

**CHARLOTTE PARK AND WILDLIFE REFUGE
AGRICULTURAL LEASE**

This lease is entered into the 20th day of April, 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 125 acres of land, more or less, located in the Charlotte Park and Wildlife Refuge (the "Park"), situated between US Route 7 and Greenbush Road in the Town of Charlotte. The leased agricultural property ("Leased Premises") is specifically depicted as Units A, B, C, E, F, G, H, I, J, K, L, M, N, and the Town of Charlotte Scenic Overlook on the map entitled "Charlotte Park and Wildlife Refuge Management Units", Exhibit 1 in the Charlotte Park and Wildlife Refuge Comprehensive Management Plan, dated June, 1999 (the "Map"), a copy of which is attached hereto and incorporated herein.

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. Upon said delivery, 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.
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 \$1,000. 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 property 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 following documents: (1) Charlotte Park and Wildlife Refuge Comprehensive Management Plan, dated June, 1999; (2) the Ordinance Regulating Conduct in Charlotte Park and Wildlife Refuge, dated July 1998; (3) the Management Agreement by and between Demeter Fund, Inc. and the Town of Charlotte, dated July 10, 1999; and (4) the Grant of Development Rights and Conservation Restrictions by and between the Demeter Fund, Inc., Vermont Land Trust, Inc., and the Vermont Housing

¹ "Extensive" refers to farming in which large areas of land are used with minimum outlay and labor, for example pasture, hay, field corn and grains. This will also include land dedicated to grassland bird habitat. "Intensive" refers to land cultivation designed to increase the productivity of a given area by the expenditure of more capital and labor upon it. This will include vegetables and fruits.

and Conservation Board dated June 23, 1998 and recorded in Volume 99, Page 510 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"). Additionally, the Lessee will abide by the Management Framework in Attachment A to this Lease, which is incorporated into this Lease. 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 all provisions contained herein. Damages and/or losses beyond the Lessee's control shall not be held against the Lessee.

6. **Herbicide, Pesticide and Fertilizer Use.** A Nutrient Management Plan will be written by the Lessee in collaboration with the Charlotte Park and Wildlife Refuge Oversight Committee (the "Oversight Committee"). 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 consistent with the terms and provisions of the above-referenced Comprehensive Management Plan. Appropriate safety measures will be taken when using herbicides/pesticides, including signage to warn park visitors 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 Oversight Committee annually.
7. **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.
8. **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 Oversight Committee in advance of installation. Animals will be fenced out of surface waters and riparian buffers. Warning signs will be posted on electric fence.
9. **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.
10. **Hunting.** No hunting is permitted without prior approval of the Charlotte Selectboard, pursuant to the terms and provisions of the Ordinance Regulating Conduct in Charlotte Park and Wildlife Refuge.
11. **Assignment and Sublease.** Lessee shall not assign this lease or sublet any portion of the premises without the Town's prior written consent.
12. **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.
13. **LWCF Grant Restrictions.** The "Scenic Overlook," which is included in the Leased Premises, was purchased in 1973 with the assistance of a grant from the Land and Water Conservation Fund (LWCF Project #50-00174), managed by the Bureau of Outdoor Recreation, U.S. Department of Interior. This grant included a requirement that recreational uses must be allowed on the Scenic Overlook. Any requirements associated

with the grant, as mandated by the State of Vermont or the U.S. Department of Interior - will be adhered to, even if such requirements restrict the agricultural use of this area, and such restrictions will not be considered a default on this lease.

14. 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. Agricultural operations will not significantly interfere with recreational activities in the Park, and shall be carried out in a way that avoids damage to trails, overlook areas, structures, and other improvements made to the property by the Town. Lessee shall repair damage to trails or other Town property within the Park caused by farming activities.
- d. 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.
- e. This lease and the activities of the Lessee and the Town shall be governed by the laws of the State of Vermont.
- f. Lessee shall not, without written consent of the Town, cultivate portions of the Leased Premises which have not been previously cultivated.
- g. 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.
- h. This lease shall be binding upon and inure to the benefit of the parties hereto and upon their respective successors, heirs, administrators and assigns.

14. Agricultural Activities. Lessee agrees to conduct agricultural operations on the Leased Premises in a manner consistent with the multiple management objectives of the Park, described within the above-referenced Comprehensive Management Plan, for recreation and wildlife uses as well as for agriculture. Lessee's agricultural activities and practices shall be consistent with the terms and provisions of the Governing Documents and will be planned collaboratively with the Oversight Committee. The management framework and specific implementation requirements for this lease are identified in Attachment A.

In Witness Whereof, the parties have signed this lease:

[Signature] 4/13/2011
Chair, Selectboard /Date

Clark W. Hinsdale III 4/20/2011
Lessee /Date

State of Vermont
Chittenden County

At Charlotte, this 13 day of April, 2011,
CHARLES RUSSELL personally appeared, and he/she acknowledged this instrument, by him/her sealed and subscribed, to be his/her free act and deed.

Before me, [Signature]
Notary Public
My Commission Expires 2/10/15

State of Vermont
Chittenden County

At Charlotte, this 20 day of April,
2011, CLARK W. HINSDALE III personally appeared, and he/she acknowledged this instrument, by him/her sealed and subscribed, to be his/her free act and deed.

Before me, [Signature]
Notary Public
My Commission Expires 2/10/15

Attachment A

A Management Framework for the Charlotte Park and Wildlife Refuge Agricultural Lease

This attachment is incorporated into the Charlotte Park and Wildlife Refuge Agricultural Lease. It provides a management framework for the lease; as such, it is intended to provide information, goals, action steps, and other elements to facilitate the coordination and management of the Leased Premises. It is also intended to be somewhat flexible in order to respond to circumstances specific to the agricultural lease at the Park, some of which may develop over time.

Background

“The purpose of the Charlotte Park and Wildlife Refuge (the "Park") is (1) to preserve the Park lands in their undeveloped state, protecting the scenic vistas, biodiversity, and natural beauty of the Property, and continuing some historic agricultural uses as appropriate, and (2) to provide the residents of Charlotte and the general public with opportunities for aesthetic enjoyment, passive outdoor recreation, and the study of nature.” (*Charlotte Park and Wildlife Refuge Comprehensive Management Plan, June, 1999*)

The Town of Charlotte received a “Proposal for Partnership” dated October 14, 2010 from Clark Hinsdale III, Managing Partner, Nordic Holsteins, LLC, for use of Units A, B, C, E, F, G, H, I, J, K, L, M, N, and the Town of Charlotte Scenic Overlook for agricultural purposes for the development of a “Community Farm” in and around the Charlotte Park and Wildlife Refuge. The proposal was accepted by the Selectboard on October 25, 2010.

The 1999 Park Management Plan identifies the units identified above as suitable for agriculture, however, specific agricultural practices are recommended in the Plan for different units due to soil type, slope of the land and drainage on the property. In addition, the multiple purposes of the Park require ongoing cooperation between the Town and the farmer(s) using the land to assure protection of natural areas, scenic vistas and trails, and to facilitate coordination of land management activities.

Management Goals

The Town and the Lessee have a mutual goal of developing a plan for the agricultural use of the Leased Premises that incorporates the principles and practices associated with “sustainability.” The development of such a plan will necessitate the Lessee and the Oversight Committee working together during the first year of the lease term, and possibly longer, to identify short and long term goals.

The Oversight Committee and Selectboard recognize that the Lessee has an interest in using the Leased Premises during the period when the above-described plan is being developed.

Therefore, the goals for the first year of the lease for the agricultural use of the Park are:

1. For the Lessee and Oversight Committee to identify: specific short and longer term goals, action steps needed to evaluate and implement the goals, a timeline for the implementation of goals, and assignments of responsibility for evaluating and implementing goals; and
2. Allow agricultural use during the first year of the lease term that does not necessarily implement the vision of sustainable agriculture, but nevertheless, is consistent with the 1999 Park Management Plan.

Potential Short Term Goals and Action Steps:

1. Consult with Northeast Organic Farming Association (NOFA) on the feasibility of transitioning Park land to organic production.
2. Find and designate an appropriate location for the “Honeybee Garden” proposed by Matt Burke (Proposal for agricultural lease at The Charlotte Park and Wildlife Refuge, October 15, 2010).

3. Delineate riparian buffers (using guidance from the Vermont Department of Environmental Conservation), hedgerows, field access points and recreational areas—and determine Town's and/or Lessee's responsibility for maintaining these areas.
4. Explore options for management of erosion-prone agricultural fields (specifically Units H and I) and identify suitable crops for these fields that are not identified in the Park Management Plan.
5. Identify fence locations and livestock crossing areas between fields.
6. Consider the establishment of a grassland bird area in the Park. This will include exploring eligibility requirements for government funding for agricultural management that benefits wildlife.
7. Explore measures to increase educational opportunities related to the agricultural use of the Park.
8. Develop detailed cropping plans and a nutrient management plan for the Park agricultural units and the Scenic Overlook.

Coordination between the Lessee and Town Representatives

The Oversight Committee shall designate a contact person for communications between the Lessee and the Oversight Committee regarding issues of concern and to arrange meetings of the Lessee and the Oversight Committee. Meetings between the Lessee and the Oversight Committee will take place no less than two times per year; however, it is anticipated that there will be ongoing communication between the Oversight Committee and the Lessee in order to coordinate agricultural operations with park management.

As the Oversight Committee and Lessee develop a plan for sustainable agricultural use of the Park, they should jointly inform the Selectboard of the plan, however, the plan does not need formal adoption. Nevertheless, the Oversight Committee and Lessee will keep records of the plan and its implementation, and these records will be consulted when considering renewal of the lease.

EXHIBIT 1

CHARLOTTE PARK AND WILDLIFE REFUGE MANAGEMENT UNITS, 2009

CHARLOTTE TOWN CLERK'S OFFICE RECEIVED FOR RECORD

This 20 day of April A.D. 2011
at 10 o'clock 00 minutes A m and
recorded in vol. 192 on page 556-560
Attest Sharon B. Balaban Town Clerk
asst.

