



STATE OF VERMONT
JOINT FISCAL OFFICE

MEMORANDUM

To: James Reardon, Commissioner of Finance & Management
From: Nathan Lavery, Fiscal Analyst
Date: September 12, 2011
Subject: JFO #2517, #2518, #2519, #2520

No Joint Fiscal Committee member has requested that the following items be held for review:

JFO #2517 — \$5,225,186 grant from the U.S. Federal Emergency Management Agency (FEMA) to the Vermont Agency of Transportation. These funds will be used to provide disaster assistance for damages cause by severe storms and flooding during spring 2011 in Addison, Chittenden, Essex, Franklin, Grand Isle, Lamoille, Orleans, Washington, Caledonia, Essex, and Orange counties.
[JFO received 8/10/11]

JFO #2518 — \$12,642,000 transfer from the University of Vermont to the Vermont Agency of Human Services. These funds will be used to earn federal matching Medicaid funds for Graduate Medical Education. This funding was appropriated to UVM, but must be transferred back to AHS in order to be eligible for federal match.
[JFO received 8/10/11]

JFO #2519 — \$100,000 grant from the U.S. Department of Labor to the Vermont Department of Public Safety. These funds will be used to provide assistance to local fire and emergency medical service organizations for youth emergency service training programs and to develop adult recruitment and retention strategies.
[JFO received 8/10/11]

JFO #2520 — \$80,000 donation from Rolf Kielman and Stephanie Spencer to the Vermont Department of Fish and Wildlife. This amount represents the difference between the \$120,000 market value of the conservation easements and the selling price of \$40,000.
[JFO received 8/10/11]

The Governor's approval may now be considered final. We ask that you inform the Secretary of Administration and your staff of this action.

cc: Brian Searles, Secretary
Doug Racine, Secretary
Keith Flynn, Commissioner
Patrick Berry, Commissioner



STATE OF VERMONT
JOINT FISCAL OFFICE

MEMORANDUM

To: Joint Fiscal Committee Members
From: Nathan Lavery, Fiscal Analyst
Date: August 23, 2011
Subject: Grant Requests

Enclosed please find five (5) items that the Joint Fiscal Office has received from the administration. One limited service position request is included among these items.

JFO #2517 — \$5,225,186 grant from the U.S. Federal Emergency Management Agency (FEMA) to the Vermont Agency of Transportation. These funds will be used to provide disaster assistance for damages cause by severe storms and flooding during spring 2011 in Addison, Chittenden, Essex, Franklin, Grand Isle, Lamoille, Orleans, Washington, Caledonia, Essex, and Orange counties.
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[JFO received 8/10/11]

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[JFO received 8/10/11]

JFO #2521 — Request to establish **one limited service position** in the Department of Environmental Conservation (DEC). This position will be funded through an existing federal grant that was included in DEC's FY12 budget approved by the legislature as part of Act 63. The position is necessary to meet federal data management requirements of the Water Quality Monitoring, Assessment & Planning Program
[JFO received 8/22/11]

Please review the enclosed materials and notify the Joint Fiscal Office (Nathan Lavery at (802) 828-1488; nlavery@leg.state.vt.us) if you have questions or would like an item held for legislative review. Unless we hear from you to the contrary by September 6 we will assume that you agree to consider as final the Governor's acceptance of these requests.

STATE OF VERMONT
GRANT ACCEPTANCE FORM

JFO 2520

GRANT SUMMARY: Title: Spencer / Kielman Land Donation

This is a request for approval of a grant consisting of the difference between the \$120,000.00 market value of conservation easements in Hinesburg, VT and the selling price of \$40,000.00, which is the equivalent of a donation of \$80,000.00. Closing costs are estimated at \$10,000.00. Funding for the cost of \$50,000.00 will come from F&W's Landowner Incentive Program.

DATE: July 26, 2011

DEPARTMENT: Fish and Wildlife (ANR)

GRANT / DONATION: \$80,000.00 reduction from market value towards the purchase of conservation easements.

FEDERAL CATALOG No.: N/A

GRANTOR / DONOR: Spencer / Kielman

AMOUNT / VALUE: \$80,000.00

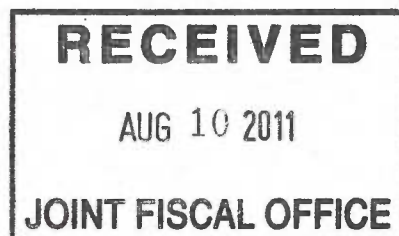
POSITIONS REQUESTED: None

GRANT PERIOD:

COMMENTS: See attachments.

DEPARTMENT OF FINANCE AND MANAGEMENT:
SECRETARY OF ADMINISTRATION
SENT TO JOINT FISCAL OFFICE:

(INITIAL) JMS
(INITIAL) MS 07/29/11
DATE: _____

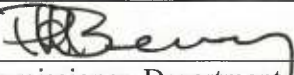

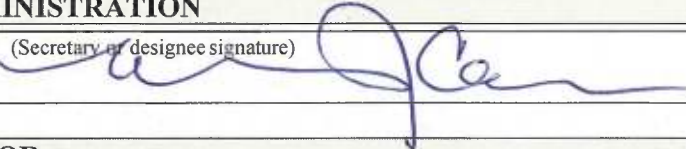



STATE OF VERMONT REQUEST FOR GRANT ACCEPTANCE (Form AA-1)

BASIC GRANT INFORMATION				
1. Agency:	Natural Resources			
2. Department:	Fish and Wildlife			
3. Program:	Land Donation			
4. Legal Title of Grant:				
5. Federal Catalog #:				
6. Grant/Donor Name and Address:	Spencer/Kielman Property, Hinesburg, Vermont			
7. Grant Period:	From:		To:	
8. Purpose of Grant:	Acquisition of two conservation easements totalling approximately 64 acres in Hinesburg, VT. The easements will be held by the F&W Department and will protect public access, habitat for the state-endangered Indiana bat and riparian habitat along the Lewis Creek.			
9. Impact on existing program if grant is not Accepted:	Loss of public access and critical habitat along the Lewis Creek.			
10. BUDGET INFORMATION				
	SFY 1	SFY 2	SFY 3	Comments
Expenditures:	FY 2012	FY	FY	
Personal Services	\$	\$	\$	
Operating Expenses	\$10,000	\$	\$	
Grants	\$120,000	\$	\$	
Total	\$130,000	\$	\$	
Revenues:				
State Funds:	\$	\$	\$	
Cash	\$	\$	\$	
In-Kind	\$80,000	\$	\$	
Federal Funds:	\$	\$	\$	
(Direct Costs)	\$50,000	\$	\$	
(Statewide Indirect)	\$	\$	\$	
(Departmental Indirect)	\$	\$	\$	
Other Funds:	\$	\$	\$	
Grant (source)	\$	\$	\$	
Total	\$130,000	\$	\$	
Appropriation No:	61200000000	Amount:	\$130,000	
			\$	
			\$	
			\$	
			\$	
			\$	
			\$	

REC'D JUL 13 2011

STATE OF VERMONT REQUEST FOR GRANT ACCEPTANCE (Form AA-1)

		Total	\$130,000
PERSONAL SERVICE INFORMATION			
11. Will monies from this grant be used to fund one or more Personal Service Contracts? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes", appointing authority must initial here to indicate intent to follow current competitive bidding process/policy. Appointing Authority Name: _____ Agreed by: _____ (initial)			
12. Limited Service Position Information:	# Positions	Title	
Total Positions			
12a. Equipment and space for these positions:		<input type="checkbox"/> Is presently available.	<input type="checkbox"/> Can be obtained with available funds.
13. AUTHORIZATION AGENCY/DEPARTMENT			
I/we certify that no funds beyond basic application preparation and filing costs have been expended or committed in anticipation of Joint Fiscal Committee approval of this grant, unless previous notification was made on Form AA-1PN (if applicable):	Signature: 		Date: 7/5/11
	Title: Commissioner, Department of Fish and Wildlife		
	Signature: 		Date: 7/7/11
	Title: ANR Secretary		
14. SECRETARY OF ADMINISTRATION			
<input checked="" type="checkbox"/> Approved:	(Secretary or designee signature) 		Date: 07/29/11
15. ACTION BY GOVERNOR			
<input checked="" type="checkbox"/> Accepted			
<input type="checkbox"/> Rejected	(Governor's signature) 		Date: 8/3/11
16. DOCUMENTATION REQUIRED			
Required GRANT Documentation			
<input type="checkbox"/> Request Memo	<input type="checkbox"/> Dept. project approval (if applicable)	<input type="checkbox"/> Notice of Donation (if any)	<input type="checkbox"/> Grant (Project) Timeline (if applicable)
<input type="checkbox"/> Notice of Award	<input type="checkbox"/> Grant Agreement	<input type="checkbox"/> Request for Extension (if applicable)	<input type="checkbox"/> Form AA-1PN attached (if applicable)
<input type="checkbox"/> Grant Budget			
End Form AA-1			

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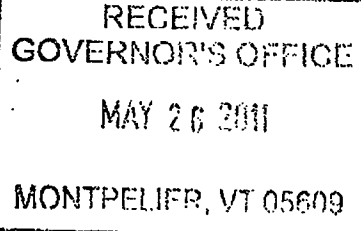
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Fish and Wildlife Department
Barre District Natural Resources Office
5 Perry Street, Suite 40
Barre, VT 05641
www.vtfishandwildlife.com

[phone] 802-479-4405
[fax] 802-476-0129

Agency of Natural Resources

MEMORANDUM



To: Beth Robinson
From: Jane Lazorchak
Date: May 9, 2011
RE: Governor's Approval Needed for a Conservation Easement Purchase in the Town of Hinesburg.

Enclosed is an approval to be signed by Governor Shumlin for the purchase of a conservation easement by the State of Vermont. The conservation easement will be held by the Fish and Wildlife Department. This easement acquisition is in the Town of Hinesburg and is owned by Rolf Kielman and Stephanie Spencer. Total costs for this conservation easement project are approximately \$50,000.

Funding for this acquisition will come from Landowner Incentive Program funds provided to the Department from the U.S. fish and Wildlife Service for the protection of at-risk species and state-significant natural communities. Included with the Governor's approval memo are a map of the property, a copy of the conservation easement, a copy of the review and approval by the Agency Land Acquisition Review Committee and a copy of a letter signed by the Chair of the Hinesburg Select Board stating town support for the state acquisition of this easement.

If you have any questions regarding this easement project, please contact me directly at 479-4405 or at jane.lazorchak@state.vt.us, thank you.

cc: Patrick Berry, Commissioner
John M. Austin, Habitat Section Supervisor



Department of Fish and Wildlife
Commissioner's Office
103 South Main Street
10 South
Waterbury, VT 05671-0501
802-241-3730

TO: Peter Shumlin, Governor DM

THROUGH: Deb Markowitz, Secretary, Agency of Natural Resources

FROM: Patrick Berry, Commissioner, Department of Fish and Wildlife PB

SUBJECT: Fish and Wildlife Department, Conservation Easement, Rolf Kielman and Stephanie Spencer's Property, Hinesburg, VT

Recommendation That you approve the acquisition of two conservation easements totaling approximately 64 acres by the of Fish and Wildlife Department protecting public access, habitat for the state-endangered Indiana bat and riparian habitat along Lewis Creek.

Description of Project

The Lewis Creek Corridor is a conservation priority for a number of regional and statewide organizations and state program as Lewis Creek is a significant aquatic resource in the state. This reach, in particular, is largely forested which also provides tremendous diversity in upland and wetland habitat. Of the utmost importance to the Fish and Wildlife Department (FWD) is the habitat which it provides for the federally endangered Indiana bat. During the colder months in Vermont, from November through April, these bats hibernate in caves and mines. In spring, they migrate from their hibernacula to their summer range, where they are active at night and roost during the day under the exfoliating bark of dead and dying trees or live shagbark hickories.

During the summer of 2008, biologists trapped two reproductive Indiana bats on Lewis Creek Road, directly across the street from the property the FWD is working to conserve now. These bats were then tracked to a large dead elm next to the road. When biologists revisited this tree at dusk and watched the bats leaving their maternity roost, they counted over 300 Indiana bats! That makes this maternity roost tree the largest known Indiana bat maternity colony ever found in Vermont! As such, the FWD began to conduct outreach to landowners in the area. It is in this way that we developed this conservation easement project with Stephanie Spencer and Rolf Kielman to protect a total of 64 acres of their 94 acre property.

The FWD is working with the landowners to purchase two conservation easements. The property was bought at two different times and is maintained as two separate, adjoining parcels. The attached map (Exhibit 1) illustrated the larger ownership and what will be covered by the two easements. The easements were drafted to protect the Indiana bat

habitat on the property as well as additional significant natural resources across the property. In addition to protecting the natural resources, the easement will also protect public access for all wildlife-based activities. The FWD maintains a parking lot on the other side of the Creek here where the public will be able to park. A draft easement is also attached as Exhibit 2.

Need and Cost

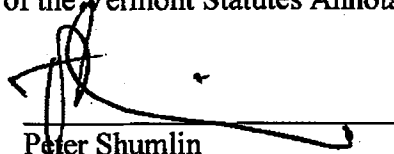
The Fish and Wildlife Department is acquiring the easements to provide permanent protection of public access for hunting, trapping, wildlife viewing, other wildlife dependent activities and conservation of significant wildlife habitat including the Indiana bat habitat. The estimate set for the total project costs across both parcels is \$50,000 which will cover the purchase of the easements and the associated costs. Funding for this acquisition will come from the Fish and Wildlife Department's Landowner Incentive Program (\$50,000).

Your approval of this acquisition is required by 10 V.S.A. §4144, which states in part "the secretary, with approval of the governor, may exchange, sell or lease lands under the secretary's jurisdiction when, in his or her judgment, it is advantageous to the state to do so ..." This project has already been reviewed and approved by the Agency's Land Acquisition Review Committee at their meeting in December, 2008 and by the ANR Secretary on March 9, 2009 (See Exhibit 3). In addition, Department staff met with the town of Hinesburg on April 18, 2011. As documented in Exhibit 4, the town of Hinesburg supports the Department purchasing this easement.

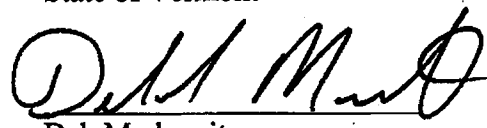
APPROVAL FOR GRANTING OF AN EASEMENT

We the undersigned, hereby approve the granting of the attached conservation easement to the Agency of Natural Resources, Department of Fish and Wildlife to protect public access and the natural resources on the 194 acres belonging to the Jason Bacon in Bristol, VT. This approval is required by 10 V.S.A. §4144 of the Vermont Statutes Annotated.

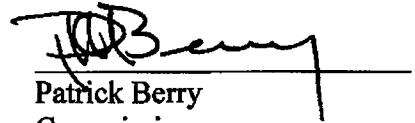
5/31/11
Date


Peter Shumlin
Governor
State of Vermont

5.24.11
Date


Deb Markowitz
Secretary
Agency of Natural Resources

5/18/11
Date


Patrick Berry
Commissioner
Fish and Wildlife Department



Town of Hinesburg
10632 Route 116
Hinesburg, Vermont 05461

Ms. Jane Lazorchak
Department of Fish and Wildlife
5 Perry Street, Suite 40
Barre, VT 05461

April 18, 2011

Re: Conservation easement in Hinesburg


Dear Ms Lazorchak:

The Hinesburg Selectboard is pleased to offer its full support of the Department of Fish and Wildlife's (DFW) involvement in the purchase of a conservation easement on Stephanie Spencer and Rolf Kielman's property in the Town of Hinesburg along Lewis Creek.

Conservation of lands along Lewis Creek is consistent with section 4.3 (Surface Waters) of the Town Plan, and helps further several goals and objectives related to protection of the town's surface water resources and the creation of a greenway network. This conservation easement will also protect portions of the flood hazard and fluvial erosion hazard areas along Lewis Creek; thereby, minimizing costs and property loss related to episodic flood damage and river realignment (see section 4.6, Town Plan). Furthermore, this conservation project will help protect critical wildlife habitat for an endangered species (Indiana Bat), which is discussed in section 4.7 of the Town Plan. Conservation easements are specifically mentioned along these lines in section 4.7.1b of the Town Plan, which says, "Protect areas of sufficient size and character to support continued preservation of critical wildlife habitat and hunting through mechanisms like landowner covenants, conservation easements, etc.

Thank you for meeting with us.

Sincerely,



Jon Trefry, Chair of the Hinesburg Selectboard

Cc: Stephanie Spencer and Rolf Kielman

**Self-Contained
Conservation Easement Appraisal**

of the

**94± acre
Spencer/Kielman
Property**

**located at 166 Fox Meadows
Hinesburg, Vermont**

Client:

Jane Lazorchak, LIP Coordinator
c/o State of Vermont Agency of Natural Resources
Fish and Wildlife Department
5 Perry Street, Suite 40
Barre, VT 05641

Owners:

Rolf Kielman and Stephanie B. Spencer
166 Fox Meadows
Hinesburg, VT 05461

Appraiser:

Justus J. DeVries, Jr.
726 Mountain Road
Bristol, VT 05443

Effective Date:

January 19, 2011

JUSTUS J. DeVRIES, JR.
INCORPORATED
726 MOUNTAIN ROAD
BRISTOL, VT 05443
802-388-9040 OFFICE
802-388-0950 FAX
jjdinc@together.net E-MAIL

LETTER OF TRANSMITTAL

March 4, 2011

Jane Lazorchak, LIP Coordinator
c/o State of Vermont Agency of Natural Resources
Fish and Wildlife Department
5 Perry Street, Suite 40
Barre, VT 05641

Re: Self-Contained Conservation Easement Appraisal of the 94± acre Spencer/Kielman Property
located at 166 Fox Meadows, Hinesburg, Vermont
Contract #06120-18751

Dear Jane:

Enclosed please find an original of the above referenced self-contained conservation easement appraisal with fee simple surface rights only. The subject property consists of 94± acres of land and a single family dwelling located on Fox Meadows in Hinesburg, Vermont.

The purpose of the appraisal is to provide an opinion of market value of the entire subject property, both before and after the implementation of a permanent conservation easement in favor of the State of Vermont, Agency of Natural Resources, Department of Fish and Wildlife. 64± acres will be encumbered by the easement. The net difference of the "Before" acquisition valuation and the "After" acquisition valuation sections will measure the impact of the conservation easement on the value of the subject property.

The performance of this analysis was made in accordance with standards and specifications outlined by the USPAP and UASFLA. The effective date of the appraisal is January 19, 2011, the date of inspection. Stephanie Spencer was present at the inspection.

I submit the following self-contained appraisal report detailing my analysis. In my opinion, as of January 19, 2011, the market value of the subject property is:

Opinions of Value of the Subject Property	
<i>"Before" Acquisition of conservation easement restrictions (94± acres)</i>	\$720,000.⁰⁰
<i>"After" Acquisition of conservation easement restrictions (94± acres)</i>	\$600,000.⁰⁰
Impact of the Conservation Easement on the Value of the Subject Property	\$120,000.⁰⁰

March 4, 2011

Page 2

Thank you for the opportunity to be of assistance on this project. If you should have any questions, please feel free to contact my office. Thank you.

Sincerely,

Justus J. DeVries, Jr., Appraiser
VT Lic. #080-0000111, Exp. 5/31/11

Note: The market value is not based on a specific market exposure time which invokes the USPAP's Jurisdictional Exception. It is a hypothetical condition that in the "After" Acquisition scenario, the proposed conservation easements were in effect on the subject property when, on the effective date of the appraisal, the subject property was unrestricted.

Note: The appraisal has been made assuming that any subdivision and development of any portions of the subject property meets all state and town regulations and there is adequate on-site sewage capacity for up to 4 additional single family dwellings, and that there are no hazardous waste sites, underground fuel storage tanks, or soil contamination present. These are extraordinary assumptions.

Agency of Natural Resources Land Acquisition Review Committee Case Report

Project Information

LARC Case # Project Name Priority

Previous LARC Case #

Description

Transaction Type Price Interest to be Acq. Fund(s)

Location: Town County

Owner

of Parcels Total Acres

Dept to Manage Contact

LARC Review

Date

Recommendation

Comments

Secretary Review

Date

Disposition

Comments

Notes

**GRANT OF DEVELOPMENT RIGHTS, CONSERVATION RESTRICTIONS
and PUBLIC ACCESS EASEMENT**

KNOW ALL PERSONS BY THESE PRESENTS that **Rolf Kielman and Stephanie Spencer** (hereinafter "Grantors"), on behalf of themselves and their successors and assigns, pursuant to the authority granted in Title 10 V.S.A. Chapters 34 and 155 and in consideration of the payment of One Dollar and other valuable consideration paid to his full satisfaction, does freely give, grant, sell, convey and confirm unto the **Vermont Agency of Natural Resources, Fish and Wildlife Department** (hereinafter "Grantee"), the development rights and a perpetual conservation easement and restrictions, all as more particularly set forth below, in a certain tract of land situated in the **Town of Hinesburg, County of Chittenden** and State of Vermont and being more particularly described in **Schedule A** (hereinafter "Protected Property").

This Grant is being conveyed, in part, to further the purpose of protecting habitat of the currently endangered Indiana bat (*Myotis sodalis*) and for the additional purposes of conserving wildlife habitats, biological diversity, natural communities, aquatic habitats, wetlands, water quality, native flora fauna, non-motorized, non-commercial recreational opportunities, educational opportunities, open space values and scenic resources as contemplated under funding Grant Agreement Number I-2-L-1 by and between the U.S. Fish and Wildlife Service and the State of Vermont Agency of Natural Resources, Fish and Wildlife Department by enabling acquisition of the Protected Property using Federal funds received from the Landowner Incentive Program administered by the U.S. Fish and Wildlife Service and authorized under Public Law 108-1-8: Department of the Interior and Related Agencies Appropriations Act, 2004. A Notice of Grant Agreement Number I-2-L-1 signed by the Vermont Fish and Wildlife Department is to be recorded herewith in the Town of Hinesburg Land Records.

The development rights hereby conveyed to Grantee 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 conservation easement and restrictions hereby conveyed to Grantee consist 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 these covenants shall constitute a servitude upon and shall run with the land.

I. PURPOSES OF THIS GRANT

A. Statement of Purposes

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

- a. The primary purposes are to conserve, improve and extend maternal roosting and feeding habitat for the Indiana bat over the entire property and to conserve and protect biological diversity, important wildlife habitat and natural communities on the Protected Property and natural resource values as these values exist on the date of this instrument and as they may evolve in the future.
 - b. To the extent compatible with the primary purposes, provide for dispersed public outdoor recreation that is low-impact, non-commercial and non-motorized, as well as the quiet enjoyment of the Protected Property, and
 - c. To conserve and protect the Protected Property's undeveloped character and scenic and open space resources for present and future generations.
2. These purposes will be advanced by conserving the Protected Property because it possesses the following conservation values:
 - a. Roosting and feeding habitat for the Indiana bat (*Myotis sodalis*), a federally and state designated endangered species; and
 - b. Supports 17 (47) acres of forested habitat along Lewis Creek, a state significant aquatic resource.

Grantors and Grantee recognize the Purposes of this Grant and share the common goal of conserving these values of the Protected Property by the conveyance of conservation restrictions, and development rights, to prevent the use or development of the Protected Property for any purpose or in any manner which would conflict with the Purposes of this Grant. Grantee accepts such conservation restrictions and development rights in order to conserve these values for present and future generations.

II. RESTRICTED USES OF THE PROPERTY

1. The Protected Property shall be maintained in its natural condition as it exists now and as it may evolve in the future in perpetuity. No residential, commercial, industrial or mining activities shall be permitted. No building or structures shall be constructed, created, erected or moved onto the property, except as permitted by the Management Plan or by Section III of this Grant.

2. No rights-of-way, easements of ingress or egress, driveways, roads, utility lines, other easements or use restrictions shall be constructed, developed, granted or maintained into, on, over, under, or across the Protected Property without the prior written permission of Grantee, which permission shall not be unreasonably withheld or conditioned if the proposed right-of-

way, easement of ingress or egress, driveway, road, utility line, other easement or use restriction is consistent with the Purposes of this Grant.

3. There shall be no signs, billboards, or outdoor advertising of any kind erected or displayed on the Protected Property; provided, however, that Grantors may erect and maintain reasonable signs including, but not limited to: 1) signs indicating the name of the Protected Property and its ownership by Grantors; 2) boundary markers, directional signs, memorial plaques, informational and interpretive signs; and 3) signs limiting access or use (subject to the limitations of Section IV, below). Grantee may erect and maintain signs designating the Protected Property as land under the protection of Grantee including boundary markers.

4. The placement, collection or storage of trash, human waste, or any other unsightly or offensive material on the Protected Property shall not be permitted except at locations, if any, and in a manner which is consistent with this Grant and permitted by the Management Plan. The temporary storage of trash in receptacles for periodic off-site disposal shall be permitted.

5. Except as may be reasonably necessary to carry out the uses permitted by this Grant, there shall be no disturbance of the surface of the Protected Property 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. In no case shall surface mining of subsurface oil, gas or other minerals be permitted.

6. There shall be no planting of trees, shrubs or other plants, except as may be necessary for the restoration of fish and wildlife species, natural communities or wildlife habitat after approval from the Grantee.

7. There will be no purposeful introduction of non-native or invasive plants or animals and genetically modified plants or animal without the Grantors requesting and receiving approval from the Grantee prior to doing so in its sole discretion.

8. There shall be no use of fertilizers, pesticides or biocides, including but not limited to insecticides (including mechanical, electrical control), fungicides, rodenticides, and herbicides, except as may be necessary for the elimination of invasive species or the restoration of natural communities after written approval from the Grantee.

9. There shall be no manipulation of natural watercourses, marshes, vernal pools, wetlands or other water bodies, nor shall there be activities conducted on the Protected Property which would be detrimental to water purity, or which could alter natural water level or flow, except as reasonably necessary to restore the wetlands and carry out the uses permitted on the Protected Property under this Grant.

10. The Grantors shall not subdivide, mortgage, pledge, lease or otherwise encumber the Protected Property without the prior written approval of Grantee. Nothing herein shall be construed to interfere with Grantors's full rights to convey, subdivide, transfer, mortgage or otherwise encumber any of Grantors's property not subject to the Grant, including without limitation Grantors's property contiguous hereto.

11. There shall be no operation of motorized vehicles or equestrian use on the Protected Property except for uses specifically reserved in Section III below, such as wildlife habitat management, trail maintenance, and for safety or emergency purposes. There shall be no all-terrain vehicle use permitted on the Protected Property except for emergency or management purposes. For purposes of this Grant, all-terrain vehicles include, but are not limited to, motorized snowmobiles, four-wheeled, three-wheeled and two-wheeled or tracked vehicles.

12. No use shall be made of the Protected Property, and no activity thereon shall be permitted which, in the reasonable opinion of Grantee, is or is likely to be inconsistent with the Purposes of this Grant.

III. PERMITTED USES ON THE PROPERTY

Notwithstanding the foregoing, Grantors shall have the right to make the following uses of the Protected Property:

1. The right to use the Protected Property to conduct all activities allowed by the Management Plan, provided that such activities are reasonably necessary to carry out the Purposes of this Grant and are consistent with the Purposes of this Grant, and provided further that such activities are provided for in the Management Plan. Such activities may include, but shall not be limited to the management of vegetation for the benefit of wildlife, and the use and management of the Protected Property for non-motorized, non-commercial, wildlife-based, public outdoor recreation. This Section III(1) shall not be construed to authorize the construction of new structures not otherwise specifically permitted by this Grant. The management plan shall be reviewed and approved by the Grantee prior to implementation.

2. Grantors covenants and agrees that the Protected Property shall be available to the public for all types of non-commercial, non-motorized, non-mechanized, non-equestrian dispersed wildlife-based recreational purposes (including but not limited to bird watching, fishing, hunting, trapping, snowshoeing, and walking) consistent with the Purposes of this Grant.

3. The right to conduct scientific studies, sustainable forest and wildlife habitat management and to construct, maintain and repair associated roads, in accordance with a Management Plan. The Management Plan and any revisions thereto shall require the written approval of the Grantee prior to their implementation. Grantors shall provide copies of the final Management Plan, and any revision thereto, to the Grantee.

In developing the Management Plan, Grantors shall incorporate the following principles:

- a. maintain or enhance fish and wildlife habitat values, natural communities, and species that are part of the conservation values of the Protected Property; and
- b. maintain the long-term integrity of the forest ecosystem, including the following components: soil productivity, riparian buffers, native biodiversity, and retention of appropriate numbers and size range (including large diameter) examples of coarse woody debris and standing large trees, both living and dead, in various stages of cavity formation, snag development, and decay;
- c. design all roads and management activity to minimize impacts to water quality consistent with the purposes of this grant; and
- d. when silvicultural treatments are applied, the management should seek to maintain the composition of tree species naturally found on the site in multiple age classes including old, large-diameter trees to serve as roosting trees for Indiana bats. Habitat and forest management should focus on developing numerous, large-diameter sawtimber-sized trees dispersed throughout the property for Indiana bat habitat. Habitat management and timber harvest techniques should mimic the effects of natural disturbance by retaining some mature trees throughout the treatment area and using single tree and/or small-group selection. Where exotic species are a threat, reasonable measures should be taken to prevent their spread prior to management.

4. The right to maintain, repair, improve and replace existing recreational trails, together with the right to clear, construct, repair, improve, maintain and replace new trails, provided that the location, use and construction of such new trails are consistent with the Purposes of this Grant, and are provided for in the Management Plan. Any trail management activity or identification and construction of new trails must be reviewed and approved by Grantee.

5. The right to utilize water sources, courses, and bodies within the Protected Property for uses otherwise permitted hereunder, provided that Grantors does not unnecessarily disturb the natural course of the surface water drainage and runoff flowing over the Protected Property, except where such disturbance is made in order to improve drainage, reduce soil erosion or improve the Protected Property.

IV. Public Access.

1. The goals for Public Access shall include:
 - a. To provide public access, as set forth in this section, that is consistent with and does not impede the purposes of this grant;
 - b. To provide public access to the Protected Property as a conditioned right; conditioned on respecting the rights of Grantors as established herein, the primary purpose of this Grant, the resource values of the protected property, and the restrictions and requirements set forth in this Grant consistent with the public safety;

2. Providing Public Access

Grantors covenants and agrees that the Protected Property shall be available to the public for all types of non-commercial, non-motorized, non-mechanized, non-equestrian dispersed wildlife-based recreational purposes (including but not limited to bird watching, cross-country skiing, fishing, hunting, trapping, snowshoeing, and walking) consistent with the Purposes of this Grant. For the purposes of this grant, hunting, fishing, and trapping are not considered commercial activities.

3. Conditioning the Right of Public Access

The Grantors or the Grantee of this easement 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 safety.

Access to the Protected Property by the public may be closed or restricted by the Grantors or the Grantee to protect and ensure compliance with the foregoing purposes of the grant and to prohibit activities that are inconsistent with, interfere with or cause damage to the purposes of this grant.

Grantors shall secure written consent from Grantee to restrict public access, which consent shall not be unreasonably withheld.

Without limiting the generality of the foregoing, the right to control public access as aforesaid includes the right to prohibit public access in areas where active forestry operations (including the transportation of equipment or logs) are being conducted if such access would interfere with the conduct of such operations or would result in a risk to public safety.

4. Trespass

Nothing in this Section IV shall be construed to prohibit Grantors from serving a Notice Against Trespass against third parties for any conduct not permitted by this Section IV, including use of prohibited motor vehicles on the Protected Property.

5. Enumerated Rights

The general public's right of access to and use of the Protected Property shall be limited to the access privileges enumerated in this Section, and the public shall have no other right to use or occupy the Protected Property.

V. ENFORCEMENT OF RESTRICTIONS

Grantee 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, Grantee may make periodic inspection of all or any portion of the Protected Property, and for such inspection and enforcement purposes, Grantee shall have the right of reasonable access to the Protected Property. In the event that Grantee become aware of an event or circumstance of non-compliance with the terms and conditions herein set forth, Grantee shall give notice to Grantors of such event or circumstance of non-compliance by personal service or 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, Grantors shall reimburse Grantee all reasonable 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 Grantee within a reasonable time after receipt of notice and reasonable opportunity to take corrective action shall entitle Grantee 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 Grantee to corrective action on the Protected Property, if necessary. If the court determines that Grantors has failed to comply with this Grant, Grantors shall reimburse Grantee 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 Grantee initiate litigation and the court determines that Grantors has not failed to comply with this Grant and that Grantee have initiated litigation without reasonable cause or in bad faith, then Grantee shall reimburse Grantors for any reasonable costs of defending such action, including court costs and reasonable attorneys' fees; provided that this clause shall not apply to any Grantee protected by the doctrine of sovereign immunity. 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 Grantee to such equitable relief, including, but not limited to, ex parte 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 Grantee at law, in equity, or through administrative proceedings. No delay or omission by Grantee in the exercise of any right or remedy upon any breach of Grantors shall impair the 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 has terminated.

Nothing herein shall be construed to entitle the Grantee to institute any enforcement proceedings against the Grantors for any changes to the Property due to causes beyond the Grantors' control, such as changes caused by fire, flood, storm, earthquake, or the unauthorized wrongful acts of third persons. In the event of violations of this Grant caused by unauthorized wrongful acts of third persons, at Grantees' option, Grantors agrees to assign its right of action to Grantee, to join in any suit, and/or to appoint Grantee its attorney-in-fact for the purposes of pursuing enforcement action

VI. MISCELLANEOUS PROVISIONS

1. Where Grantors is required, as a result of this Grant, to obtain the prior written approval of Grantee before commencing an activity or act, and where Grantee has 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 Grantee, which approval shall not be unreasonably withheld. Grantors shall reimburse Grantee or Grantee's designee for all extraordinary costs, including staff time, incurred in reviewing the proposed action requiring Grantee's approval; but not to include those costs which are expected and routine in scope. When Grantee has authorized a proposed action requiring approval under this Grant, Grantee shall, upon request, provide Grantors with a written certification in recordable form memorializing said approval.

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, shall be in accordance with all applicable ordinances, statutes and regulations of the Town of Hinesburg, as well as, the State of Vermont.

3. Grantee 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, and by virtue of the Grantors Landowner Incentive Program Grant and the Notice of Grant Agreement in Exhibit D, with the approval of the Regional Director of the U.S. Fish and Wildlife Service.

4. In the event the development rights or conservation restrictions conveyed to Grantee herein are extinguished by eminent domain or other legal proceedings, Grantee 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 Grantee 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 Grantors or Grantee at the time of extinguishment. Because the U.S. Fish and Wildlife Service has funded INSERT percent (INSERT PERCENT%) of the acquisition cost of the Protected Property, Grantors and Grantee agree that INSERT percent (INSERT%) of any compensation shall be allocated to the purchase of replacement habitat in the State of Vermont that is approved by the Regional Director of the U.S. Fish and Wildlife Service in accordance with the Notice of Grant Agreement in Exhibit D. If no such replacement habitat is approved within three years of receipt of compensation or such extension as may be authorized by the U.S. Fish and Wildlife Service, this sum shall be paid to the U.S. Fish and Wildlife Service.

5. 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 this easement and restrictions are binding upon all successors in interest in the Protected Property in perpetuity. Grantors shall also notify Grantee of the name(s) and address(es) of Grantor's successor(s) in interest.

6. Grantee shall be entitled to rerecord this Grant, or to record a notice making reference to the existence of this Grant, in the Town of Hinesburg 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. The term "Grantors" shall include the successors and assigns of the original Grantors, Jason Bacon. The term "Grantee" shall include the respective successors and assigns of the original Grantee, Vermont Agency of Natural Resources, Fish and Wildlife Department.

9. 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.

VII. NOTICE OF GRANT AGREEMENT

The within Conservation Easement is being acquired in part with funding received from the USFWS pursuant to Grant Agreement Number I-2-L-1, dated November 29, 2007, between the Service and the State of Vermont, Department of Fish and Wildlife. All present and future terms, conditions and administration of this Conservation Easement shall remain subject to the terms and conditions of the Grant Agreement, a notice of which is attached hereto as **Exhibit D** "Notice of Grant Agreement."

TO HAVE AND TO HOLD said granted development rights and conservation easement and restrictions, with all the privileges and appurtenances thereof, to the said Grantee, the VERMONT AGENCY OF NATURAL RESOURCES, FISH AND WILDLIFE DEPARTMENT, their respective successors and assigns, to their own use and behoove forever, and the said Grantors, Jason Bacon, for himself and his successors and assigns, does covenant with the said Grantee, their successors and assigns, that until the ensealing of these presents, he is the sole owner of the premises and has good right and title to convey the same in the manner aforesaid, that the premises are free from every encumbrance, except easements and use restrictions of record as set forth in **Schedule B** attached hereto and incorporated herein, and it hereby engages to warrant and defend the same against all lawful claims whatever.

IN WITNESS WHEREOF, Grantors, Rolf Kielman and Stephanie Spencer, has caused this Grant to be executed by its duly authorized agent on this ____ day of ____, 2011.

IN THE PRESENCE OF

Grantors:

Witness

Its Duly Authorized Agent

Witness

Its Duly Authorized Agent

**STATE OF VERMONT
COUNTY OF CHITTENDEN, SS.**

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

Before me, _____

Notary Public

My Commission Expires: _____

Approved by the Vermont Agency of Natural Resources, Fish and Wildlife Department:

Date

By: _____
Patrick Berry
Commissioner

SCHEDULE A - Protected Property

Being a portion of the same land and premises conveyed to _____ by Warranty Deed of dated _____, and recorded in the Town of Hinesburg Land Records at Book ____, Page ____.

Reference is hereby made to said deed and to all prior deeds and their records for a further and more complete description of the land and premises herein conveyed.

**SCHEDULE B
EASEMENTS AND USE RESTRICTIONS**

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.

EXHIBIT C

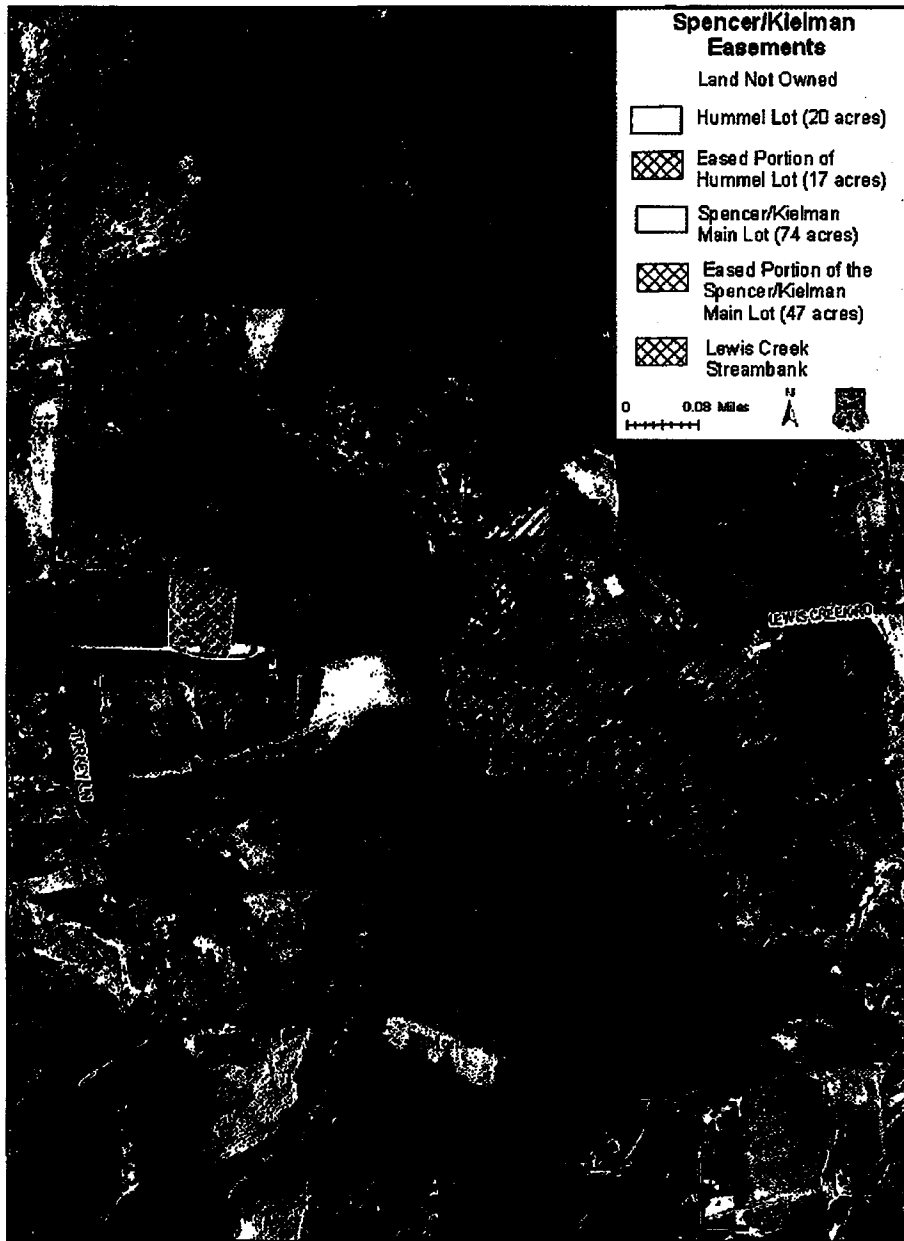


EXHIBIT D
NOTICE OF GRANT AGREEMENT



The Subject Property

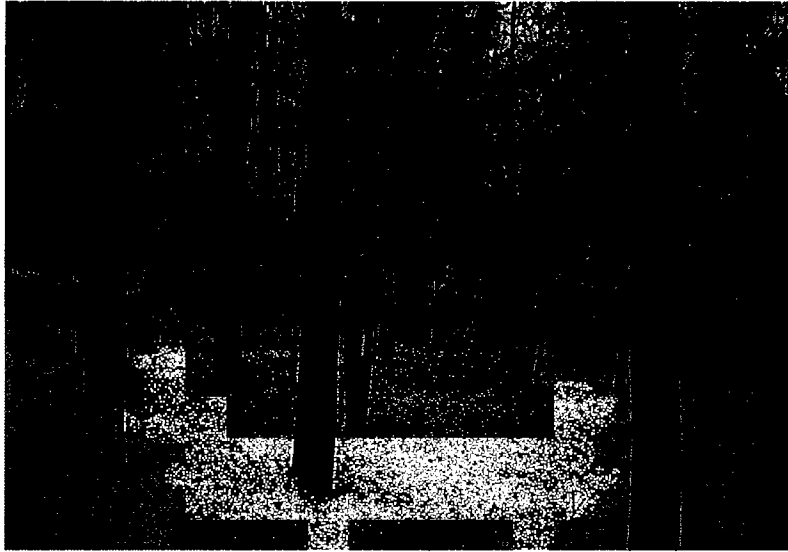


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Appraiser's Certification

The Appraiser certifies and agrees that:

1. Statements of fact contained in the report are true and correct.
2. Reported analysis, opinions, and conclusions are limited only by the reported assumptions, limiting conditions, and legal instructions, and are the personal, unbiased professional analysis, opinions, and conclusions of the appraisers.
3. The appraiser has no present or prospective interest in the property appraised and no personal interest or bias with respect to the parties involved.
4. Compensation received by the appraiser for the appraisal is not contingent on the analyses, opinions, or conclusions reached or reported.
5. Appraisal was made and the appraisal report prepared in conformity with USPAP and the Uniform Appraisal Standards for Federal Land Acquisitions.
6. Appraisal was made and the appraisal report prepared in conformity with the Appraisal Foundation's *Uniform Appraisal Standards for Professional Appraisal Practice*, except to the extent that the *Uniform Appraisal Standards for Federal Land Acquisitions* required invocation of USPAP's Jurisdictional Exception Rule, as described in Section D-1 of the *Uniform Appraisal Standards for Federal Land Acquisitions*. **There is a Jurisdictional Exception regarding Uniform Standards of Professional Appraisal Practice Standard Rule 1-2(c) made in this appraisal since USPAP requires the development of an opinion of a specific exposure time for the subject property on the open market, while the Uniform Appraisal Standards for Federal Land Acquisitions state, in the definition of market value, that the subject has been sold after a "reasonable exposure time" and prohibit the statement of a specific "exposure time."**
7. Appraiser has made a personal inspection of the interior and exterior of the property appraised and that Stephanie Spencer was present at the property inspection on January 19, 2011.
8. Professional assistance was provided by Alyth Hescoek (appraiser) on research, comparable sales analysis and proofreading. Professional assistance was also provided by Alan Curler (appraiser trainee) on document proofreading.
9. Appraiser has made a personal exterior inspection of all primary comparable sales used in developing the opinion of value within the Market Data/Sales Comparison Approach.
10. The reported analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
11. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
12. As of the effective date of this report, I, Justus J. DeVries, Jr., have completed the continuing education program of the Appraisal Institute.

ADDRESS OF PROPERTY APPRAISED: 166 Fox Meadows, Hinesburg, VT

Opinions of Value of the Subject Property	
<i>"Before" Acquisition of conservation easement restrictions (94± acres)</i>	\$720,000.⁰⁰
<i>"After" Acquisition of conservation easement restrictions (94± acres)</i>	\$600,000.⁰⁰
Impact of the Conservation Easement on the Value of the Subject Property	\$120,000.⁰⁰

Note: The acquisition is the conveyance of a partial interest.

APPRAISER

Signature:

Name:	Justus J. DeVries Jr.
Date Signed:	March 4, 2011
State License #:	080-0000111
State:	Vermont
Expiration Date of License:	5/31/11

Statement of Assumptions and Limiting Conditions

The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.

Examination by the appraiser of the available flood maps that are provided by the Federal Emergency Management Agency (or other data source) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination. All maps provided to the appraiser by the client and those provided by the appraiser are not to scale and subject to a survey.

Testimony will not be given by the appraiser in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.

Notation has been made by the appraiser in the appraisal report any adverse conditions (such as the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.

Information, estimates, and opinions the appraiser obtained that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.

Except as provided for in the Uniform Standards of Professional Appraisal Practice, the appraiser will not disclose the contents of the appraisal report.

Written consent must be made by the appraiser before the client, specified in the appraisal report can distribute the appraisal report (including conclusions about the property value, the appraiser's identity and professional designations, and references to any professional appraisal organizations or the firm with which the appraiser is associated) to anyone other than the client may distribute the property description section of the report only to data collection or reporting service(s) without, having to obtain the appraiser's prior written consent. The appraiser's written consent and approval must also be obtained before the appraisal can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media. All appraisal reports submitted to the entity and for review become the property of the State of Vermont and the United States of America.

Purpose of the Appraisal

The purpose of this appraisal is to provide an opinion of market value of the subject property's fee simple ownership rights (surface rights only), both with and without the implementation of conservation easements/restrictions (see sample draft of conservation easement in addenda) as of January 19, 2011. Fee simple ownership is defined as "*absolute ownership, unencumbered by any other interest or estate, subject only to the four powers of government.*"¹

The intended users of this appraisal report are Jane Lazorchak c/o State of Vermont Agency of Natural Resources, Fish and Wildlife Department, Stephanie Spencer and Rolf Kielman, and Lorance Dexter. The intended use of this appraisal report is to assist the client agencies in determining the amount paid for the property rights conveyed and for the State of Vermont to consider a land protection transaction.

Scope of Appraisal

The scope of work has been documented and disclosed throughout the appraisal.

In the appraisal of the subject property, unless otherwise noted, all data was collected and reported to the extent available and required. This was performed to provide the appraiser and the reader of this report a reasonable and reliable basis for the opinion of value for the subject within this report. The purpose of the appraisal and the appraisal's intended use are determined by the client, and is confirmed by the appraiser.

All factors in the normal course of the appraisal process were investigated with regard to the subject property. All data used in this appraisal, whether supplied by the property owner or by others was confirmed by the sources outlined in the appraisal.

All three appraisal approaches to value were considered and those which were applicable and had an adequate reliable data base were developed and reported.

Definition of Market Value

Market value is defined as, "*The amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of the appraisal, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property at the time of the appraisal.*"²

¹American Institute of Real Estate Appraisers. The Dictionary of Real Estate Appraisal, 2nd Edition, Page 120.

²Uniform Appraisal Standards for Federal Land Acquisitions. The Appraisal Institute, Chicago, IL. Section A-9, Page 13.

**Summary of Appraisal Problems
for the “Before” and “After” Analysis**

Several problems were encountered when appraising the subject property. The largest problem overall was a lack of comparable sales that captured all of the subject property’s features. There were limited comparable sales in the subject’s marketing area and many sales required large adjustments. The sales used are considered the best sales available.

Appraisal requirements specify the appraisal of surface rights only. The comparable sales used in this appraisal are the transfer of fee simple ownership rights and there is no contributory value of any subsurface rights. No adjustments were made for the difference between surface rights and fee simple ownership rights or subsurface rights. In this area, there is no market distinction between the two for residential and recreational properties.

The appraisal problem was addressed by way of a thorough investigation and analysis of the subject market area. Reliance has been placed on information provided by a number of sources, including the property owner, other persons active in the timberland, vacant land, and residential real estate market, municipal records, attorneys and town officials.

All acreages used in this appraisal report have been estimated by the appraiser using maps provided by the Client. A full survey or tax map was not available. Any minor differences in acreage would not substantially impact the value of the subject property.

Summary of Salient Facts and Conclusions

Property Identification	The subject property consists of 94± acres of land and a single family dwelling located at 166 Fox Meadows in Hinesburg, Vermont. 78± acres and improvements are owned by Stephanie Spencer and Rolf Kielman, and 16± acres of land are owned by Dexter Lorange.
Highest and Best Use (“Before” Acquisition)	The current residential, agricultural, forestry and recreational uses with the possible future development of a 4 lot residential subdivision.
Highest and Best Use (“After” Acquisition)	The current residential, agricultural, forestry and recreational uses with the possible future development 2 residential lots.
Improvements (“Before” Acquisition)	Single family dwelling, detached garage, in-ground pool, driveway, drilled well, on-site septic system and landscaping.
Improvements (“After” Acquisition)	Single family dwelling, detached garage, in-ground pool, driveway, drilled well, on-site septic system and landscaping.
Opinion of Value (“Before” Acquisition)	\$720,000.⁰⁰
Opinion of Value (“After” Acquisition)	\$600,000.⁰⁰
Hypothetical Conditions	In the “After” Acquisition scenario the proposed conservation easement was in effect on the subject property when, on the effective date of the appraisal, the subject property was unrestricted.
Extraordinary Assumptions	The appraisal has been made assuming that any subdivision and development of any portions of the subject property meets all state and town regulations and there is adequate on-site sewage capacity for up to 4 additional single family dwellings, and that there are no hazardous waste sites, underground fuel storage tanks, or soil contamination present. These are extraordinary assumptions.
Effective Date of Appraisal	January 19, 2011 (date of inspection).
Comments	Hypothetical conditions and extraordinary assumptions, if found to be untrue, may affect the appraisal results.
Present Use	Single family residential with the recreational uses on the woodland and the open land in hay.

Factual Data

Municipal Data

Sales History and Legal Description	<p>The property was originally acquired on 9/27/83 from Marie Copp and Marian Welch by Charles and Luisa Finberg and Stephanie B. Spencer. An additional 21.3± acres was acquired on 6/8/87 from Manfred and Margaret Hummel by Charles and Luisa Finberg and Stephanie B. Spencer. Stephanie Spencer and Rolf Kielman, husband and wife, took full ownership of the property in three transactions from Charles and Luisa Finberg on 9/29/98 and 12/16/98.</p> <p>The property was acquired as follows:</p> <ul style="list-style-type: none"> - Warranty Deed from Marie T. Copp and Marian Welch to Charles E. Finberg and Luisa S. Finberg on September 27, 1983, and recorded in the Hinesburg Land Records: Book 50, Page 543. - Warranty Deed from Marie T. Copp and Marian Welch to Charles E. Finberg and Luisa S. Finberg on January 13, 1984, and recorded in the Hinesburg Land Records: Book 51, Page 353. - Warranty Deed from Manfred K. Hummel and Margaret P. Hummel to Charles Finberg and Luisa Finberg on June 8, 1987, and recorded in the Hinesburg Land Records: Book 63, Page 382. - Warranty Deed from Charles E. Finberg and Luisa S. Finberg to Stephanie B. Spencer and Rolf Kielman on September 29, 1998, and recorded in the Hinesburg Land Records: Book 114, Page 373. - Warranty Deed from Charles E. Finberg and Luisa S. Finberg to Stephanie B. Spencer and Rolf Kielman on September 29, 1998, and recorded in the Hinesburg Land Records: Book 114, Page 377. - Warranty Deed from Charles E. Finberg and Luisa S. Finberg to Stephanie B. Spencer and Rolf Kielman on December 15, 1998, and recorded in the Hinesburg Land Records: Book 116, Page 335. - Warranty Deed from Generous Earth Land Trust, Inc. to Cara Capparelli and Dexter Lorange on December 15, 1986, and recorded in the Hinesburg Land Records: Book 61, Page 9. - Quitclaim Deed from Cara Capparelli to Dexter Lorange on April 21, 1993, and recorded in the Hinesburg Land Records: Book 87, Page 588. 			
Use History	The property has been used continuously for residential and forestry and recreational uses since 1983.			
Town of Hinesburg 2010 Assessed Value and Annual Real Estate Taxes	Total Assessed Value	State of VT Land Use Share	Owners' Share	Landowner's Total 2010 Real Estate Taxes
	\$583,600	\$142,200	\$441,400	\$8,236.09
\$1.866/\$100 of assessment	The Lorange parcel is not accessed separately.			
Zoning	The subject property is in the Agricultural District which requires a 2 acre minimum lot size and 200' road frontage minimum. The property is a legally conforming lot.			
Easements	Typical highway and utility easements of record. The driveway is shared with the neighboring "Patton" property. State of Vermont Current Land Use Lien. The neighboring "Erb" property has a drilled well on the subject property however, there is no recorded easement.			
Flood Plain	The property is almost entirely outside of the 100 flood plain. A small portion of the property along Lewis Creek is in the 100 year flood plain, map #5003220065C, Dated 8/4/05. The dwelling, garage, and site improvements are out of the flood plain.			

Regional, Neighborhood and Town Data

Hinesburg is located in south central Chittenden County bordering the towns of Monkton and Starksboro in Addison County to the south; Charlotte to the west; Shelburne, St. George, Williston and Richmond to the north; and Huntington to the east. Hinesburg population is 4,340 (2000 Census). The town is served by a regional high school and a local elementary school. Several businesses in the area provide limited consumer opportunities, including several small grocery stores, gas stations, a hardware store and several small shops and restaurants. Most of the commercial/consumer activity is centered in Hinesburg Village, just south of the intersection of Route #116 and Shelburne Falls Road. There are also several private, professional services, consultants, and home based businesses throughout town. Light industrial use is also noted such as Hinesburg Sand and Gravel, Iroquois Manufacturing, and Clifford Lumber Co. Recreational opportunities include two golf courses and Lake Iroquois.

Agricultural land use is giving way to increased rural residential development throughout the area. There were several dairy operations, numerous horse farms, 3 beef cattle operations and 3 sheep farms. Housing growth has continued to climb due to the town's rural setting with short commuting distances to Burlington with all major consumers, cultural and employment opportunities concentrated in a relatively small area. Census figures indicate that approximately 75% of the labor force living in Hinesburg commuted to work outside of town. The town maintains its own small police force and relies on volunteers for fire and rescue services. The village center of Hinesburg is serviced by a municipal waste water disposal plant.

There is a limited inventory of vacant building lots available with an average demand. The number of lots sales have remained steady in the past 12 - 18 months. Market influence in the "core" of Chittenden County has increased property values throughout the area. Residential property values range from \$150,000 to \$750,000 with an estimated marketing time of 6 to 12± months. The market is considered slightly declining since January 2009 and is currently level. Inventory is high and demand is average.

Main Farmhouse

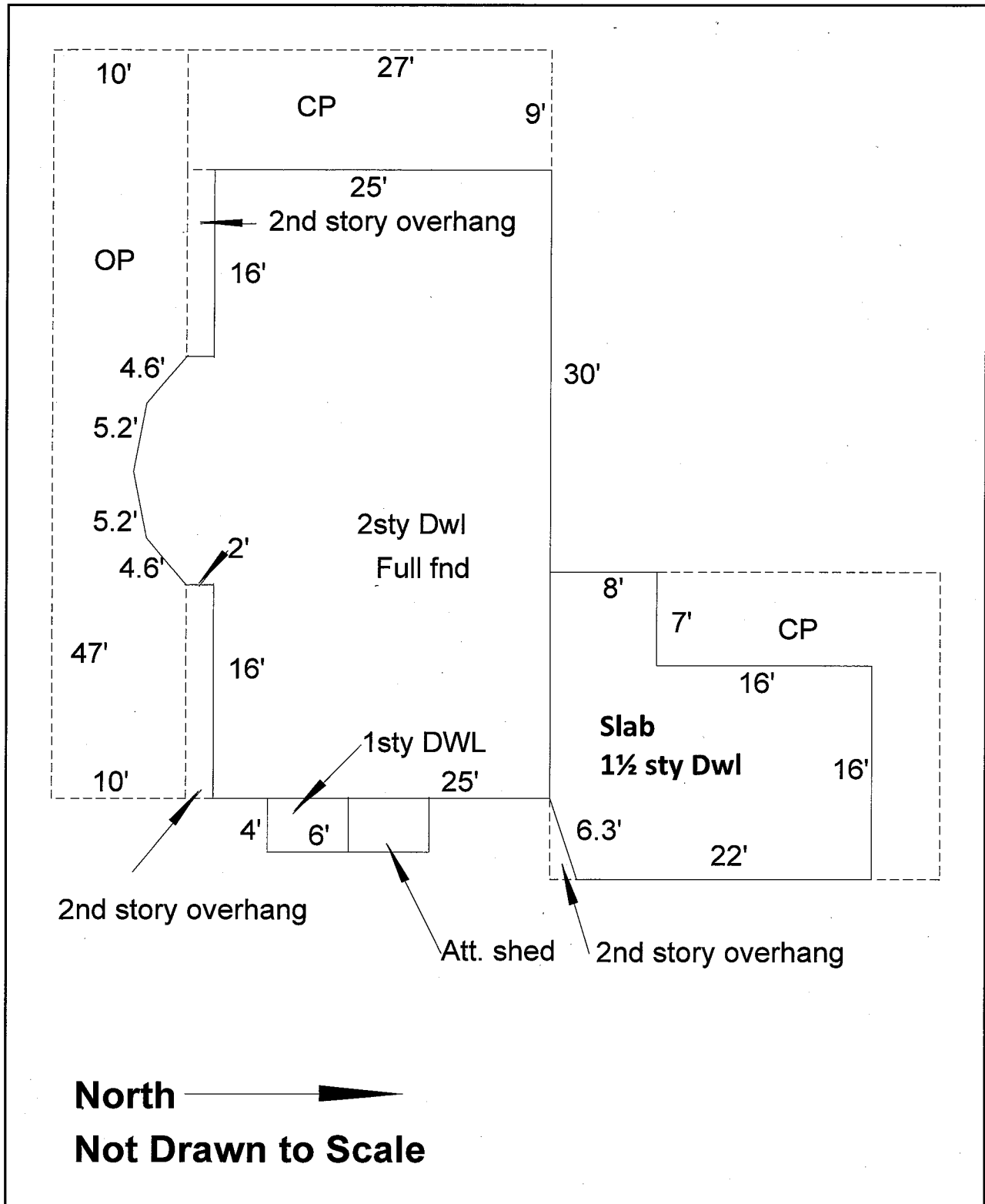
Dwelling Type	2 story wood framed single family dwelling.	Int. Materials	Softwood trim, 2 hinge solid core doors. Sheetrock walls and ceilings.
Total Living Area: 3,344sf	1 st floor: 1,691sf 2 nd floor: 1,653sf	Flooring	Wide mahogany on first floor and hard pine on second floor. The first floor of the addition has hard pine flooring and carpet on the second floor.
Actual/Eff. Age	Main house: 1985 Addition: 1999 Effective age: 12 years	Electrical	100 ampere entrance.
Condition	Good/very good condition.	Heating	Primarily wood heat with Rinnai space heater. Wood burning fireplace in living room. Gas burning fireplace in family room. 'Bradford' gas hot water heater and solar panels.
Room Count	<u>1st floor:</u> foyer, ¾ bath, kitchen, pantry, dining room, living room, family room <u>2nd floor:</u> 3 bedrooms, full bath, Reading nook	Foundation	Full poured concrete. Under original dwelling with slab under addition. Partial finish area (10' x 27').
Exterior Walls	Wooden clapboards.	Windows	Wooden double hung thermopane with screens.
Roofing Material	Standing seam.	Insulation	Concealed. Reportedly adequate.
Decks, Porches	Covered porch: 227sf Covered porch: 243sf 2 nd floor covered porch: 161sf Open porch: 572sf	Misc.	Extensive built-in book shelves. Private reading nook. Built-in window seats. Built-in desk. Pocket door in new addition. 6 burner 'Wolf' gas range. Custom tiled shower in 2 nd floor bathroom. Built-in breakfast booth with tiger maple table top in kitchen.
Comments	No heat on second floor. 18' x 40' vinyl lined in-ground pool (good condition). Shared drilled well with neighboring "Patton" property. 2 nd floor covered porch accessed from the master bedroom. High quality custom quality of construction with passive solar design.		



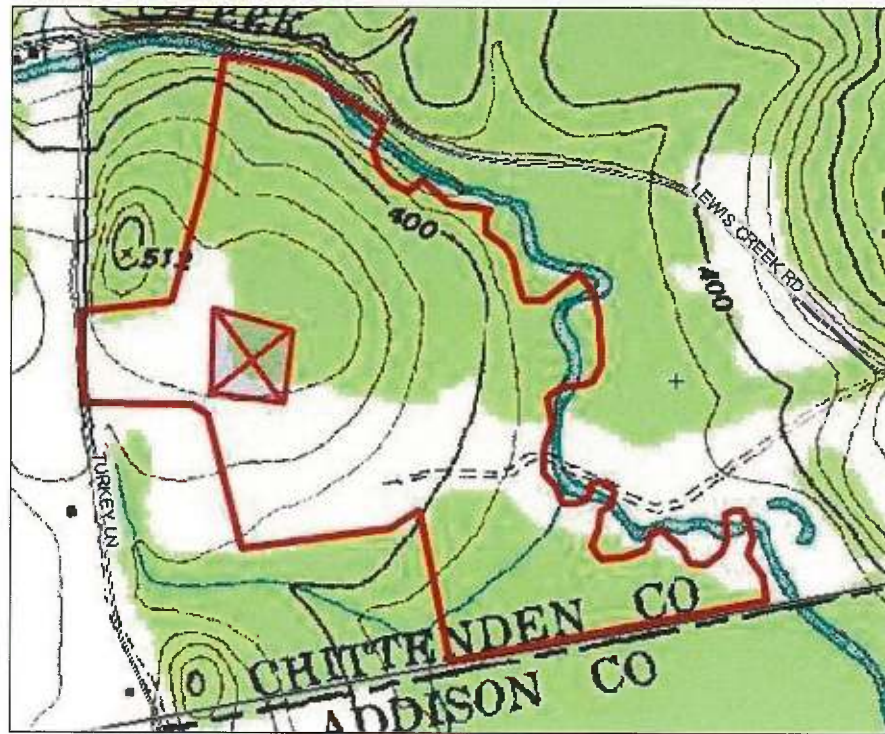
Factual Data

Site/Land	
Access	Access to the dwelling is along a developed shared driveway named "Fox Meadows". The driveway is shared with the neighboring "Patton" property. The driveway extends east from Turkey Lane (class III, gravel surfaced, town maintained). The property has 370' of direct frontage on the east side of Turkey Lane. The property also has frontage on the south side of Lewis Creek road (class III, gravel surfaced, town maintained), however it is on the other side of Lewis Creek with only very steep access.
Topography	The topography overall gently slopes to the east with steeper sections in the woodland. Elevations range from 340' to 475' above sea level.
Soils	Soil types are primarily Munson and Raynham silt loams of 2 to 6% slopes and Stockbridge and Nellis extremely stony loams of 3 to 15% slopes with smaller areas of Farmington extremely rocky loam of 20 to 60% slopes, Scantic silt loam of 0 to 2% slopes, Limerick silt loam, Winooski very fine sandy loam, Hartland very fine sandy loam of 2 to 6% slopes, Munson and Belgrade silt loams of 12 to 25% slopes, Georgia extremely stony loam of 0 to 15% slopes, Enosburg and Whately soils of 0 to 3% slopes and Hinesburg fine sandy loam of 0 to 3% slopes. Many of these soils are lighter and conducive to on-site sewage capacity.
Land Cover	The open land is mostly tillable in mixed grasses. Woodland species include: white and red oak, sugar maple, white birch, hardhack, beech, hemlock, white pine with other miscellaneous hardwood and softwood species. The property has not been recently logged. Timber value is considered average (<i>see Forest Management Plan in addenda</i>).
Views	Views are good to the south across the subject property of the surrounding hills and woodland. Long range views are limited.
Land Area	The property is mostly wooded with approximately 18± acres of open meadow that is hayland.
Fertility	Reportedly adequate.
Water Resource	There is approximately 4,800' of frontage along the south side of Lewis Creek.
Natural Resources	The woodland is almost entirely marked as a deer wintering area by the State of Vermont Fish & Wildlife Department. Deer sign was noted.
Shape	Irregular shape with well defined boundaries.
Utilities	Power and telephone service are along the Turkey Lane and Lewis Creek Road frontage. There is undeveloped power and service at the subject driveway. The property utilizes an on-site septic system and shares a drilled well with the neighboring "Patton" property.
Mineral Deposits	None noted or reported.
Water Rights	There is a drilled well that benefits the neighboring "Erb" property.
Hazardous Materials	None noted or reported.
Improvements	The property has a developed gravel driveway, shared well, in-ground pool on a mature landscaped lot.
Comments	Private site and dwelling with southern exposure and extensive Lewis Creek frontage. Note: The southeastern section of the property is low lying with areas that are poorly drained.

Plot Plan

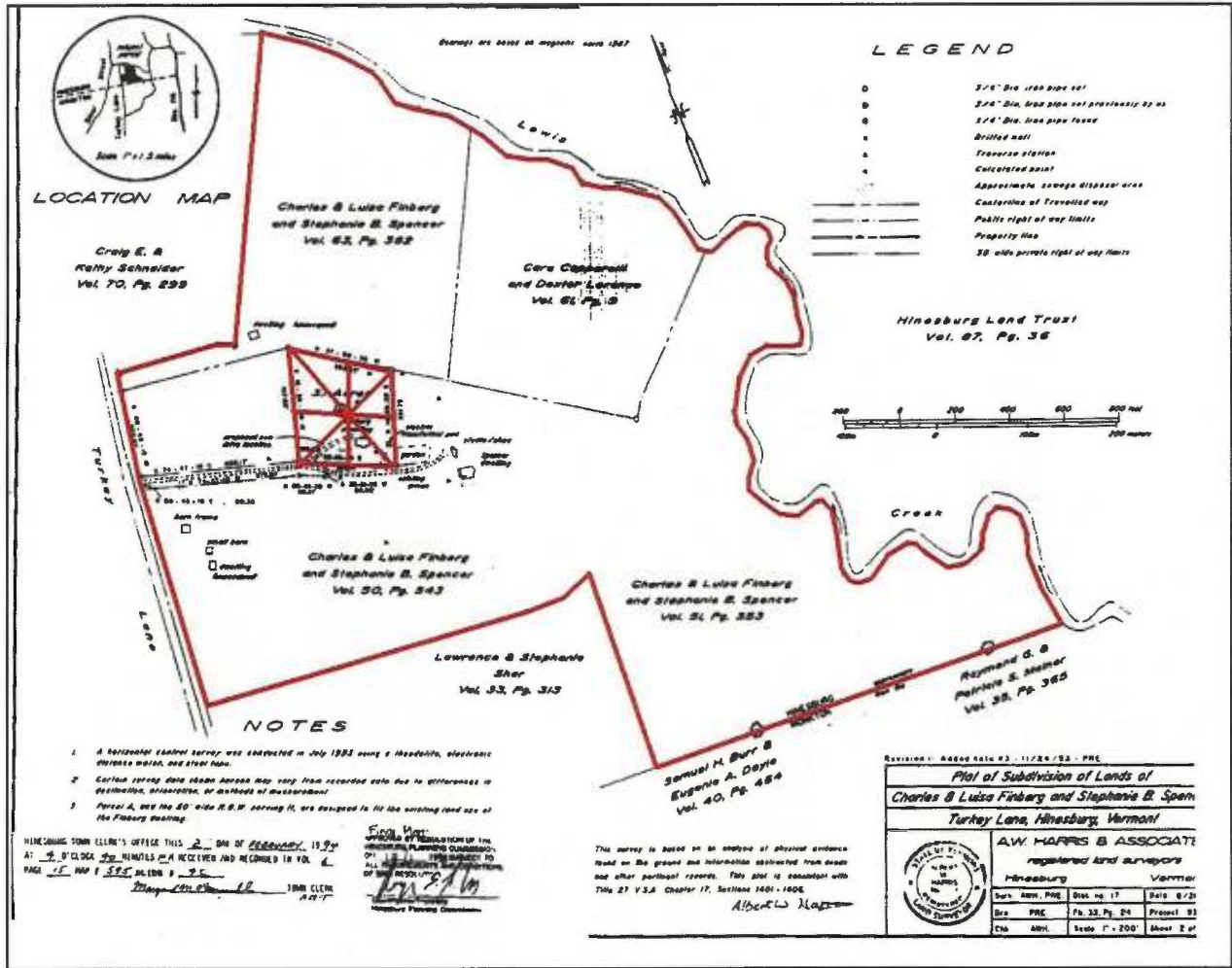


Subject Property Orthophoto and Topography Maps



Not to scale

Subject Property Survey



The total parcel includes the subject property, including 78± acres of land and improvements and 16± acres of vacant land, for a total of 94± acres.

Subject Property Attributes:

- Private, desirable location
- High quality, well kept dwelling
- Extensive Lewis Creek frontage
- Desirable topography and land types with lighter soils conducive to residential development

Subject Property Detriments:

- Close proximity to neighboring “Patton” property
- Shared driveway
- Drilled well for the neighboring “Erb” property is located on the subject property
- Drilled well is shared with and located on the neighboring “Patton” property
- Dwelling lacks a central heating system

Analysis of Highest and Best Use “Before” Acquisition

In order to evaluate the subject property and choose appropriate comparable sale properties for the valuation approach, a determination of the subject property’s highest and best use must be made. Highest and best use is defined as, *“That use which, at the time of the appraisal, is the most profitable likely use. This definition implies that the owner (or potential buyer) of the property is rational, and thus, desires to obtain the maximum possible benefit from his or her use of the property. Furthermore, the definition assumes the use must be legal under current zoning, and that a zoning change is not imminent.”*³

Also required is the “larger parcel” determination, which the Appraisal Institute and UASFLA define as *“That tract, or those tracts, of land which possess a unity of ownership and have the same, or an integrated, highest and best use.”*⁴ A larger parcel determination was made for the subject property that includes the entire 94± acre subject property. Although the Dexter Lorange parcel is a portion of a larger parcel, only the 94± acre subject property was considered the larger parcel because the parcels have a different highest and best use. In addition the additional property owned Dexter Lorange is a single family dwelling without access to the subject 16± acres because Lewis Creek bisects the property. The portion appraised (16± acres) is on the other side of Lewis Creek without access to Lewis Creek Road. The most likely highest and best use **“Before” Acquisition** is the current residential and recreational uses with possible future development of a 4 lot residential subdivision. Given the zoning, favorable soils, location and land configuration, this is a feasible use. Any development is also subject to all local and state building codes (these are extraordinary assumptions).

The highest and best use must also meet the so called four tests as follows:

1. **Physically Possible:** Based on NRCS soils maps and topography maps, it appears there are adequate soils for on-site sewage capacity are available, allowing for the development of a septic system for at least 4 septic systems. The land is suitable for residential development. This is an extraordinary assumption.
2. **Legally Permissible:** Town zoning and subdivisions laws in the subject property’s neighborhood allow for residential development. The minimum lot size is 2 acres. There is frontage along a town road and zoning allows for development with permanent legal access to a town road where frontage doesn’t meet the minimum.
3. **Financially Feasible:** Residential development is financially feasible due to the limited restrictions. Major costs include: septic design and rough infrastructure.
4. **Maximally Productive:** The current uses with the possible future development is maximally productive.

The highest and best use for the subject property as determined by the appraisers meets all of these four tests.

³The appraisal of Real Estate, Appraisal Institute, Twelfth Edition, page 305.

⁴Uniform Appraisal Standards for Federal Land Acquisitions, 2000 Edition, page A-17.

The Appraisal Process

Typically, an appraiser uses three approaches to address a valuation problem:

The Cost Approach presumes that *“The value of the property is derived by adding the estimated value of the land to the current cost of constructing a reproduction or replacement for the improvements and then subtracting the amount of depreciation (i.e. deterioration and obsolescence in the structures from all causes.”*⁵ Due to the age of the improvements and the difficulty in accurately measuring depreciation from all sources, this approach was not developed.

The Market/Sales Comparison Approach examines sales of properties similar to the subject property. Differences in significant sale or parcel attributes (such as time, location, quality, financing and concessions) are carefully considered, and adjustments to the selling price are made if these differences are recognized and valued in the marketplace. In this manner, the selling prices of the comparable sales are adjusted to their value in comparison to the subject property.

An Income Approach to value is used when the subject property produces a regular, periodic income and when that income is the basis for its value in the market place. This approach to value was not used in this appraisal due to the limited and variable data available for similar residential/vacant land properties with which to generate a reliable capitalization rate. Single family dwellings are generally not traded based on its generation of income.

The valuation sections that follow will rely entirely on the Market Data/Sales Comparison Approach in both the “**Before**” and “**After**” valuations.

⁵The Appraisal of Real Estate, by the Appraisal Institute, 10th Edition, 1992, Page 80

Vacant Residential Building Lot Sales in Hinesburg

DATE	ADDRESS	ACRES	\$/ACRE	PRICE	SELLERS	BUYERS
11/10/06	LOT 1 1823 NORTH RD	1.1	\$86,364	\$95,000	STEWART	PATTEN
11/21/06	LOT 2 HICKORY PL	19.6	\$9,158	\$179,500	HINES MEADOWS	PRENGLER
12/15/06	LOT 2 BIRDIE RD	2	\$52,500	\$105,000	ZINSMEISTER	CASSELS
01/24/07	VT RTE 116	4.7	\$31,915	\$150,000	HINSDALE	SMITH
05/02/07	LOT 2 HAYDEN HILL RD	5.1	\$24,510	\$125,000	WISLOSKI	KELLY
05/24/07	BALDWIN RD	10	\$13,500	\$135,000	BROADFOOT	SOWLE
05/25/07	HINESBURG	24.4	\$9,221	\$225,000	MUNSON	NORRIS
06/19/07	LOT 4 EVANSON RD	3.2	\$48,125	\$154,000	EVANSON CONSTR	TWAROG
12/10/07	HINES RD	32.2	\$9,876	\$318,000	BISSONETTE	ESNID
04/02/08	BIRDIE DR	3.2	\$51,562	\$165,000	AYER	WEBB
05/16/08	133 N SOUTH FARM	0.5	\$400,000	\$200,000	VT BUILDING RE	LOVELL
06/20/08	RIGGS RD	4.7	\$37,234	\$175,000	SMITH	NRG
10/10/08	HIDDEN PASTURES DR	3.2	\$35,937	\$115,000	CASE	MCCUE
01/20/09	DRINKWATER RD	15.5	\$19,355	\$300,000	FRENCH	BURGET
05/12/09	NORTH ROAD	5.8	\$21,466	\$124,500	REID	FORTIN
05/15/09	1332 HAYDEN HILL RD	7.8	\$26,282	\$205,000	KILBRIDE	COUSINS
07/15/09	MAGEE HILL RD	4.1	\$24,390	\$100,000	GIANELLI	MURRAY
09/04/09	EVANSON RD	3	\$52,433	\$157,300	EVANSON CONSTR	CUDNEY
10/02/09	SHERMAN HOLLOW RD	42.5	\$6,235	\$265,000	ANDERSON	GILBERT
12/22/09	534 SUNSET LANE	3.1	\$34,194	\$106,000	ANTHONY	GOODWIN
03/09/10	HIDDEN PASTURES RD	3.2	\$33,437	\$107,000	MCCUE	SUNDIN
04/15/10	OBRIEN MEADOWS	1.5	\$70,000	\$105,000	CRIMMINS	WELLMAN
05/12/10	NORTH ROAD	15.5	\$18,065	\$280,000	OBRIEN	GREEN GR ENTER
05/27/10	86 EVANSON RD	3.4	\$51,471	\$175,000	EVANSON CONSTR	FRIESEN
06/18/10	GILMAN ROAD	3.06	\$45,752	\$140,000	HINES LAND TRUST	METHOT
06/22/10	BISSONETTE LANE	4.46	\$20,179	\$90,000	BISSONETTE	AYER
06/22/10	BISSONETTE LANE	3.67	\$31,335	\$115,000	BISSONETTE	GORDON
07/20/10	BALDWIN/CATCHPAW	2.09	\$47,847	\$100,000	BALDWIN	EKL
07/20/10	BALDWIN/CATCHPAW	4.21	\$47,506	\$200,000	BALDWIN	EKL

Large Acreage Sales in the Subject Market Area

DATE	TOWN	ADDRESS	TOWN	SALE PRICE	ACRES	Comments (Possible Lots)
4/11/07	Abbey	Hollow Road	Hinesburg	\$500,000	48± acres	5 lots
11/6/07	Hinsdale	Guinea Road	Charlotte	\$1,500,000	307.5± acres	2 lots
11/13/08	French	Drinkwater Road	Charlotte/Hinesburg	\$1,300,000	188± acres	12 lots
12/2/09	Hinsdale	Spear Street Ext.	Charlotte	\$425,000	41± acres	3 lots
9/20/10	Gardner	South Road	Williston	\$310,000	86± acres	2-3 lots
10/13/10	Hinsdale	Bingham Brook Road	Charlotte	\$775,000	78.9± acres	3 lots

The sales listed above vary widely in land type and possible uses. Based on an analysis of the above sales and abstraction from improved sales, residential building lots in the Hinesburg area, typically range in sale price from \$90,000 to \$318,000 per lot.

Competitive Vacant Lot Listings on the Multiple Listing Service

Location	Acreage	Price/Acre	List Price	Days on the Market
Leavensworth Road Hinesburg, VT	25.1± acres	\$4,582/acre	\$115,000	308 DOM
Sherman Hollow Road Hinesburg, VT	55± acres	\$4,891/acre	\$269,000	90 DOM
Baldwin Road Hinesburg, VT	29.74± acres	\$10,020/acre	\$298,000	346 DOM
Lot #13 Autumn Hill Lane Shelburne, VT	21.11± acres	\$15,396/acre	\$325,000	477 DOM
3600 Ethan Allen Highway Charlotte, VT	66.82± acres	\$8,905/acre	\$595,000	148 DOM
Route #116 Hinesburg, VT	40.65± acres	\$21,082/acre	\$857,000	308 DOM

Subject Land Valuation

Note: The site improvements include the “as is” contributory value of the shared drilled well, septic system, power service, drive and landscaping.

Vacant Land 94± acres @ \$4,500/acre:	\$423,000
“As is” value of the site improvements:	<u>\$ 24,000</u>
Total Improved Site Value:	\$447,000.⁰⁰

“Before” Acquisition

Market Data Approach/Comparable Sales Analysis

This approach provides an opinion of market value of the subject property. Good comparable sales that purely matched the subject parcel's characteristics were limited; however, there were sufficient sales with which to develop a reasonable opinion of value.

All of the “Before” Acquisition comparable sales used have a similar Highest and Best Use to the subject property: Limited residential development/subdivision uses and timberland and agricultural uses. All sales used in the “Before” Acquisition valuation were reportedly arms-length sales (not distressed).

Many sales which required large adjustments were still considered reasonable and are reliable indicators of value for the subject. The elements of comparison include Sales Concessions, Time, Location, External Depreciation, Site, View, Design/Appeal, Quality, Age/Condition, Room Count (Total/BR/Bath), GLA, Basement & Finished Room Below Grade, Functional Utility, Heating/Cooling, Porches/Fireplace/etc, Garage/Carport, Outbuildings, Water Resource and Other

The following are discussions of the recent sales used in the Market Data Approach/Comparable Sales Analysis, ending with the Comparable Sales Grid and Explanation of Adjustments. Many of the sales have been reconstructed with allocated values for each component.

All sales used have a highest and best use of residential uses with possible development options with additional timberland/recreation uses.

Comparable Sale #1:

Sale Name: Bouchett to O'Connell
Location: 786 Lewis Creek Road, Charlotte/Monkton, VT
Sale Date: November 10, 2009
Sales Price: \$550,000 ÷ 44.9± Acres = \$12,249/Acre
Financing: Conventional
Legal Description: Charlotte Land Records: Book 183, Page 167
Proximity to Subject: Approximately 3 miles west
Sales Confirmation: Town Records, Inspection, MLS, Broker Kathy O'Brien
with Alyth Hescock on 2/22/11

Dwelling:

2 Story dwelling	3,015sf	\$241,200
Covered porch	est	\$ 3,000
Open porch	est	\$ 1,500
Cottage	714sf	<u>\$ 26,000</u>
Dwelling Total:		\$271,700

Outbuildings:

Barn	est	\$ 11,000
Det. Garage	est	\$ 7,000
Pool	est	<u>\$ 10,000</u>
Outbuildings Total:		\$ 28,000

Land:

Site	5± Acres @ \$32,500/Ac	\$162,500
Woodland	<u>39.9± Acres @ \$ 2,200/Ac</u>	<u>\$ 87,800</u>
Land Total:	44.9± Acres	\$250,300

Total Contributory Value: \$550,000

Discussion:

Armslength transaction of a single family dwelling. The property has 21.6± acres and all improvements in Charlotte and 23.3± acres in Monkton. Exposed to the market for 90 days. Private house site with very good westerly views possible. Adjacent to conservation restricted land. The dwelling was constructed in 1975 and measures 3,015sf. Room count is 10 total, 3 bedrooms, and 3 bathrooms. Exterior features include wooden log siding, metal and shingled roof and a partial full concrete foundation. Interior features include a security system and a fireplace. There is a 714sf guest cottage. The land is entirely wooded with miscellaneous hardwood and softwood species with a significant amount of hemlock. Topography is rolling to steeply sloping to the north. Power and telephone service are along the Lewis Creek Road frontage (class III, gravel surfaced, town maintained).

Comparable Sale #2:

Sale Name: Stetson to Heffernan
Location: 409 Gore Road, Starksboro, VT
Sale Date: October 15, 2010
Sales Price: \$600,000 ÷ 234± Acres = \$2,564/Acre
Financing: Conventional
Legal Description: Starksboro Land Records: Book 99, Page 144
Proximity to Subject: Approximately 7 miles southeast
Sales Confirmation: Town Records, Inspection, MLS, Broker Wade Weathers with Justus DeVries on 2/22/11

Dwelling:
2 Story dwelling 2,200sf \$187,000
Open porch est \$ 1,800
Dwelling Total: \$188,800

Outbuildings:
None
Outbuildings Total: \$ 0

Land:
Site 5± Acres @ \$25,000/Ac \$125,000
Woodland 217± Acres @ \$ 1,300/Ac \$282,100
Wetland/waste 12± Acres @ \$ 350/Ac \$ 4,200
Land Total: 234± Acres \$411,300

Total Contributory Value: \$550,000 (rounded)

Discussion:

Armslength transaction of a single family dwelling. Exposed to the market for 197 days, however the property had been on the market with a prior real estate firm for significantly higher asking price. The dwelling was built in 1988 and measures 2,200sf. The room count is 8 total, 3 bedrooms and 2 bathrooms. Exterior features include rustic wood siding, shingled roof and full concrete foundation. wood Interior features include a security system and a fireplace. The property is entirely wooded, with the exception of the house site and some areas of wetland along the 1,000' of Huntington River frontage. The woodland is miscellaneous hardwood and softwood species. The topography is overall steeply sloping to the north with desirable views to the northeast. Mad River Glen ski resort is in close proximity. Power and telephone service are along the Gore Road frontage (class III, macadam surfaced, town maintained).

Comparable Sale #3:

Sale Name: Fairbank to Holmes
Location: 283 Spear Street, Charlotte, VT
Sale Date: July 30, 2010
Sales Price: \$649,000 ÷ 22.7± Acres = \$28,590/Acre
Financing: Conventional
Legal Description: Charlotte Land Records: Book 187, Page 388
Proximity to Subject: Approximately 7 miles northwest
Sales Confirmation: Town Records, Inspection, MLS, Broker Betsy Fleming with Alyth Hescoock on 2/24/11

Dwelling:		
2 Story dwelling	3,604sf	\$324,400
Covered porch	est	<u>\$ 2,000</u>
Dwelling Total:		\$326,400

Outbuildings:		
Det. Garage	est	<u>\$ 10,000</u>
Outbuildings Total:		\$ 10,000

Land:		
Site	5± Acres @ \$45,000/Ac	\$225,000
Tillable land	3± Acres @ \$ 7,500/Ac	\$ 22,500
Woodland	<u>14.7± Acres @ \$ 4,400/Ac</u>	<u>\$ 64,700</u>
Land Total:	22.7± Acres	\$312,200

Total Contributory Value: \$649,000 (rounded)

Discussion:

Armslength transaction of a single family dwelling. The property was exposed to the open market for 10 days. The dwelling was built in 1973 and measures 3,604sf. Room count is 10 total, 4 bedrooms, and 3 bathrooms. Interior features include a security system, a fireplace and a sauna. Exterior features include vertical wood siding, an asphalt shingle roof and a partial full concrete basement. The land is a mix of open tillable land and woodland with miscellaneous hardwood and softwood species. There is over 2,000' of frontage along the LaPlatte River. Views are average of the surrounding land and topography is overall level to sloping to the east and south. Power and telephone are along the Spear Street Road frontage (class III, macadam surfaced, town maintained).

Comparable Sale #4:

Sale Name: Wagner to Bateman
Location: 1702 Leavensworth Road, Hinesburg, VT
Sale Date: January 10, 2007
Sales Price: \$615,000 ÷ 13± Acres = \$47,308/Acre
Financing: Conventional
Legal Description: Hinesburg Land Records: Book 190, Page 128
Proximity to Subject: Approximately 5 miles north
Sales Confirmation: Town Records, Inspection, MLS, Broker Eileen Townsend
with Alyth Hescock on 2/17/11

Dwelling:

2 Story dwelling	3,200sf	\$304,000
Covered porch	est	\$ 3,500
Open porch	est	\$ 2,500
Open porch	est	\$ 2,500
Attached garage	est	<u>\$ 12,500</u>
Dwelling Total:		\$325,000

Outbuildings:
None

Outbuildings Total: \$ 0

Land:

Site	5± Acres @ \$34,000/Ac	\$170,000
Tillable/Meadow land	8± Acres @ \$15,000/Ac	<u>\$120,000</u>
Land Total:	13± Acres	\$290,000

Total Contributory Value: **\$615,000**

Discussion:

Armslength transaction of a single family dwelling. The property was exposed to the market for 193 days. The dwelling was built in 1988 measuring 3,200sf. Room count is 10 total, 3 bedrooms and 4 bathrooms. Exterior features include cedar clapboard siding, shingled roof and full concrete foundation. Interior features include central vacuum, a fireplace and security system. The land is entirely open with good to average views of the surrounding agricultural land. Topography is level to sloping overall to the southwest. There is significant frontage along the LaPlatte River. Power and telephone service are along the Leavensworth Road (class III, gravel surfaced, town maintained) and Carpenter Road frontage (class III, macadam surfaced, town maintained).

Comparable Sale #5:

Sale Name: Smith to Mothership, LLC
Location: 950 Zeno Road, Lincoln, VT
Sale Date: October 8, 2008
Sales Price: \$999,000 ÷ 279± Acres = \$3,581/Acre
Financing: Conventional
Legal Description: Lincoln Land Records: Book 67, Page 356
Proximity to Subject: Approximately 10 miles southwest
Sales Confirmation: Town Records, Inspection, MLS, Appraisal, Broker with
Justus DeVries on 10/17/08

Dwelling:

2 Story dwelling	2,495sf	\$274,500
Enclosed porch	est	\$ 8,000
Covered porch	est	\$ 2,000
Attached garage	est	<u>\$ 16,000</u>
Dwelling Total:		\$300,500

Outbuildings:
None

Outbuildings Total: \$ 0

Land:

Site	5± Acres @ \$40,000/Ac	\$200,000
Woodland	<u>274± Acres @ \$ 1,825/Ac</u>	<u>\$500,100</u>
Land Total:	279± Acres	\$290,000

Total Contributory Value: **\$999,000 (rounded)**

Discussion:

Armslength transaction of a single family dwelling. The property was exposed to the market for 104 days. The dwelling was built in 1986 measuring 2,495sf. Room count is 9 total, 5 bedrooms and 2.5 bathrooms. Exterior features include wooden cedar clapboard siding, shingled roof and full concrete foundation. Interior features include a fireplace and security system. The land is entirely wooded with approximately 5± acres of open site with very good views of the Champlain Valley to the west. Topography is sloping overall to the west with steeper sections. Power and telephone service are along the Zeno Road frontage (class III, gravel surfaced, town maintained).

**“Before” Acquisition
Comparable Sales Grid**

Category	Subject Property	Sale #1		Sale #2	
Sale Name Address	Spencer/Kielman Property 166 Fox Meadows Hinesburg, VT	Bouchett to O’Connell 786 Lewis Creek Road Charlotte/Monkton, VT		Stetson to Heffernan 409 Gore Road Starksboro, VT	
Sales Price		\$550,000		\$600,000	
Price/G.L.A.		\$182/sf		\$273/sf	
Confirmation		MLS, Town, Inspection, Broker		MLS, Town, Inspection, Broker	
ADJUSTMENT/ DESCRIPTION		550,000		600,000	
Financing/Concessions		Conventional	=	Conventional	=
Time	1/19/11	11/10/09	=	10/15/10	=
Location	Good	Good	=	Average	+90,000 (15%)
External Depreciation	None	Minimal	=	Minimal	=
Site	94± Acres	44.9± Acres	+149,300	234± Acres	-219,000
View	Good	Good	=	Good	=
Design/Appeal	2sty/Very Good	2sty/Very Good	=	2sty/Average	+44,000 (\$20)
Quality	Very Good	Very good	=	Good	+22,000 (\$10)
Age/Condition/ Effective Age	26/12 Yrs Old Very Good Condition	36 Yrs Old Very Good Cond.	= =	23 Yrs Old Good	= +22,000 (\$10)
Room Count (Total/BR/Bath) GLA	9/3/2 3,334sf	10/3/3 3,015sf	-8,000 +25,500 (\$80)	8/3/2 2,200sf	= +90,700 (\$80)
Basement & Finished Room Below Grade	Partial Full/Slab 270sf Finished Area	Full Concrete	= +5,000	Full Concrete	= +5,000
Functional Utility	Good	Good	=	Good	=
Heating/Cooling	Woodstove/Space Heater	FHA	-8,500	FHA	-8,500
Porches/Fireplace/etc	Wood FP, Gas FP, 3 CPs, OP \$25,000	FP, CP, OP \$15,000	+10,000	FP, OP \$10,000	+15,000
Garage/Carport	Detached Garage \$5,000	Garage, Barn \$18,000	-13,000	None	+5,000
Outbuildings	None	Cottage \$26,000	-26,000	None	=
Water Resource	Lewis Creek \$20,000	Minimal	+20,000	Huntington River \$15,000	+5,000
Other	Pool \$12,000	Pool \$10,000	+2,000	Security System \$2,500	+9,500
Total Adjustments		+156,300		+80,700	
Adjusted Price of Comparable		\$706,300		\$680,700	

Opinion of Market Value:

\$720,000.⁰⁰

**“Before” Acquisition
Comparable Sales Grid**

Category	Subject Property	Sale #3		Sale #4	
Sale Name Address	Spencer/Kielman Property 166 Fox Meadows Hinesburg, VT	Fairbank to Holmes 283 Spear Street Charlotte, VT		Wagner to Bateman 1702 Leavensworth Road Hinesburg, VT	
Sales Price		\$649,000		\$615,000	
Price/G.L.A.		\$180/sf		\$192/sf	
Confirmation		MLS, Town, Inspection, Broker		MLS, Town, Inspection, Broker	
ADJUSTMENT/ DESCRIPTION		649,000		565,800	
Financing/Concessions		Conventional	=	Conventional	=
Time	1/19/11	7/30/10	=	1/10/07	-49,200
Location	Good	Very Good	-97,400 (15%)	Very Good/Good	-28,300 (5%)
External Depreciation	None	Minimal	=	Minimal	=
Site	94± Acres	22.7± Acres	+213,900	13± Acres	+243,000
View	Good	Good	=	Very Good	-56,600 (10%)
Design/Appeal	2sty/Very Good	Contemp/V. Good	=	2sty/Very Good	=
Quality	Very Good	Very Good/Good	+18,000 (\$5)	Very Good	=
Age/Condition/ Effective Age	26/12 Yrs Old Very Good Condition	38 Yrs Old Very Good/Good	+18,000 (\$5)	23 Yrs Old Very Good	=
Room Count (Total/BR/Bath) GLA	9/3/2 3,334sf	10/4/3 3,604sf	-8,000 -21,600 (\$80)	10/3/4 3,200sf	-16,000 +10,700 (\$80)
Basement & Finished Room Below Grade	Partial Full/Slab 270sf Finished Area	Full Concrete None	= +5,000	Full None	= +5,000
Functional Utility	Good	Good	=	Good	=
Heating/Cooling	Woodstove/Space Heater	HW BB, Woodstove	-8,500	FHA	-8,500
Porches/Fireplace/etc	Wood FP, Gas FP, 3 CPs, OP \$25,000	FP, CP \$5,000	+20,000	OPs, CP, 2 FPs \$20,000	+5,000
Garage/Carport	Detached Garage \$5,000	Detached Garage \$10,000	-5,000	Attached Garage \$12,500	-7,500
Outbuildings	None	None	=	None	=
Water Resource	Lewis Creek \$20,000	LaPlatte River \$25,000	-5,000	LaPlatte River \$10,000	+15,000
Other	Pool \$12,000	Sec. syst, Sauna \$6,000	+6,000	Security System \$2,500	+9,500
Total Adjustments		+135,400		+122,100	
Adjusted Price of Comparable		\$784,400		\$737,100	

Opinion of Market Value:

\$720,000.⁰⁰

**“Before” Acquisition
Comparable Sales Grid**

Category	Subject Property	Sale #5	
Sale Name Address	Spencer/Kielman Property 166 Fox Meadows Hinesburg, VT	Smith to Mothership LLC 950 Zeno Road Lincoln, VT	
Sales Price		\$999,000	
Price/G.L.A.		\$400/sf	
Confirmation		Town, MLS, Appraisal, Broker	
ADJUSTMENT/ DESCRIPTION		919,100	
Financing/Concessions		Conventional	=
Time	1/19/11	10/08/08	-79,900 (8%)
Location	Good	Good	=
External Depreciation	None	Minimal	=
Site	94± Acres	279± Acres	-286,500
View	Good	Very Good	-91,900 (10%)
Design/Appeal	2sty/Very Good	Very Good	=
Quality	Very Good	Very Good	=
Age/Condition/ Effective Age	26/12 Yrs Old Very Good Condition	25 yrs Old Good/Average	+37,400
Room Count (Total/BR/Bath) GLA	9/3/2 3,334sf	9/5/2.5 2,495sf	-4,000 +67,100 (\$80)
Basement & Finished Room Below Grade	Partial Full/Slab 270sf Finished Area	Partial Full None	= +5,000
Functional Utility	Good	Good	=
Heating/Cooling	Woodstove/Space Heater	Gas/FHA	=
Porches/Fireplace/etc	Wood FP, Gas FP, 3 CPs, OP \$25,000	EP, CP \$10,000	+15,000
Garage/Carport	Detached Garage \$5,000	Att. 3 Car Garage \$16,000	-11,000
Outbuildings	None	None	=
Water Resource	Lewis Creek \$20,000	None	+20,000
Other	Pool \$12,000	None	+12,000
Total Adjustments		-316,800	
Adjusted Price of Comparable		\$682,200	

Opinion of Market Value:

\$720,000.⁰⁰

**Explanation for Adjustments in the
“Before” Acquisition Sales Comparison Analysis**

All adjustments are on a time adjusted sales price basis. A positive adjustment is made when the subject is superior in a feature. A negative adjustment is made when the comparable is superior. There was no sale which captured all of the subject property’s attributes. All comparable sales have fee simple ownership rights and both surface and subsurface rights. No adjustments were made for the difference between surface rights and subsurface rights because none of the comparable sales were considered to have significant subsurface rights. Typically vacant land properties in the subject property’s market area are purchased without subsurface inspection, other than soil testing for hazardous materials and/or on-site sewage disposal capacity.

There were no **Financing/Sales Concessions** adjustments required as all sales were considered equal to subject.

Time: The rural residential and vacant land market is considered slightly declining in the market area. All sales prior to January 1, 2009 required a -8% adjustment.

External Depreciation: No adjustments were required

Site: Differences in acreage were adjusted at \$3,000/acre up to 100± acres. Sales with over 100± acres were adjusted at \$1,500 for the acreage over 100 acres and at \$3,000 for 6 acres (100± acres - 94± acres).

Adjustments for **View** amenity were calculated using the flowing sales

Sale Data to Support Adjustment for View:

Sale	Sale Date	Grantor	Grantee	Location	Sale Price	Comments
Sale A 10.11 acres	11/01/06	Skipo, Inc.	Moulton	Shellhouse Mtn. Rd Ferrisburgh	\$244,000 (\$24,135/acre)	Permitted lot with ‘million dollar views’ per MLS remarks. A review of topography map and site inspection indicates excellent views including distant Lake Champlain views (sold on 5/23/00 for \$109,000).
Sale B 16 acres	12/19/07	Rotax	Baldwin	Cemetery Rd Monkton	\$225,000 (\$14,063/acre)	Permitted lot with ‘stunning views’ per MLS remarks. Review of topography map and site inspection indicates very good to good views .
Conclusion	After adjusting Sale B -\$10,000 for additional acreage, it sold for 12% less than Sale A attributable primarily due to the less desirable views.					

The above sales analysis shows sales with inferior views selling for **12%** less than sales with more desirable views. A reasonable view adjustment was 5 to 10% for sales with superior or inferior views.

**Explanation for Adjustments in the
“Before” Acquisition Sales Comparison Analysis (continued)**

Design/Appeal: All sales were equal in this category except for Sale #2 which was considered inferior and a \$20/sf adjustment was made.

Quality: The comparison of quality of construction (for the dwelling component only) reflects the comparison of estimated construction costs. Construction costs for dwellings depending on the quality and size of living area range considerably, from \$75/sf (low quality, modular construction) to \$250/sf (high quality, custom construction). The appraiser considered a dollar per square foot adjustment as the best measure of comparison. It is a relative measure combined with judgment/market analysis and separate from condition.

Sale Data to Support the Adjustment for Quality:

	Sale A		Sale B	
Date	06/20/08	=	5/23/08	=
Location	280 Main Street, Shoreham, VT	=	153 Main Street, Shoreham, VT	=
Price	\$368,750	=	\$249,900	-\$10,000*
Age	1880	=	1838	=
Size	2,225sf	=	2,523sf	+12,495 (5%)
Room Count	9/4/3	Superior	8/3/2	+\$12,000
Quality	Superior		Inferior	
Condition	Good	Superior	Inferior	+24,990 (10%)
Outbuildings	Attached garage, barn	=	Two Barns	=
Required Adjustments		=		+39,485
Adjusted Sale Price		\$368,750		\$289,385
less lot value	1± Acre	-\$80,000	1.75± Acre	-\$80,000
Adjusted Sale Price (excluding lot)		\$288,750		\$209,385
Adjusted Sale Price (excluding lot)/SF		\$129.78/sf		\$82.99/sf
Conclusion	After being adjusted for a sales concession, additional rooms and size, Sale B , was inferior by \$46.79/sf			
Notes	* seller concession			

**Explanation for Adjustments in the
“Before” Acquisition Sales Comparison Analysis (continued)**

Condition: The condition adjustment (for the dwelling component) is primarily based on the comparison of the condition of the dwelling and focuses on differences on the effective age of the comparable sales versus the subject, and relates directly to depreciation. A dollar per square foot adjustment was considered a reasonable method to quantify the differences.

Sale Data to Support the Adjustment for Condition:

	Sale A		Sale B	
Date	4/25/08	=	9/4/08	=
Location	1817 East Route #17, Addison, VT	=	3080 Route #22A, Bridport, VT	=
Price	\$217,000	=	\$106,000	=
Age	1854	=	1867	=
Size	1,455sf	=	1,600sf	+5,300 (5%)
Room Count	5/2/2	=	6/3/1	=
Quality	Good	=	Good	=
Condition	Very Good/Good		Fair	
Outbuildings	Barn	=	None	+\$15,000
Required Adjustments				+20,300
Adjusted Sale Price		\$217,000		\$126,300
less lot value	.51± Acre	-\$65,000	1± Acre	-\$55,000
Adjusted Sale Price (excluding lot)		\$152,000		\$71,300
Adjusted Sale Price (excluding lot)/SF		\$104.47/sf		\$44.56/sf
Conclusion	After being adjusted for a sales concession, additional room and size of living area, Sale B , was inferior by \$59.91/sf			

Room Count (Total/BR/Bath): Full bathrooms were allocated at \$8,000 and half baths at \$4,000. No adjustments were required for total rooms or bedrooms.

Size adjustments of \$80/sf were made for the difference in size of living area. The adjustment per square foot used is based on an analysis of residential sales. The \$80/sf size adjustment was the same for all comparable sales; quality and condition adjustments were made as separate adjustments.

Basement & Finished Room Below Grade: All sales had full basements like the subject property. All sales that lack any finished area required a +\$5,000 adjustment to account for the finished basement area of the subject property.

Functional Utility: All sales were equal in the Functional Utility category.

Heating/Cooling: The subject property lacked a central heating system other than a Rinnai space heater and woodstove. An adjustment was made to all sales for having central heating systems of \$8,500.

**Explanation for Adjustments in the
“Before” Acquisition Sales Comparison Analysis (continued)**

Porches/Fireplace/etc, Garage/Carport, Outbuildings, Water Resource and Other categories were based on the direct difference between the allocated value of the components of the subject property vs. the comparable sales. The subject property had frontage along Lewis Creek and was allocated at \$20,000.

The sales were weighted as follows:

Sale #1 was weighted at 25%
Sale #2 was weighted at 15%
Sale #3 was weighted at 25%
Sale #4 was weighted at 15%
Sale #5 was weighted at 20%

In conclusion, the Opinion of Market Value of the Subject Property by the Market Data Approach/Sales Comparison Analysis, “Before” Acquisition is:

Opinion of Market Value:

\$720,000.⁰⁰

“After” Acquisition Valuation Section

The following section of the appraisal report will address the subject property as though conservation easements and restrictions are in place. The easement holder will be the State of Vermont, Agency of Natural Resources, Department of Fish and Wildlife.

The following is a brief summary of some of the restrictions and allowable uses of the proposed conservation easement (see addenda for the complete Draft Conservation Easement Document).

The stated purpose of the easement is “To conserve and protect wildlife habitats, natural communities, and wildlife-based recreation opportunities, scenic resources and forestry resources on the Protected Property, and the ecological processes that sustain these natural resource values as these values exist on the date of signing this easement and as they may evolve in the future, for present and future generations.”

The conservation easement will cover 64± acres (vacant land) of the subject property (**30± acres including the dwelling, garage and site improvements are excluded from the easement**) (see map on following page).

Note: The Draft Conservation Easement in the addenda is from the client and from a recent project with a similar easement in Bristol.

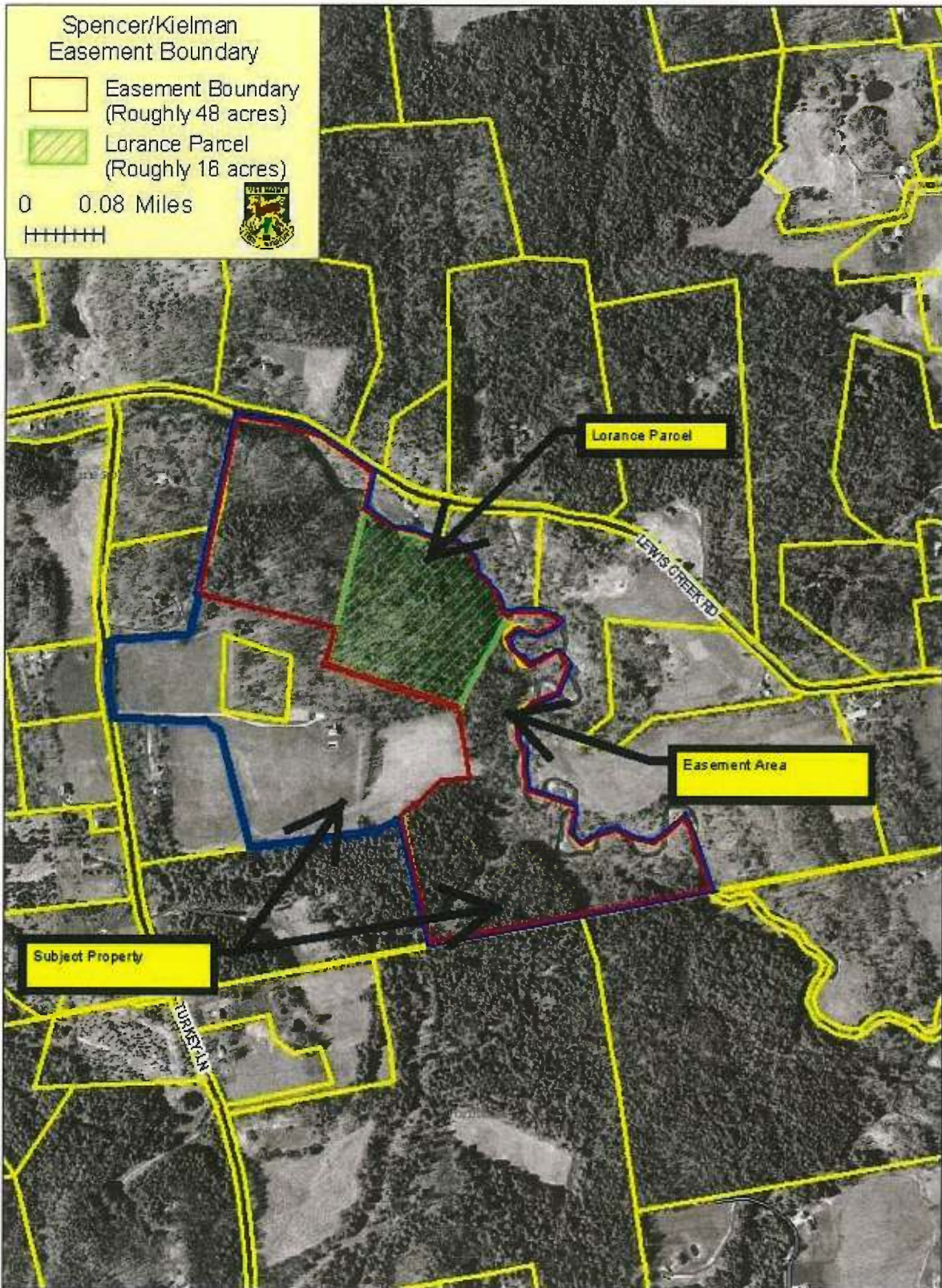
Terms and Conditions of the Proposed Conservation Easement:

- No subdivision or further residential/commercial/or camp development.
- No construction of R.O.W.s, easements; ingress or egress, driveways, roads, or utility lines.
- No placement of signs, billboards, or outdoor advertising.
- No placement of trash, human waste, or unsightly or offensive material.
- No disturbance of the surface of the ground.
- No use of fertilizers, pesticides, biocides, insecticides, fungicides, rodenticides or herbicides.
- Non-motorized vehicle use, other than for management purposes.
- No planting trees, shrubs or other plants except for restoration of rare species or wildlife habitat.
- No introduction of non-native or invasive species or genetically modified plants or animals.
- Dispersed public access (non-motorized).
- No construction of any buildings or structures other than for management purposes (with written approval of Grantee).
- No placement of campers or recreational vehicles.

Permitted Uses of the Protected Property:

- The right to conduct maple sugaring operations and harvest timber according to a management plan.
- The right to utilize, maintain, establish and improve water sources (with written approval of Grantee).
- The right to clear, construct and maintain trails for non-motorized recreational activities (with written approval of Grantee).
- The proposed easement encumbers 64± acres of the subject property.

Subject Property Easement Map



Analysis of Highest and Best Use “After” Acquisition

In order to evaluate the subject and choose appropriate comparable sale properties for the valuation approach, a determination of the subject property’s highest and best use must be made. Highest and best use is defined as, “*That use which, at the time of the appraisal, is the most profitable likely use. This definition implies that the owner (or potential buyer) of the property is rational, and thus, desires to obtain the maximum possible benefit from his or her use of the property. Furthermore, the definition assumes the use must be legal under current zoning, and that a zoning change is not imminent.*”⁶

Also required is the “larger parcel” determination, which the Appraisal Institute and UASFLA define as “*That tract, or those tracts, of land which possess a unity of ownership and have the same, or an integrated, highest and best use.*”⁷ A larger parcel determination was made for the subject property that includes the entire 94± acre subject property. Although the Dexter Lorance parcel is a portion of a larger parcel, only the 94± acre subject property was considered the larger parcel because the parcels have a different highest and best use. The neighboring property owned by Dexter Lorance is a single family dwelling with access to Lewis Creek Road, while the 16± acre portion appraised is on the other side of Lewis Creek without access to Lewis Creek Road. The most likely highest and best use “**After**” **Acquisition** is the current residential and recreational uses with possible future development of a 1-2 residential lots. Given the zoning, favorable soils, location and land configuration, this is a feasible use. Any development is also subject to all local and state building codes (these are extraordinary assumptions).

The highest and best use must also meet the so called four tests as follows:

1. Physically Possible: Based on NRCS soils maps and topography maps, it appears there are adequate soils for on-site sewage capacity are available, allowing for the development of a septic system for at least 2 septic systems on the “excluded” land. The land is suitable for residential development. This is an extraordinary assumption.
2. Legally Permissible: Town zoning and subdivisions laws in the subject property’s neighborhood allow for residential development. The minimum lot size is 2 acres. There is legal access and adequate road frontage on the subject property.
3. Financially Feasible: The limited residential development is financially feasible on the “excluded” land due to the limited restrictions.
4. Maximally Productive: The current uses with the possible limited residential future development is maximally productive.

The highest and best use for the subject property as determined by the appraisers meets all of these four tests.

⁶The appraisal of Real Estate, Appraisal Institute, Twelfth Edition, page 305.

⁷Uniform Appraisal Standards for Federal Land Acquisitions, 2000 Edition, page A-17.

Analysis of Highest and Best Use “After” Acquisition (continued)

The valuation for the subject land in the “**After Acquisition**” analysis reflects the additional nuisance factor (market reaction) associated with the easement and restricted use. This value is strongly supported by land abstraction of properties restricted by conservation easements and the primary conserved vacant land comparable sales used. The proposed subject easement will be fully restricted on the land (no residential/camp capability). **There will be no residential or “camp” rights allowed within the easement.**

By removing a significant portion of the land’s “*Bundle of Rights*,”⁸ the conservation easement renders a lower market value, created by limited alternative uses to the property which become fixed for perpetuity.

The following sales tables are listings of conservation restricted property sales analyzed to support the conserved land values.

In the subject property’s case, the diverse land types are a blend of residential, agricultural, timberland and wildlife use. Therefore, sales with different land types were analyzed.

⁸“BUNDLE OF RIGHTS THEORY – Ownership of a parcel of real estate may embrace a great many rights, such as the right to its occupancy and use; the right to sell it in whole or in part; the right to bequeath; the right to transfer, by contract, for specified periods of time, the benefits to be derived by occupancy and use of the real estate. The rights of occupancy and use are called beneficial interests.” Real Estate Appraisal Terminology, by Byrl Boyce (Copyright 1984), Pages 35 and 36.

Conservation Restricted Timberland Sales						
Sale Date	Grantee	Town	Sale Price	Acreage	\$/Ac	Comments
2/8/95	Bemis	Shrewsbury	\$14,900	135±	\$110/Ac	Restricted by F&G. Heavily cut
2/12/96	Krupp	W. Haven	\$20,000	53.7±	\$372/Ac	Limited timber pt'l. Add on purchase
2/17/97	Alex RE	Plymouth	\$57,000	274±	\$208/Ac	Limited timber pt'l. Rest by F&P
4/19/98	Yankee LLC	Holland	\$195,000	809±	\$241/Ac	Investment tract Rest by V.L.T.
12/29/99	Williams	Cornwall	\$27,500	31.53±	\$872/Ac	VGd timber pt'l. (\$1,291/A)
3/6/03	MacBeth	Rockingham	\$75,000	139±	\$539/Ac	1 Res. Site allowed
6/6/03	Burdick	Stamford	\$85,000	257.3	\$330/Ac	Allowable 800sf camp
12/30/03	Paganelli	Strafford	\$172,500	143±	\$1,206/Ac	10±Ac exclusion
10/15/04	Kelsey	Stockbridge	\$94,000	168±	\$560/Ac	Allowable 800sf camp
3/24/05	Snyder	Guildhall	\$42,500	91±	\$467/Ac	Fully restricted
3/29/05	Red Dam Conservatory	Westmore	\$270,000	886±	\$305/Ac	Camp right
7/14/05	Harriman	Hartland	\$210,000	120±	\$1,750/Ac	1 Res. Site allowed
8/17/05	Prescott	Burke	\$95,000	103.7±	\$916/Ac	1 Res. Site allowed
10/10/06	Moore Trust	Holland	\$401,000	809±	\$496/Ac	* Resale (106%)
2/15/07	Rensma	Westmore	275,347	470±	\$586/Ac	Fully Restricted
3/5/07	Magellan Forestry	Wolcott	\$295,000	590±	\$500/Ac	Fully Restricted. 2 parcels. Allowable 800sf camp
5/7/07	Zimmerman	Plainfield	\$1,101,000	1,479±	\$744	Fully restricted; public access
9/19/07	Buckles/Carney	Guildhall	\$30,000	105±	\$286	Fully restricted (TCV \$481/acre)
11/6/08	Watson	Newark	\$480,000	572±	\$839	Fully restricted; public access (resale from 2/11/04 for \$226,000)
1/6/09	Wilcox Wood, LLC	Stamford	\$170,000	257±	\$661	Fully restricted; 1 camp right 800sf (resale from 6/6/03 for \$85,000)
6/1/09	Magellan	Guildhall	\$37,500	105±	\$357	Fully restricted
5/28/10	Swan Farms	Fayston	\$112,000	70±	\$1,600	Fully restricted

Conservation restricted timberland sales range in value from \$350/acre to \$1,700/acre.

Conservation Restricted Vacant Land Sales with Allowable Residential Sites							
Sale Date	Grantor	Grantee	Location	Sale Price	Acreage	\$/Acre	Comments
2/6/09	Couture	Wilson	Barre	\$175,000	91.5±	\$1,913/Ac	15 acre exclusion; add-on purchase; OPAV
4/2/10	Hinsdale	Colangeli	Charlotte	\$195,000	3.7±	\$9,352/Ac	.38± acre building envelope; balance fully restricted
10/7/10	Krasnow	Walsh	Charlotte	\$297,000	31.4±	\$9,459/ac	5± acre building envelope; balance fully restricted

Subject Property “After” Land Value Allocations

Land Type	Acres	\$/acre	\$ Total
House Site (Excluded from the Easement)	2± acres	Est.	*\$ 114,000
Conservation Restricted Woodland	64± acres	\$1,000/acre	\$ 64,000
Tillable Land and Woodland (Excluded from the Easement)	28± acres	\$5,000/acre	\$ 140,000
Conserved Lewis Creek Frontage	--	Est.	\$ 15,000
Total Land Value Allocations:	94± Acres	\$3,543/Acre	\$333,000.⁰⁰

*\$90,000 vacant land and \$24,000 site improvements.

Exclusions from the easement land value:

2± acres Vacant Land House Site: \$ 90,000
28± acres Tillable and Woodland: \$ 140,000

30± acres Total: \$230,000

“After” Acquisition
Market Data Approach/Comparable Sales Analysis

This approach provides an opinion of the market value of the subject property. Good comparable sales that purely matched the subject characteristics were limited however, there were sufficient sales with which to develop a reasonable opinion of value.

All of the “After” Acquisition comparable sales used have similar Highest and Best Uses as the subject property: timberland with limited residential development/subdivision uses. All sales used in the “After” Acquisition valuation were reportedly arms-length sales (not distressed), and subject to perpetual Vermont Land Trust and The Nature Conservancy conservation easements and restrictions or subdivision restrictions.

Many sales which required large adjustments were still considered reasonable and are reliable indicators of value for the subject. The elements of comparison include Sales Concessions, Time, Location, External Depreciation, Site, View, Design/Appeal, Quality, Age/Condition, Room Count (Total/BR/Bath), GLA, Basement & Finished Room Below Grade, Functional Utility, Heating/Cooling, Porches/Fireplace/etc, Garage/Carport, Outbuildings, Water Resource, Other and Conservation Easement.

The following are discussions of the recent sales used in the Market Data Approach/Comparable Sales Analysis, ending with the Comparable Sales Grid and Explanation of Adjustments. The sales have been reconstructed with allocated values for each component.

All of the following sales are encumbered by perpetual conservation easements and restrictions or restrictions on subdivision.

Comparable Sale #6:

Sale Name: Paluska to Merle-Smith
Location: N/S Rotax Road and East Side Roscoe Road, Monkton, VT
Sales Date: July 27, 2004
Sales Price: \$850,000 ÷ 75.8± Acres = \$11,214/Acre
Financing: Conventional
Legal Description: Monkton Land Records, Book 100, Page 1
Proximity to Subject: Approximately 3 miles southwest
Sales Confirmation: Inspection, Town, Grantor, Appraisal, Grantee with Justus DeVries
On 8/6/05

Dwelling:		
2½ Story dwelling; 3,700sf		\$ 415,000
Attached 2 car garage		<u>\$ 20,000</u>
Dwelling Total:		\$ 435,000
Outbuildings:		
1½ story barn 1,632sf		\$ 35,000
Fencing/riding rink		<u>\$ 20,000</u>
Outbuildings Total:		\$ 55,000
Land:		
Site/improvements	5± Acres @ \$30,000/Ac	\$ 150,000
Land (tillable/woodland)*	<u>70.8± Acres @ \$ 2,895/Ac</u>	\$ 205,000
3 Ponds		<u>\$ 5,000</u>
Land Total:	75.8± Acres	\$ 360,000
Total Contributory Value:		<u>\$ 850,000</u>

Discussion:

Arms-length sale of a classic, historic farmhouse on a very private hillside site, with very good to excellent south, southeast and southwestern valley and Green mountain views. The development rights were donated to VLT on 70.8± acres on June 30, 2004. The 5± acre site with improvements (house and barns) was excluded from the conservation easement and is unrestricted.

The dwelling is a 3,700sf, 2½ story Farmhouse of very good quality of construction built circa 1890. Room count is 9 total rooms with 3 bedrooms and 3.5 baths. Exterior materials/features include wooden clapboard and wood shake siding, slate roofing with copper gutters, covered porch, stone patio and attached 2 car garage. Interior materials/features include sheetrock, solid core doors, detailed hardwood trim work, softwood, hardwood, slate, ceramic tile and carpet flooring, oil baseboard hot water heating, woodstove hookup, fireplace, central vacuum and security system. There is a full stone foundation with concrete and dirt flooring. The outbuildings consist of a 1 ½ story horse barn with four stalls and a finished tack room area, with a sink area, totaling of 1,110sf. There are 2 smaller detached sheds of 192sf and 129 sf. A small pond is located southwest of the farmstead. There is a gravel riding ring approximately 240' x 144'.

The land base is comprised of 75.8± acres including approximately 51± acres in tillable land with a total of 4,942' of frontage on Roscoe and Rotax Roads. Views are very desirable. Power and telephone service are located along Roscoe and part of Rotax Road. Site improvements include drilled well, existing on-site septic system, driveway, extensive landscaping & split rail fencing, small pond, pasture paddocks historically used for horses. Soils consist of Berkshire and Marlow stoney loam of 3 - 12% slopes, Vergennes clay of 2-6% slopes and Covington and Panton silty clays. Highest and best use is for a rural estate/horse farm.

Comparable Sale #7:

Sale Name: Hinsdale to Simpkins
Location: Ethan Allen Highway, Charlotte, VT
Sale Date: February 1, 2008
Sale Price: \$725,000 ÷ 56.28± Acres = \$12,882/Acre
Financing: Owner financing
Legal Description: Charlotte Land Records: Book: 171, Page: 620
Proximity to Subject: Approximately 7 miles west
Sale Confirmation: Town records, MLS, Inspection, Grantor with Justus DeVries on 4/28/08

Dwellings:

Dwelling	1,574sf	\$181,000
Covered porch	160sf	\$ 800
Covered porch	32sf	\$ 300
Open porch	24sf	\$ 100
Dwellings Total:		\$182,200

Outbuildings:

Farm stand	1,080sf	\$ 81,000
Shed	1,040sf	\$ 6,500
Shed	1,170sf	\$ 7,500
Shed	768sf	\$ 3,500
Shed	570sf	\$ 2,000
Outbuildings Total:		\$100,500

Land:

Farmstead complex	9.6± acres @	\$20,000/acre	\$192,000
FLH site			\$ 30,000
Orchard/tillable	24± acres @	\$ 7,500/acre	\$180,000
Pasture	12± acres @	\$ 2,500/acre	\$ 30,000
Woodland/waste	10.68± acres @	\$ 500/acre	\$ 5,300
Pond			\$ 3,500
Pond			\$ 1,500
Land Total:	56.28± acres		\$442,300

Total Contributory Value: \$725,000

Comparable Sale #7:

Discussion:

Arms-length transaction of fee simple ownership rights subject to **Vermont Land Trust** “**traditional**” **conservation easements** and was listed on the Multiple Listing Service on July 1, 2007. Grantees are from Connecticut and plan to continue the existing berry and orchard operation. The total purchase price was \$900,000, of which \$50,000 was attributed to equipment and \$125,000 to business goodwill. The terms of the owner financing were undisclosed. The grantors sold the development rights to the Vermont Land Trust on March 1, 2001. Terms of the conservation easement include a 9.6± acre farmstead complex with a duplex right and a farm labor house right towards the northern boundary. There is a 2,100’ long public access trail easement that crosses the property.

Located in the middle of the parcel, hidden from Route #7 is the log built single family dwelling, circa 1981. Room count is 6 total, 3 bedrooms, 2 bathrooms with floor area of 1,574sf. There is a full concrete basement with outside entrance. Overall, the dwelling is in average condition with deferred maintenance noted and was vacant at the time of and prior to the sale. Outbuildings include a 1,080sf log built farm stand, and four material/machine/storage barns of average quality of construction. All outbuildings are in good to average condition with limited functional obsolescence and are well suited to the orchard operation. Power and telephone services are along the road frontage. The dwelling is serviced by an on-site septic system of unknown condition and a drilled well.

The property is located on the east side of Route #7, approximately one mile south of the village of Charlotte with frontage that provides excellent line of site for commuting and visiting travelers. Land types were estimated using GIS mapping and include: 9.6± acre farmstead complex, 24± acres of orchard/tillable, 12± acres of pasture, with the balance (11± acres) in woodland and waste. Orchard land is planted primarily in high bush blueberries, raspberries and strawberries. Topography is level to sloping to the south. Water resources include 2 ponds and a small unnamed seasonal brook. Parcel shape is irregular with good view to the south and west. Soils are primarily Stockbridge and Nellis stony loams of 3 to 8% slopes (prime) and Vergennes clay of 2 to 6% slopes with a small area of Georgia stony loam of 3 to 8% slopes (prime).

The highest and best use is the continued commercial agricultural uses, with the development of the farm labor house and use of the existing dwelling.

Comparable Sale #8:

Sale Name: Kiley Family East Farm Partnership to Labinger and Bourgault
Location: 553 Garen Road, Charlotte, VT
Date: August 23, 2010
Sales Price: \$650,000 ÷ 77± Acres = \$8,442/Acre
Legal Description: Charlotte Land Records: Book 188, Pages 24
Financing: Cash
Proximity to Subject: Approximately 3 miles northwest
Confirmation: Town Records, MLS, Inspection, Listing agent w/ Alyth Hescocock 12/16/10

Dwelling:

Single family dwelling	1,196sf	\$101,700
Enclosed porch	78sf	\$ 3,500
Open porch	284sf	\$ 2,800
Dwellings Total:		\$108,000

Outbuilding:

Shed		\$ 500
Outbuildings Total:		\$ 500

Land:

House site	2± Acres @ \$97,500/Acre	\$195,000
Tillable land	31± Acres @ \$ 6,500/Acre	\$201,500
Woodland	28± Acres @ \$ 4,500/Acre	\$126,000
Pasture	6± Acres @ \$ 2,000/Acre	\$ 12,000
Wetland/waste/Overgrow pasture	10± Acres @ \$ 500/Acre	\$ 5,000
Pond		\$ 2,000
Total Land:	77± Acres	\$541,500

Total Contributory Value: \$650,000

Comparable Sale #8:

Discussion:

Arms-length sale of small single family dwelling on a hillside site with 77± acres. The grantees paid cash for the property. The property was not encumbered by a conservation easement, however the deed restricted subdivision of the property.

The dwelling was built in 1975 and measures 1,196sf. Room count is 5 total rooms, 3 bedrooms and 2 bathrooms. There is a covered porch (18sf), a enclosed porch (60sf) and an open porch (284sf). Exterior materials include vertical wooden siding, metal roof covering and a full concrete basement. Heating is by an oil fired forced hot air furnace. There is an on-site septic system and drilled well. Overall, the property was in average condition at the time of sale. There was an old shed along Garen Road in fair/poor condition.

The land base is comprised of a 2± acre house site, 31± acres of tillable land, 6± acres of pasture and 28± acres of woodland and 10± acres of wetland/waste. There is 1,528' of frontage along the North of Garen Road (class III, gravel surfaced, town maintained, dead end). Power and telephone service are along the road frontage. Municipal sewer and water are not available in the sale property's location. The land is well suited for a small scale agricultural enterprise or gentleman's farm. The neighborhood is low density residential development with very good quality dwellings with agricultural and forestry uses. The topography is mostly level with steeper sections in the woodland along the road. Soil types are predominately Covington silty clay, Livingston clay and Vergennes clay of 2 to 12% slopes with smaller areas of Farmington extremely rocky loam of 5 to 60% slopes, Stockbridge stony loams of 5 to 255% slopes and Massena extremely stony silt loam of 0 to 5% slopes.

The highest and best use of the property is its current residential and agricultural uses with the development of a second single family residence.

Comparable Sale #9:

Sale Name: Baker to Pelechaty
Location: Money Hole Road, Benson, VT
Sale Date: June 4, 2009
Sales Price: \$400,000 ÷ 102.4± acres = \$3,906/Acre
Financing: Owner Financing
Legal Description: Benson Land Records: Book 62, Page 329
Proximity to Subject: Approximately 42 miles southwest
Sales Confirmation: Town Records, Inspection, Previous Appraisal, Joan Allen at TNC
with Justus DeVries on 2/25/11

Dwelling:

2 Story dwelling	2,160sf	\$ 162,000
Covered porch	171sf	\$ 2,800
Open porch	511sf	\$ 4,400
Attached garage	330sf	\$ 8,600
Dwelling Total:		\$ 177,800

Outbuildings:

Barn	2,548sf	\$ 18,500
Barn	600sf	\$ 3,800
Barn	598sf	\$ 3,800
Carport	483sf	\$ 2,000
Shed	800sf	\$ 1,200
Corncrib	308sf	\$ 500
Outbuildings Total:		\$ 29,800

Land:

Site	5± Acres @ \$12,000/Acre	\$ 60,000
Tillable	45± Acres @ \$ 1,600/Acre	\$ 72,000
Pasture	47.4± Acres @ \$ 1,000/Acre	\$ 56,900
Woodland	5± Acres @ \$ 700/Acre	\$ 3,500
Land Total:	102.4± Acres	\$192,400

Total Contributory Value: \$ 400,000

Comparable Sale #9:

Discussion:

Arms-length sale of a classic, historic farmhouse on a hillside site. The sale was owner financed. The grantor originally purchased the property on October 4, 1999 and subsequently sold the development rights on 3/25/2002 for \$75,000. The Nature Conservancy is the easement holder. The easement allows for the continued use of the dwelling as the conversion of one of the barns to a single family residence. A historic preservation easement was also included in the transfer of development rights.

The dwelling was built in 1830 and measures 2,160sf. Room count is 6 total rooms, 3 bedrooms and 1 bathroom. There is a covered porch and large open porch overlooking the land base. Exterior materials include wooden clapboard siding, slate roof covering and a full stone basement. Heating is by an oil fired forced hot air furnace. There is an on-site septic system and drilled well. Overall, the property was in good condition at the time of sale.

The outbuildings include a 2,548sf barn, 600sf barn, 598sf barn, 483sf carport, 800sf shed and 308sf corncrib. The main barn is of post and beam construction with the smaller outbuilding of wood frame construction. The barns are noted for their historical significance.

The land base is comprised of a 5± acre farmstead complex, 45± acres of tillable land, 47.4± acres of pasture and 5± acres of woodland. 3,793' of road frontage along the south side of Money Hole Road (class III, gravel surfaced, town maintained) and 1,948' of frontage along the west side of Root Pond Road (class III, gravel surfaced, dead end, town maintained). Power and telephone service are along the road frontage. Municipal sewer and water are not available in the sale property's location. The land is well suited for a small scale agricultural enterprise or gentleman's farm. The neighborhood is low density residential development with good to average quality dwellings with agricultural and forestry uses. The topography is 50% level with steeper sections along the southern boundary and along the road.

The highest and best use of the property is its current residential and agricultural uses with the development of a second single family residence.

**"After" Acquisition
Comparable Sales Grid**

Category	Subject Property	Sale #6		Sale #7	
Sale Name Address	Spencer/Kielman Property 166 Fox Meadows Hinesburg, VT	Paluska to Merle-Smith Rotax Road & Roscoe Road Monkton, VT		Hinsdale to Simpkins Route #7 Charlotte, VT	
Sales Price		\$850,000		\$725,000	
Price/G.L.A.		\$230/sf		\$461/sf	
Confirmation		Appraisal, Town, Grantor, Grantee		VLT, MLS, Town, Grantor, Appraisal	
ADJUSTMENT/ DESCRIPTION		782,000		667,000	
Sales Concessions		Cash	=	Conventional	=
Time	1/19/11	7/27/04	-68,000 (8%)	2/1/08	-58,000 (8%)
Location	Good	Good/Very Good	-68,000 (8%)	Good	-100,100 (15%)
External Depreciation	None	Minimal	=	Route #7	=
Site	64± Acres	75.8± Acres	-14,200 (\$1,200)	56.28± Acres	+9,300 (\$1,200)
View	Good	Very Good/Good	-39,100 (5%)	Good	=
Design/Appeal	2sty/Very Good	2sty/Very Good	=	1 ½ Log/Good	+7,900 (\$5)
Quality	Very Good	Very Good	=	Good	+15,700 (\$10)
Age/Condition/Eff Age	26/12 Yrs Old Very Good Condition	121 Yrs Old Very Good	=	31 Yrs Old Average	+31,500 (\$20)
Room Count (Total/BR/Bath) GLA	9/3/2 3,334sf	9/3/4 3,700sf	-8,000 -20,100 (\$55)	6/3/2 1,574sf	= +96,800 (\$55)
Basement & Finished Room Below Grade	Partial Full/Slab 270sf Finished Area	Full Stone None	= +5,000	Full Concrete None	= +5,000
Functional Utility	Good	Good	=	Good	=
Heating/Cooling	Wood Stove/ Space Heater	BB HW	-8,500	FHA	-8,500
Porches/Fireplace/etc	Wood FP, Gas FP, 3 CPs, OP \$25,000	FP, Woodstove \$10,000	+15,000	CP, CP, OP \$1,200	+23,800
Garage/Carport	Detached Garage \$5,000	Attached Garage \$20,000	-15,000	None	+5,000
Outbuildings	None	Barn, Riding Ring \$55,000	-55,000	Barns, Farmstand \$100,500	-100,500
Water Resource	Lewis Creek \$15,000	None	+15,000	Pond	=
Other	Pool \$12,000	Vac/Security System \$5,500	+6,500	Fruit Orchard	-150,000
Conservation Easements	Yes (F&W)	Yes (VLT)	-39,500 (5%)	Yes (VLT)	-33,400 (5%)
Exclusions	Yes - 30± Acres \$230,000	Yes - 5± Acres \$150,000	+80,000	No - FLH \$30,000	+200,000
Public Access	Yes (Dispersed)	No	-78,200 (10%)	Yes (Public Trail)	-13,200 (2%)
Total Adjustments		-292,100		-68,700	
Adjusted Price of Comparable		\$557,900		\$656,300	

Opinion of Market Value:

\$600,000.⁰⁰

**“After” Acquisition
Comparable Sales Grid**

Category	Subject Property	Sale #8		Sale #9	
Sale Name Address	Spencer/Kielman Property 166 Fox Meadows Hinesburg, VT	Kiley to Labinger 553 Garen Road Charlotte, VT		Baker to Pelechaty Money Hole Road Benson, VT	
Sales Price		\$650,000		\$400,000	
Price/G.L.A.		\$543/sf		\$204/sf	
Confirmation		Broker, MLS, Town, Inspection		TNC, Previous Appraisal, Town	
ADJUSTMENT/ DESCRIPTION		650,000		400,000	
Sales Concessions		Cash	=	Conventional	=
Time	1/19/11	8/23/10	=	6/4/09	=
Location	Good	Very Good	-97,500 (15%)	Average/Fair	+60,000 (15%)
External Depreciation	None	None	=	Minimal	=
Site	64± Acres	77± Acres	-15,600 (\$1,200)	102.4± Acres	-46,100 (\$1,200)
View	Good	Good	=	Very Good/Good	-20,000 (5%)
Design/Appeal	2sty/Very Good	1½sty/Very Good	-15,600 (\$5)	1½sty/Good	+9,800 (\$5)
Quality	Very Good	Very Good	=	Good	+19,700 (\$10)
Age/Condition/Eff Age	26/12 Yrs Old Very Good Condition	35 Yrs Old Good	+12,000 (\$10)	170 Yrs Old Good	+19,700 (\$10)
Room Count (Total/BR/Bath)	9/3/2	7/4/2.5	-12,000	6/3/1	+8,000
GLA	3,334sf	1,196sf	+85,500 (\$55)	2,160sf	+64,600 (\$55)
Basement & Finished Room Below Grade	Partial Full/Slab 270sf Finished Area	Full Concrete None	= +5,000	Full Stone None	+3,000 +5,000
Functional Utility	Good	Good	=	Good	=
Heating/Cooling	Wood Stove/ Space Heater	FHA	-8,500	FHA	-8,500
Porches/Fireplace/etc	Wood FP, Gas FP, 3 CPs, OP \$25,000	EP, OP \$6,300	+18,700	CP, OP \$7,200	+17,800
Garage/Carport	Detached Garage \$5,000	None	+5,000	Attached Garage \$8,600	-3,600
Outbuildings	None	Barn \$500	-500	Barns, Carport \$29,800	-29,800
Water Resource	Lewis Creek \$15,000	Pond \$3,000	+12,000	Minimal	+15,000
Other	Pool \$12,000	None	+12,000	None	+12,000
Conservation Easements	Yes (F&W)	No (Deeded No Subdivision)	-260,000 (40%)	Yes (VLT)	-20,000 (5%)
Exclusions	Yes - 30± Acres \$230,000	None	+230,000	No - FLH \$20,000	+210,000
Public Access	Yes (Dispersed)	No	-65,000 (10%)	No	-40,000 (10%)
Total Adjustments		-94,500		+276,600	
Adjusted Price of Comparable		\$555,500		\$676,600	

Opinion of Market Value:

\$600,000.⁰⁰

**Explanation for Adjustments in the
“After” Restrictions Sales Comparison Analysis**

All adjustments are on an absolute dollar time adjusted sales price basis. A positive adjustment is made when the subject is superior in a feature. A negative adjustment is made when the comparable is superior. There was no sale which captured all of the subject property’s attributes. All comparable sales have fee simple ownership rights subject to conservation easements and restrictions and surface rights only. No adjustments were made for the difference between surface rights and fee simple ownership rights because none of the comparable sales were considered to have significant subsurface rights. Typically, properties in the subject property’s market area are purchased without subsurface inspection, other than soil testing for hazardous materials and/or on-site sewage disposal capacity.

Time: Due to the decreasing market in the area, all older sales prior to January 1, 2009 required a -8% time adjustment.

The dwelling and land components in the grids were adjusted the same as in the “Before” analysis. The dwelling square footage was adjusted \$55/sf and the land was adjusted at \$1,200 an acre for the difference in acreage.

Conservation Easements: All sales were encumbered by perpetual conservation easements except for Sale #7 which was deed restricted to no subdivision.

Residential Rights: All of the sales, like the subject, had residential rights and all of the sales had a developed house site.

Exclusions: Like the subject property many of the sales had exclusions from the easements and the adjustments were made based on the difference in value between allocations. The subject excluded 30± acres were allocated at \$230,000 (see page #34).

Other/Public Access: The proposed conservation easement will allow non-motorized dispersed public access. Sales that were not encumbered by ‘public access’ were considered superior to the subject property. Liability, reduced privacy, and overall nuisance factors associated with the subject’s extensive dispersed public access are considered a detriment, impacting on marketability and resulting in a diminution value for this easement feature. The public access is for non-motorized recreational use which includes hiking, hunting, mountain biking, and horseback riding (*see Draft Conservation Easement document in addenda for complete detailed language.*) It is assumed that the public access area covers the entire 64± acres of conservation restricted land. The remaining rights/value to the landowner is reduced because of this encumbrance. After an analysis of the public trail easement sales (*see Trail Easement Sales in addenda*), **a reasonable estimated loss in value is 10%. This adjustment was made to all sales which lacked public access.**

Sales were weighted as follows:

Sale #6 was weighted at 35%
Sale #7 was weighted at 20%
Sale #8 was weighted at 25%
Sale #9 was weighted at 20%

In conclusion, the Opinion of Market Value of the Subject Property by the Market Data Approach/Sales Comparison Analysis, “After Acquisition” is:

Opinion of Market Value:

\$600,000.⁰⁰

Correlation and Final Value Estimate

In the correlation of the “Before” and “After” values, the market data/sales comparison approach was the singular approach used and given the entire weight. Overall, there were limited recent sales available. Some of the components of the unrestricted sales in the “Before” valuation and conservation easement sales in the “After” Valuation analyzed were similar to that proposed for the subject property and this increased the confidence level of the analysis.

Recapitulation

In my opinion, as of January 19, 2011, the market value of the subject property is:

Opinions of Value of the Subject Property	
<i>“Before” Acquisition of conservation easement restrictions (94± acres)</i>	\$720,000.⁰⁰
<i>“After” Acquisition of conservation easement restrictions (94± acres)</i>	\$600,000.⁰⁰
Impact of the Conservation Easement on the Value of the Subject Property	\$120,000.⁰⁰

Aronowitz, Jason

From: Yacono, Sher
Sent: Monday, July 25, 2011 10:39 AM
To: Aronowitz, Jason
Subject: RE: AA1

Yes.

From: Aronowitz, Jason
Sent: Monday, July 25, 2011 10:36 AM
To: Yacono, Sher
Subject: RE: AA1

And the difference is closing costs? - Jason

From: Yacono, Sher
Sent: Monday, July 25, 2011 10:32 AM
To: Aronowitz, Jason
Cc: Rutledge, Betsy; Lazorchak, Jane
Subject: AA1

Jason,

Betsy told me you called regarding the AA-1 for the Spencer/Kielman Conservation Easements. My cover memo stated \$120,000 was the VALUE of the two easements. Yes the cost is \$130,000 but I was only referring to the fact that we're obtaining two easements with a value of 120,000. I can try and be more specific in my cover memo in the future.