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**CONSERVATION EASEMENT ON THE BRENT S. HALSEY, JR. MEMORIAL
OUTDOOR CLASSROOM AND DEMONSTRATION FOREST
TOWN OF OLD TOWN, PENOBSCOT COUNTY, MAINE
TO THE ORONO LAND TRUST**

Diamond Occidental Forest Inc., a corporation duly organized and existing under the laws of the State of Delaware, having a place of business in Old Town, Maine, (having a mailing address of P.O. Box 551, Old Town, Maine), hereinafter referred to as the "Grantor," its successors and assigns, any successors in interest to the Protected Property, and their executors, administrators and legal representatives.

GRANTS as a gift, to the ORONO LAND TRUST, a non-profit corporation organized and existing under the laws of the State of Maine, (having a mailing address of c/o Sally Jacobs, President, 91 Bennoch Road, Orono, Maine), hereinafter referred to as the "Holder," which word shall, unless the context clearly indicates otherwise, include the Holder's successors and/or assigns.

with QUITCLAIM COVENANT, in perpetuity, the following described Conservation Easement on land in the Town of Old Town, Penobscot County, Maine, hereinafter referred to as the PROTECTED PROPERTY, as depicted on a survey entitled "Plan of Survey of Conservation Easement to the Orono Land Trust on the "Brent S. Halsey, Jr. Memorial Outdoor Classroom and Demonstration Forest" for Diamond Occidental Forest Inc. in Old Town, Penobscot County, Maine" dated May 12, 1995 and recorded in Plan File No. D60-95 in the Penobscot County Registry of Deeds, exclusively for conservation purposes as follows:

PURPOSE

It is the dominant purpose of this easement to provide, in perpetuity, a place where environmental education regarding the natural life-cycle of Maine's forest resources may be demonstrated in a user-directed outdoor classroom setting. This is to be done in a way that promotes sustainable forestry and sound environmental stewardship.

It is the intent to preserve and protect this area to provide hands-on educational opportunities for teachers, children, and the community, as a public educational resource.

PUBLIC RECREATION OR EDUCATION: The Easement Conserves Land Areas for Education of the General Public.

WHEREAS, the Easement makes the Protected Property open to public access for educational purposes by means of a grant of public access for supervised and scheduled education walks and low impact recreational activities.

NOW THEREFORE, the Grantor and Holder have established a Conservation Easement on, over and across the Protected Property consisting of the following terms, covenants, restrictions and affirmative rights granted to Holder, which shall run with and bind the Protected Property in perpetuity:

COVENANTS AND RESTRICTIONS

TERMS, COVENANTS AND RESTRICTIONS

1. LAND USE

It is the dominant purpose of this Easement to preserve and protect in perpetuity the scenic and natural features of the Protected Property for educational purposes, subject only to change appropriate to provide opportunities for low-impact outdoor recreation, nature observation and study, and to preserve the health of the wooded ecosystems.

No division or subdivision of the Protected Property is permitted. No commercial, industrial, quarrying or mining activities are permitted on the Protected Property. Without limiting the generality of the foregoing, billboards, illuminated signs, towers, antennas or apparatus for telecommunications, exterior high intensity illumination, campers, trailers, solid waste disposal areas and junk yards are specifically prohibited on the Protected Property. The use of all-terrain vehicles shall be discouraged.

2. STRUCTURES

As of the date of this grant, there are no structures on the Protected Property except for a learning center, three (3) bridges, benches and boundary markers signs. No additional structures of any kind, temporary or permanent, may be located on the Protected Property without the prior written consent of Holder, except however, the Grantor, its successors and assigns, have the right to locate and maintain rustic structures made of natural materials or materials that blend with the natural surroundings, that will enhance the opportunity for learning in an outdoor environment. For example, rustic trail improvements, small informational and interpretive signs, registration boxes (temporary tents for non-commercial camping; shelter and wildlife observation blinds, etc); provided that those visible must complement the natural and scenic features of the landscape. Barriers and inconspicuous fences may be located only where necessary to prevent use or access by motor vehicles or to protect a natural area from over-use or inappropriate access. Small, unlighted signs may be located where necessary to warn of hazards, danger of fire, or regarding public access rules and the ownership and protection of the Protected Property by Grantor and Holder.

3. SURFACE ALTERATIONS

As of the date of this grant the only surface alterations are unpaved trails and a unpaved parking area established to provide parking for the general public for pedestrian access to the Protected Property. All the aforementioned may be maintained or relocated without prior written consent of Holder. No additional filling, dumping, excavation or other alteration may be made to the surface of the Protected Property without the prior written consent of Holder, except that additional trails may be established, and small select portions of the Protected Property may be cleared for the study of natural resources and soils without permission of the Holder, if such activities will be conducted according to generally accepted professional practices and standards and in a manner consistent with the conservation purposes of this grant. Future classrooms and/or learning stations addressing soils and geology may require minor excavation, which shall be allowed as a permitted use under this agreement, without prior written consent of the Holder.

4. VEGETATION MANAGEMENT

As of the date of this grant, the Protected Property is in a substantially forested condition, with grasslands, partially grown-in fields, small demonstration clearcuts and areas of forest and forested wetland. The destruction or removal of trees, timber, plants, shrubs or other vegetation is prohibited without the prior written consent of Holder, except that existing and additional trails may be established and maintained by selective cutting and pruning in order to preserve the quality of wildlife habitat and to preserve and enhance the outdoor classrooms for study by the general public. Existing and historic clearings may be maintained or reestablished by selective cutting of trees, woody shrubs, controlled burning, and selective pruning without prior consent of Holder. Grantor also reserves the right to remove hazards to human safety, to clear vegetation and forest cover to prevent the spread of fire, to prevent the spread of disease and to create new outdoor classrooms or maintain classrooms without prior consent of Holder.

5. WILDLIFE AND WATER QUALITY PROTECTION

In order to assure the preservation of the high quality scenic and ecological character of the outdoor classroom experience of the Protected Property, the following specific restrictions, subject to any more restrictive local, state, and federal laws and regulations, are imposed on the Protected Property:

A. It is forbidden to dispose of or store rubbish, garbage, debris, unregistered vehicles, abandoned equipment, parts thereof, or other unsightly or offensive waste material on the Protected Property, except that blowdowns and other vegetative debris may be left to remain on the Protected Property in the context of the outdoor classrooms, and other waste generated by permitted uses on the Protected Property may be stored temporarily in appropriate containment for removal at reasonable intervals. Users of the Protected Property will be directed to carry out their trash.

B. The use of herbicides, insecticides, fungicides, fertilizers or other potentially harmful substances must be controlled and limited so as not to have a demonstrably adverse effect on the wetland or wildlife habitat associated with the Protected Property and associated wetlands. Limited use of accepted herbicides is permitted for demonstration purposes.

6. PUBLIC ACCESS

The Protected Property shall be open to public access for educational purposes, for supervised and scheduled walks, and low-impact recreational activities. Parking by motor vehicles shall be permitted in the unpaved parking area designated on the recorded plan identified above. Grantor (and Holder) has the right to make reasonable rules and regulations for public use, and to control, limit or prohibit, by posting and other means, any of the following uses: night use, camping, loud activities, open fires, use of motor vehicles, access by domesticated animals or pets, snowmobiles, bicycles, hunting, trapping and any use that may interfere with or be harmful to other members of the public using the Protected Property or to the conservation values of the neighborhood and Protected Property.

Grantor and Holder may jointly agree in writing to restrict access to the Protected Property or parts thereof, but only to the extent and for the duration necessary to assure safety, or to preserve important educational, ecological, habitat and conservation values of the Protected Property.

Grantor and Holder claim all of the rights and immunities against liability for injury to the public to the fullest extent of the law under Title 14 M.R.S. A. Section 159-A, et seq. as amended and successor provision thereof (The Maine Recreational Use Statute), and under any other applicable provision of law and equity.

This Conservation Easement shall also contain a non-exclusive right for people and vehicles to pass and repass over and upon land of the Grantor depicted on said plan as "Access Easement Area", together with, and subject to, the following rights, restrictions and conditions:

- (i) Said Access Easement Area shall be for the purpose of access, ingress and egress, to and from the Protected Property; and
- (ii) Use of said Access Easement Area shall be in common with Grantor, its successors and assigns; and
- (iii) Fee ownership of all lands underlying said Access Easement Area shall remain vested in Grantor and shall not otherwise be deemed to be part of the Protected Property; and
- (iv) Grantor and Holder may jointly agree in writing to further restrict the use of this Access Easement Area, but only to the extent and for the duration necessary to assure

safety or the preservation and protection of both the Protected Property and Grantor's remaining land.

7. NOTICES

Any notice to Holder required hereunder must be made by certified mail, return receipt requested, addressed to: Sally Jacobs, President, Orono Land Trust, 91 Bennoch Road, Orono, Maine 04473; or to such other authorized person hereafter designated in writing by Holder.

8. COSTS AND TAXES, INDEMNIFICATION

Grantor is responsible to pay and discharge when due all property taxes and assessments lawfully imposed and to avoid the imposition of any liens that may impact Holder's rights hereunder.

Grantor acknowledges that Holder has no possessory rights in the Protected Property, nor any responsibility or right to control, maintain, or keep up the Protected Property unless the property is put to the Holder under Section 13. Grantor is responsible for all costs and responsibility of ownership, control, operation, maintenance, and upkeep of the Protected Property, and will, to the fullest extent permitted by law, defend, release, relieve, hold harmless and indemnify Holder, its officers, directors, agents and employees therefrom and from any claims for damages which arise therefrom, except for harm proximately caused by the negligent act or misconduct of Holder, its assignees, employees or agents, or as may arise out of its workers' compensation obligations.

9. HOLDER'S AFFIRMATIVE RIGHTS

A. Holder has the right to enforce this Conservation Easement by proceedings at law and in equity, including the right to require the restoration of the Protected Property to a condition in compliance herewith, after providing Grantor with prior notice and reasonable opportunity to cure any breach, except where emergency circumstances require more immediate enforcement action. Holder may not bring an enforcement action against Grantor for injury to or change in the Protected Property resulting from "acts of God" so called, such as, but not limited to, fire, flood, storm, and earth movement, or from any prudent action taken by Grantor under emergency conditions to prevent, abate, or mitigate significant injury to the Protected Property resulting from such causes. If a Court (or other decision maker chosen by mutual consent of the parties) determines that this Conservation Easement has been breached, Grantor will reimburse Holder for any reasonable costs of enforcement, including court costs, reasonable attorney's fees, and any other payments ordered by such Court.

B. Holder has the right to enter the Protected Property for inspection and enforcement purposes, at a reasonable time and in a reasonable manner that is consistent with the

conservation purposes hereof, and Holder will make reasonable efforts to notify Grantor or its successors or assigns prior to entry onto any area of the Protected Property.

C. Holder has the right to require that Grantor's reserved rights be exercised in a manner that avoids unnecessary harm to the conservation values to be protected by this Easement.

D. Holder has the right to conduct a professional boundary survey of the Protected Property or any part thereof, which survey will be at Grantor's cost only if and to the extent necessary to determine if a prohibited land use is located within the Protected Property, or on an area thereof where it is prohibited.

10. RESERVED RIGHTS OF GRANTOR

Except as expressly limited herein, Grantor reserves for itself, its successor and assigns, all rights as owner of the Protected Property, including the right to use the Protected Property for all purposes consistent with this grant and to grant similar rights to other owners or future owners of portions of adjacent land currently owned by Grantor.

11. CONSERVATION EASEMENT REQUIREMENTS UNDER MAINE LAW AND U.S. TREASURY REGULATIONS

A. This Conservation Easement is created pursuant to The Uniform Conservation Easement Act at Title 33, Maine Revised Statutes, 1989, Sections 476 through 479-B, inclusive, as amended, and shall be construed in accordance with the laws of the State of Maine.

B. This Conservation Easement established exclusively for conservation purposes pursuant to the Internal Revenue Code of 1986 as amended (hereinafter referred to as the "Code") at Title 26, U.S.C.A., Section 170(h)(1)-(6) and Sections 2055 and 2522, and under Treasury Regulations at Title 26 C.F.R. §1.170A-14 et seq., as amended; and

C. The Holder is qualified to hold conservation easements pursuant to Title 33, Maine Revised Statutes Annotated, 1988, Section 476(2)(B), as amended, and is a Qualified Organization under Section 170(h)3, to wit: a publicly funded, non-profit 501(C)(3) organization operated primarily to accept lands, easements, and buildings for the purpose of preserving and protecting natural, scenic, educational, recreational and open space values of real property, having a commitment to protect the conservation purposes of the donation, and the resources to enforce the restrictions hereof.

D. This Conservation Easement is assignable subject to Grantor written approval, but only to an entity that satisfies the requirements of Section 170(h)(3) of the Internal Revenue Code of 1986, (or successor provisions thereof) and the requirements of Section 476(2) of Title 33 of the Maine Revised Statutes Annotated (1989), as amended (or successor provisions thereof), and that as a condition of transfer, agrees to uphold the conservation purposes of this grant.

E. Grantor represents that as of the date of this grant there are no liens or mortgages outstanding against the Protected Property, which are subordinated to Holder's right to enforce the restrictions of this grant. Grantor has the right to use the Protected Property as collateral to secure the repayment of debt, provided that the right of the Holder to enforce the terms, restrictions and covenants created under this easement shall not be extinguished by the foreclosure of any mortgage or any publicly or privately placed lien, regardless of date. The restrictions of this Conservation Easement, and Holder's right to enforce them shall be superior to any subsequently placed mortgage or lien, except with respect to Holder's right to monetary damages based upon a violation that occurs subsequent to recording of such mortgage or lien. Holder may execute limited subordination to this effect upon request by Grantor.

12. GENERAL PROVISIONS

A. The failure or delay of the Holder, for any reason whatsoever, to enforce this Conservation Easement shall not constitute a waiver of its rights and Grantor hereby waives any prescription or estoppel.

B. A person's obligation hereunder as Grantor or successor will cease, with respect to the Protected Property, if and when such person or entity cease to have any present, partial, contingent, collateral or future interest in the Protected Property, but only to the extent that it is in compliance herewith. Responsibility of owners for breaches of this Conservation Easement that occur prior to transfer of title will survive such transfer. Holder will execute certificates, certifying the compliance of the Protected Property with the terms of this grant, at Grantor's cost, after an inspection made upon reasonable prior notice.

C. In making this grant, Grantor has considered the fact that uses prohibited hereby may become more economically valuable than permitted uses, and that neighboring properties may in the future be put entirely to such prohibited uses. It is the intent of both the Grantor and Holder that any such changes not be deemed to be changed conditions permitting termination of this Easement.

D. If any provision of this Conservation Easement or the application of any provision to a particular person or circumstance is found to be invalid, the remainder of this Conservation Easement and the application of such provision to any other person or in any other circumstance, shall remain in valid.

E. The name of the demonstration forest shall remain the Brent S. Halsey, Jr. Memorial Outdoor Classroom and Demonstration Forest, and associated signage and memorials shall be kept in proper maintenance and repair by the Holder.

F. The easement covenants shall remain in perpetuity on the protected property.

13. TRANSFER OF PROTECTED PROPERTY

A. Grantor shall have the right, at its sole option, to transfer title to the Protected Property in fee to Holder. Grantor may exercise this right at any time in the future in accordance with the provisions of this paragraph, whereupon Holder agrees to accept delivery of the deed conveying said fee title. Grantor and Holder's rights and obligations hereunder shall be together with, and subject to, the following rights, covenants and restrictions:

1. Grantor shall be required to give to Holder written notice of its intention to exercise its rights pursuant to this paragraph at least 60 days prior to delivery to Holder of the deed transferring the fee title to the Protected Property from Grantor to Holder.
2. Grantor shall convey the fee title to the Protected Property to Holder by Warranty Deed.
3. At the time of delivery of the deed to Holder, Holder shall pay to Grantor one dollar (\$1.00) as the purchase price for the transfer of the fee title to the Protected Property.
4. Grantor shall be responsible for curing any violations of this Conservation Easement which may exist as of the time of the transfer of the fee title to the Protected Property from Grantor to Holder.
5. Grantor shall pay all costs of conveyance of the Protected Property hereunder, except that Holder shall be responsible for paying the cost of that portion of its own attorney's fees as exceeds the amount of \$500.00.

B. The Warranty Deed from Grantor to Holder shall be subject to the terms of this Conservation Easement. Said deed shall contain the further restriction that no changes in the use and restrictions contained in this Conservation Easement shall be made by Holder, its successors or assigns, following its acquisition of the fee interest in the Protected Property.

TO HAVE AND TO HOLD the said Conservation Easement unto the said Holder and its successors and assigns forever.

IN WITNESS WHEREOF, DIAMOND OCCIDENTAL FOREST INC. has caused this instrument to be signed and sealed in its corporate name by Bruce C. McKnight, its Managing Director, thereunto duly authorized this 21st day of July, 1995.

Witness:

Ruebe Nyland

DIAMOND OCCIDENTAL FOREST INC.

BY Bruce C. McKnight
Bruce C. McKnight
Managing Director



HOLDER ACCEPTANCE

The above and foregoing Conservation Easement was authorized to be accepted by the Orono Land Trust, Holder as aforesaid, and the said Holder does hereby accept the foregoing Conservation Easement, by and through Sally Jacobs, its President, hereunto duly authorized, this 21st day of July, 1995

ORONO LAND TRUST

BY Sally C. Jacobs
Sally Jacobs
President

STATE OF MAINE

Penobscot, ss.

July 21, 1995

Personally appeared the above named Bruce C. McKnight, Managing Director of Diamond Occidental Forest Inc., and acknowledged the foregoing instrument to be their free act and deed in his said capacity and the free act and deed of the said corporation.

Before me,

Ben S. Moore
Notary Public

Ben S. Moore
Type or Print Name

My Commission Expires 11/10/01

PENOBSCOT, ss RECEIVED

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Susan F. Bulay
REGISTER

Orono Land Trust