more or less, parcel of land owned by Grantors, shown as Lot 6 on Map Slide 43.

Meaning and intending to include in this description of the Protected Property all of the land with the buildings and improvements thereon lying easterly of Brazier Road (TH#50) and westerly of Town Hill Road (TH#2) and Cherry Tree Hill Road (TH#46), in the Town of East Montpelier, Vermont, **except as excluded above**, and generally described as containing 481 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 Grantors 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 – Pratt Property, Town of East Montpelier, Washington Co., VT, October 2004" signed by the

Grantors and VLT (referred to throughout this Grant and its Schedules as "Pratt Conservation Plan").

The Pratt Conservation 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 Pratt Conservation Plan and any metes and bounds descriptions herein are intended solely for the use of the Grantors 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 Pratt Conservation Plan is kept by VLT in its Stewardship Office. **The Pratt Conservation Plan is not a survey and must not be used as a survey or for any conveyance or subdivision of the land depicted thereon.**

Grantors 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 Grantors 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
ENCUMBRANCES

The Protected Property may be subject to the following easements and use restrictions of record in the East Montpelier Land Records:

1. Rights of the public and others entitled thereto to use that portion of the Protected Property lying within the boundaries of roads maintained by one or more of the town, state or federal jurisdictions for all purposes commonly used for roads in the State of Vermont.
2. Rights of the public to use waterways and bodies of water as implied by the Public Trust Doctrine.
3. The Protected Property is subject to a continuing Agricultural Land, Forest Land, Conservation Land and Farm Building Land Use Value agreement. This was most recently recorded as executed on April 15, 2000 and applying to 479.48 acres. This apparently confirmed and continued prior such agreements.
4. The Protected Property is subject to the following rights of way granted by E. Christopher Pratt et al.:
 - a. to Washington Electric Co-op dated April 14, 1998 and recorded at Book 62 page 178;
 - b. to New England Tel. And Tel dated Jan. 29, 1993 and recorded at Book 50 page 275;
 - c. to Alex Brown and Clark Jordan to access Mallory Brook as recorded at Book 57 p. 472-6; and
5. It is currently believed that the following would specifically apply to the Protected Property:
 - c. The building restriction created in the deed of Hall Farms to Cover dated September 16, 1976 and recorded at Book 25 Page 369, which would not be visible on the ground;
 - d. The pedestrian access to Mallory Brook granted in the deed of Pratt et al. to Brown et al. dated May 14, 1996 and recorded at Book 57 Pages 472-473.
6. The following East Montpelier Zoning Permits granted to Chris Pratt apply to the Protected Property: #62-99 dated July 1, 1999 and recorded at Permit 1 p 86 for the addition of a screened porch to a dwelling at 386 Johnson Road; and #114-03 dated Sept 11, 2003 and recorded at Permit 1 p 517 for the construction of a garage/shop at 386 Johnson Road.
7. Water rights set forth in the Warranty Deed of Austin S. Foster to Harry Daniels, George Daniels and H. N. Wheelock, dated July 25, 1898 and recorded in Book 8 at page 72 of the East Montpelier Land Records.

8. Water rights set forth in the Warranty Deed of Earl C. Daniels to Harry Daniels and Iva M. Daniels, dated March 25, 1944 and recorded in Book 17 at page 65 of the East Montpelier Land Records.

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**SCHEDULE C
HOMESTEAD COMPLEX**

The "Homestead Complex" referred to in Section III(6) of this Grant contains 15 acres, more or less, located on the northerly side of Stevens Road (TH#45), and is more particularly described as follows, all bearings are referenced to "Grid North":

Beginning at a point on the northerly edge of the Stevens Road right of way, assumed 3 rods wide, said point being South 62° East 210 feet, more or less, from the southeasterly corner of land now or formerly of G. Mark Catlin and Susan H. Catlin; thence proceeding North 39° East 165 feet, more or less, across the Protected Property; thence turning and proceeding South 58° East 365 feet, more or less, across the Protected Property; thence turning and proceeding South 26° West 175 feet, more or less, across the Protected Property to a point on the northerly edge of the Stevens Road right of way; thence turning and proceeding North 50° West 145 feet, more or less, along the northerly edge of the Stevens Road right of way; thence proceeding North 60° West 260 feet, more or less, along the northerly edge of the Stevens Road right of way to the point of beginning.