

GALBREATH PARCEL AGRICULTURAL LEASE

This lease is entered into the _____ day of May, 2011, between the TOWN OF CHARLOTTE, Vermont (hereinafter referred to as “Town”) and CLARK HINSDALE, III, MANAGING PARTNER, NORDIC HOLSTEINS, LLC, a Vermont limited liability company with its principal place of business in Charlotte, Vermont (hereinafter referred to as “Lessee”).

Description of the Leased Premises. The Town hereby leases to the Lessee to occupy and use for agricultural purposes only the following described property located in Charlotte, Vermont: Being nine (9) acres of land, more or less, situated between US Route 7 and Church Hill Road in the Town of Charlotte. The leased agricultural property (“Leased Premises”) is specifically depicted on a map entitled “Map of Farm 1712, Tract 1929, Operator: Nordic Farms, Owner: Town of Charlotte, Town of Charlotte, Chittenden County” prepared by the Farm Service Agency, dated March 8, 2011 (the “Map”), a copy of which is attached hereto and incorporated herein. A portion of the parcel along Church Hill Road to be used as a picnic area (“Picnic Area”), as described below, is included in the Leased Premises.

- 1. Term of the Lease.** The term of the lease shall be five (5) growing seasons beginning upon signing of this Lease to December 31, 2015.
- 2. Optional Renewal Provision.** The parties shall have the option of renewing the lease for an additional five-year period. Renewal shall occur only upon Lessee’s delivery to Town by July 1, 2015 of a written request to renew the lease for the additional period, and upon said delivery, of the Landlord’ acceptance of the Lessee’s renewal request. Landlord shall have until October 1, 2015 to provide written notice of its acceptance or rejection of Lessee’s renewal request. If Lessee fails to deliver such renewal request, the lease shall terminate at the end of the initial term; conversely, if Town fails to notify Lessee in writing of its decision, the lease shall automatically renew for the additional five-year period. The Landlord reserves the right to not renew the lease for any reason.
- 3. Payment of Rent.** The Town will be compensated annually at a rate of \$30 per acre for land that is extensively farmed and \$50 per acre for land that is intensively farmed¹. On or before April 1 of each year the Town and Lessee shall complete and sign a farm use summary sheet for that year identifying the prospective use and lease payment by agricultural unit, and the anticipated value of field remediation and work-in-kind to be performed, if any, by the Lessee. Fifty percent (50%) of the anticipated lease payment due to the Town will be paid by July 1st of each year, and fifty percent (50%) of the lease payment due to the Town will be paid by November 1st of each year. The November 1st payment will be adjusted based on the actual work-in-kind performed, as approved by the Selectboard.
- 4. Damage Deposit.** Prior to initiating any use of or work on the Leased Premises, Lessee shall deliver to Town a security and damage deposit of \$500. The deposit will be a credit against the final lease payment of the lease term.
- 5. Use and Care of Leased Premises.** The Lessee shall have the right to use the Leased Premises for agricultural purposes consistent with accepted agricultural practices as defined by the Vermont Commissioner of Agriculture, with federal, state and local laws and ordinances governing the conduct of agricultural operations, and in accordance with the terms and provisions of the Grant of Development Rights and Conservation Restrictions by and between the Vermont Land Trust, Inc., and the Champlain Valley Greenbelt Alliance, Inc. dated November 14, 2002 and recorded in Volume 132, Page 309 of the Charlotte Land Records, each as may be amended from time to time, which are incorporated into this Lease by reference as if set forth in full (the “Governing Documents”). The Lessee shall maintain the property in good and orderly condition, and return the premises to the Town at the expiration of this lease in a manner consistent with

¹ “Extensive” refers to hay crops. “Intensive” refers to higher value row crops, such as vegetables and fruits. Corn is not allowed to be grown on this parcel.

all provisions contained herein. Damages and/or losses beyond the Lessee's control shall not be held against the Lessee.

6. Crops

Notwithstanding the foregoing, the Lessee shall only grow crops to be used for hay, or, with prior approval of the Selectboard, low growing row crops. Corn shall not be grown on this parcel.

7. Picnic Area. An area measuring 15 feet wide (measured from the edge of vegetation along Church Hill Road toward the interior of the parcel) by 25 feet long (along the frontage on Church Hill Road) will be kept available for public picnicking. The area will be seeded by the Lessee to a grass or grass and legume mixture. The Town will be responsible for mowing this area. The spreading of manure and fertilizers will be restricted from this area after the initial seeding, unless authorized by the Selectboard. The use of herbicides and pesticides will be restricted entirely from this area.

8. Herbicide, Pesticide and Fertilizer Use. A Nutrient Management Plan will be written by the Lessee. It is expected that at a minimum the plan will meet all Natural Resources Conservation Service (NRCS) criteria for water quality and soil erosion. The use of herbicides and other pesticides will be kept to a minimum. Appropriate safety measures will be taken when using herbicides/pesticides, including signage to warn neighbors and picnickers of pesticide use and marking areas they should not enter. The Lessee shall keep records of the dates, acreage, and rates of application, and shall submit such records to the Selectboard annually.

9. Cancellation. The Town reserves the right to cancel this lease for nonpayment of rent on or after November 2nd of each year if rent is not current. The Town may also cancel this lease if, after providing thirty (30) days written notice to cure, Lessee remains in violation of one or more conditions of this Lease or the Governing Documents. Death, bankruptcy or incapacity of the Lessee shall terminate this lease with incapacity determined at the sole judgment of the Charlotte Selectboard.

10. Maintenance of Fences. The Lessee shall be solely responsible for the maintenance of any fences on the property used to contain livestock. To assure public safety and the coordination of recreational uses, agricultural uses, and park maintenance, the location of fencing and gates will be approved by the Selectboard in advance of installation. Animals will be fenced out of surface waters and riparian buffers. Warning signs will be posted on electric fence.

11. Rights of Town to Use and Occupy Leased Premises. The Town, by its authorized representatives, may enter the leased premises at any reasonable time without notice or compensation to the Lessee to inspect the premises, to perform maintenance upon the premises, and to conduct soils analysis, engineering studies, etc. which the Town at its sole discretion may deem appropriate.

12. Hunting. No hunting is permitted without prior approval of the Charlotte Selectboard.

13. Assignment and Sublease. Lessee shall not assign this lease or sublet any portion of the premises without the Town's prior written consent.

14. Liability Insurance. Lessee shall maintain at Lessee's sole expense during the term of this lease, comprehensive general liability insurance with a minimum liability with respect to bodily injury of \$1,000,000, per occurrence, for each person and \$1,000,000, per occurrence, with respect to property damage. Said policy shall name the Town as an additional insured, shall be issued by a company licensed to do business in Vermont and shall provide at least ten (10) days written notice to Town before cancellation or material changes become effective. A Certificate of Insurance shall be provided to the Town on an annual basis prior to initiating any use of or work on the Leased Premises.

15. Other Provisions

- a. Lessee has reviewed premises and accepts them in "as is" condition.

- b. Lessee accepts risk of theft or loss of all personal property and livestock kept on the premises.
- c. Lessee agrees to indemnify Town against all claims relating to damages to persons or property by reason of Lessee’s use or occupancy of the premises or arising from the acts of Lessee’s employees, guests, agents, independent contractors or business invitees.
- d. This lease and the activities of the Lessee and the Town shall be governed by the laws of the State of Vermont.
- e. Lessee shall not, without written consent of the Selectboard, cultivate portions of the Leased Premises which have not been previously cultivated.
- f. This lease and the attachments hereto represents the entire agreement between the parties and may not be modified, amended or supplemented except by an instrument in writing signed by both parties hereto.
- g. This lease shall be binding upon and inure to the benefit of the parties hereto and upon their respective successors, heirs, administrators and assigns.

In Witness Whereof, the parties have signed this lease:

Chair, Selectboard Date

Lessee Date

**State of Vermont
Chittenden County**

At _____, this ____ day of _____, 2011,
_____ personally appeared, and he/she acknowledged this instrument, by him/her sealed and subscribed, to be his/her free act and deed.

Before me, _____
Notary Public
My Commission Expires ____2/10/11

**State of Vermont
Chittenden County**

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2011, _____ personally appeared, and he/she acknowledged this instrument, by him/her sealed and subscribed, to be his/her free act and deed.

Before me, _____
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My Commission Expires ____2/10/11