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Pamela J. Curtiss, Deputy

REGISTER OF DEEDS

THIS IS A TRANSFER TO THE STATE OF
NEW HAMPSHIRE AND IS THEREFORE
EXEMPT FROM THE NEW HAMPSHIRE
REAL ESTATE TRANSFER TAX
PURSUANT TO RSA 78-B:2(I).

GRANT OF CONSERVATION EASEMENT

Ossipee Mountains Tract
Tuftonboro, Ossipee, and Tamworth, New Hampshire

Chocorua Forestlands, LLC, a New Hampshire limited liability company with a mailing address of P.O. Box 599, West Ossipee, Carroll County, New Hampshire 03890 ("Fee Owner"), which word, where the context requires, includes the plural and shall, unless the context clearly indicates otherwise, includes the fee owners, executors, administrators, legal representatives, successors and assigns,

hereby grants with quitclaim covenants in perpetuity to the **STATE OF NEW HAMPSHIRE**, acting through the Department of Resources and Economic Development with a mailing address of P.O. Box 1856, Concord, Merrimack County, New Hampshire 03302-1856 ("Easement Holder"), which word, where the context requires, includes the plural and shall, unless the context clearly indicates otherwise, include the Easement Holder's executors, administrators, legal representatives, successors and assigns, the Conservation Easement ("Easement") hereinafter described with respect to those two certain tracts of land ("Property") being unimproved land situated in the towns of Tuftonboro, Ossipee, and Tamworth, County of Carroll, State of New Hampshire, more particularly described in Appendix A attached hereto and made a part hereof. The underlying fee interest in the Property will be held subject and subordinate to this Easement.

WHEREAS the Property has a long history of multiple use management, and has contributed to the forest products economy of the region for more than 100 years; and

WHEREAS the Property is part of the Ossipee Mountains, considered by geologists to be one of the best examples of a ring dike formation in the world, containing atypical soils created by this formation; and

WHEREAS the Property drains its surface water, via Stoney Brook, the Lovell River and the Dan Hole River into the massive Ossipee Aquifer, the largest stratified draft aquifer in the State of New Hampshire, used extensively for public and private drinking water supplies; and

WHEREAS the Property abuts on three sides other permanently protected lands, and is located within five miles of an additional five thousand acres of protected lands, and within seven miles of the White Mountain National Forest, providing links to enable the preservation and conservation of the wildlife habitat on the property, and to assist with the maintenance and integrity of the region's biodiversity; and

WHEREAS the Property contains important archeological sites and findings, including Native American tool making areas dating from 9000 years ago; and

WHEREAS the Property provides and will continue to provide benefits to the general public, including recreational use and the enjoyment of the scenic nature of the property from public roads, public waters, and other public lands; and

WHEREAS the Property provides and will continue to provide public outdoor recreation access, and protection of the Property will preserve the natural and wild experience for low impact recreation; and

WHEREAS the towns of Ossipee and Tuftonboro have Master Plans which are consistent with the above values and the purposes and goals of this Easement.

1. PURPOSES

NOW THEREFORE, the Easement is hereby granted pursuant to NH RSA 477:45-47, exclusively for the following conservation purposes ("Purposes"):

A. To preserve and conserve open spaces and scenic values, particularly the conservation of approximately 5,372 acres of productive forest land of which the Property consists, for the enjoyment of the general public;

B. To provide for the continuation of traditional forest uses including forest management and outdoor recreation;

C. To preserve and conserve waterfront and riparian areas, fish and wildlife habitat, rare and exemplary plants and natural communities and cultural resources on the Property;

D. To guarantee pedestrian access by the public for hiking, cross county skiing, hunting, fishing and other low impact pedestrian recreational activities on the property and snowmobile access on the existing snowmobile trail;

E. To ensure that the Property remains an economically viable tract of forestland, contributing to the economy and communities in the state and region by providing perpetual and sustainable production of sawlogs, pulpwood and other forest products.

These Purposes are consistent with the clearly delineated open space conservation goals and objectives as stated in Forest Legacy Program as established in Section 1217 of Title XII of the Food, Agriculture Conservation and Trade Act of 1990 (16 USC Section 2103c) which was created "to protect environmentally important private forest lands threatened with conversion to non-forest uses" and with New Hampshire RSA Chapter 79-A which states: "It is hereby declared to be in the public interest to encourage the preservation of open space, thus providing a healthful and attractive outdoor environment for work and recreation of the state's citizens, maintaining the character of the state's landscape and conserving the land, water, forest, agricultural and wildlife resources".

All of these Purposes are consistent and in accordance with the U.S. Internal Revenue Code, Section 170(h).

The Easement hereby granted with respect to the Property is as follows:

2. USE LIMITATIONS (Subject to the Reserved Rights specified in Section 3 below)

A. The Property shall be maintained in perpetuity as open space without there being conducted thereon any residential, industrial or commercial activities, except forestry, agriculture and primitive outdoor recreational cabins, all as further defined herein, and provided that the long term capability of the Property to produce forest products shall not be degraded by on-site activities and provided that no more than 10 percent of the Property shall be in "non-forest uses" as defined in Paragraphs 2(A)(ii), 3(H), and 3(J) of this Easement.

i. For the purposes hereof, "Forestry" shall include the production of plants or plant products for domestic or commercial purposes; the growing, stocking, cutting, and sale of forest trees of any size capable of producing timber, Christmas trees, or other forest products; the construction of roads or other access ways for the purpose of removing forest products from the Property; the processing and sale of maple sap and syrup produced on the property; and the processing of trees grown on the property with hand held or portable equipment and machinery designed and commonly used for in-woods processing.

ii. For the purposes hereof, "Agriculture" shall be a "non-forest use," and shall include land based practices such as animal husbandry, floriculture, and horticulture activities, the production of plant and animal products for domestic or commercial purposes, and the harvesting and sale of agricultural products grown on the Property (such as pick-your-own fruits and vegetables), all of which utilize the productive capability of the Property and all as not detrimental to the purposes of this Easement.

Agriculture shall be performed, to the extent reasonably practicable, in accordance with a coordinated management plan for the sites and soils of the Property. Agricultural management activities shall be in accordance with the then-current scientifically based practices recommended by the UNH Cooperative Extension, U.S. Natural Resources Conservation Service, or other government or private, nonprofit natural resource conservation and management agencies

then active. Such management activities shall not be detrimental to the Purposes of this Easement, as described in Section 1 above, nor materially impair the scenic quality of the Property as viewed from public waterways, great ponds, public roads, or public trails.

iii. Management of the Property, including, but not limited to, Forestry, Agriculture, Conservation, Wildlife habitation management, and outdoor recreational use shall be performed in accordance with the following "Stewardship Goals", and in a manner not detrimental to the purposes of this Easement as described in Section 1 above:

- a. maintenance of soil productivity;
- b. protection of water quality, wetlands, and riparian zones;
- c. maintenance or improvement of the overall quality and growth of forest
- d. conservation of scenic quality;
- e. protection of unique or fragile natural communities;
- f. protection of unique historic, archeological and cultural features;
- g. conservation of native plant and animal species and habitat; and
- h. a sustainable flow of timber, pulpwood and other forest products

iv. Management of the Property including, but not limited to, Forestry, Agriculture, Conservation, Wildlife habitat management and outdoor recreational use shall be performed in accordance with a written forest and land management plan ("Stewardship Plan") prepared and signed by a licensed professional forester or another qualified person approved in advance by the Easement Holder.

v. In consultation with the Fee Owner, the Easement Holder shall have the right to designate no more than 10% of the total Easement acreage, in single or multiple blocks, as Special Management Areas for the purpose of protecting and enhancing the ecological, wildlife, archeological or other non-timber production values (hereinafter, "Special Management Area Values") of such areas. Cutting or removal of forest products within a designated Special Management Area shall be permitted as part of an approved Stewardship Plan adopted pursuant to Paragraph 2(A), and (a) only as incidental to the management activities undertaken to protect or enhance Special Management Area Values, or (b) to maintain existing roads or trails, or to construct skid trails (but not truck roads), for the purpose of conducting forest management activities on adjacent areas not within a Special Management Area. With the consent of the Fee Owner, the Easement Holder shall initially set and may from time to time adjust the locations of the Special Management Areas, resulting in certain areas previously designated as Special Management Areas, after such adjustment, no longer being deemed Special Management Areas and other areas, after such adjustment, being deemed Special Management Areas. Placement or position of Special Management Areas on the Property shall not have the effect of prohibiting or unduly interfering with the Fee Owner's right to conduct forest management activities in areas not designated as Special Management Areas.

vi. On or before closing and not less than every ten (10) years thereafter, the Fee Owner will develop and submit to the Easement Holder for its approval, a Stewardship Plan for the Property. Each such Plan shall be consistent with the Purposes and Stewardship Goals as set forth in Section 1 and Paragraph 2(A)(iii) above and shall include at least the following elements as they then exist or are proposed on the Property:

- a. Geological attributes (topography, soils, wetlands and streams);
- b. A description of the units into which the Property will be divided by the

- Fee Owner for management purposes ("Treatment Units");
- c. Forest management objectives;
- d. Forest stand descriptions (forest types, descriptions, goals and treatments);
- e. Treatment unit information (past management history, growth rates, tree quality, insects and disease, future potential, access and operability);
- f. Wildlife considerations (identification of species and management recommendations);
- g. Aesthetic considerations;
- h. A section summarizing the conservation easement terms, prohibitions, the Easement Holders affirmative rights and joint decisions of the Fee Owner and Easement Holder;
- i. Boundary map;
- j. Rare and exemplary natural communities and rare or endangered species considerations;
- k. Management activities and treatments including timing;
- l. Outdoor recreational features including hiking, equestrian, cross-country skiing and snowmobile trails;
- m. Forest access road location, design and construction;
- n. Archeological considerations;
- o. Primitive outdoor recreation cabins (as described in Paragraph 3(H)).

After the approval of a Stewardship Plan, and prior to the submission of a new plan as required above, the Fee Owner may submit amendments to the Stewardship Plan to the Easement Holder for its review and approval. An Amendment to the Stewardship Plan is required if the Fee Owner proposes a treatment or management activity not included in the approved Stewardship Plan, but is not required for a change in the timing or the sequence of treatments included in the approved Stewardship Plan. The Fee Owner shall also submit an Amendment to propose alternative treatments to Treatments Units threatened or substantially damaged by natural causes such as insect infestation, disease, fire, wind or ice. Amendments shall be prepared and signed as provided in Paragraph 2(A)(vi) above, but need include only those elements set forth above as are relevant to the treatment(s) proposed.

vii. The Easement Holder shall review and either approve or disapprove of the Stewardship Plan, any part thereof, or any Amendment thereto, within sixty (60) days of receipt. The Easement Holder shall approve any Stewardship Plan or Amendment as long as the Plan or Amendment is consistent with the Purposes and Stewardship Goals of this Conservation Easement, as described in Section 1 and Paragraph 2(A) above and includes all elements detailed in Paragraph 2(A)(vi), above. If the Easement Holder does not approve the Stewardship Plan, or any portion thereof, the Easement Holder shall provide the Fee Owner with written comments setting forth the reasons for such disapproval, and provide the Fee Owner with an opportunity to respond to such objections, and propose alternatives. The Easement Holder may rely on the advice and recommendations of the New Hampshire Fish and Game Department, the New Hampshire Natural Heritage Inventory, or their successor agencies, as well as such foresters, wildlife experts, conservation biologists or other experts as the Easement Holder may select to assist it to determine whether the Stewardship Plan or Amendment is consistent with the Purposes of the Conservation Easement identified in Section 1. Notwithstanding the above, the Easement Holder shall approve or disapprove, within fifteen (15) days of receipt, any Amendment to the Stewardship Plan that proposes a different forest stand treatment to a single Treatment Unit or an alternative treatment to treatment units threatened or substantially damaged by natural causes.

viii. All activities on the Property shall be performed in accordance with all

applicable local, state and federal laws and regulations.

ix. Forestry shall be performed in accordance with best management practices for the sites, soils and terrain of the Property, as is described in "Best Management Practices for Erosion Control on Timber Harvesting Operations in New Hampshire" (State of New Hampshire, Department of Resources and Economic Development, 1998) and "Good Forestry in the Granite State: Recommended Voluntary Forest Management Practices for New Hampshire" (The Division of Forests and Lands, Department of Resources and Economic Development and The Society for the Protection of New Hampshire Forests, 1997), or such successor standard.

B. The Property shall not be subdivided and none of the individual tracts which together comprise the Property shall be conveyed separately from one another, except that the Property, consisting of two parcels, may be subdivided or sold separately only if all of the following conditions are met: (a) the subdivision or sale furthers the Purposes and Stewardship Goals of the Easement; (b) the land divided from the Property is annexed to adjoining land subject to a conservation easement of similar Purposes, Stewardship Goals, terms and conditions; (c) the subdivision or sale results in the enhancement or ease of forest management; and (d) the subdivision or sale does not place additional undue easement monitoring burdens on the Easement Holder. Any subdivision of the Property shall be approved by the Easement Holder.

C. No structure or improvement, including, but not limited to, a dwelling, any portion of a septic system, tennis court, swimming pool, dock, aircraft landing strip, wireless telecommunications facilities, utility or other tower, or mobile home, shall be constructed, placed, or introduced onto the Property. However, ancillary structures and improvements, including, but not limited to, roads, dams, bridges, culverts, maple sugar houses, may be constructed, placed, or introduced onto the Property only as necessary and commonly used in the accomplishment of the Forestry, land-based Agriculture, conservation, or low impact outdoor recreational uses of the Property and provided that they are not detrimental to the Purposes and Stewardship Goals of this Easement.

D. No removal, filling, or other disturbances of soil surface, nor any changes in topography, surface or subsurface water systems, wetlands, or natural habitat, shall be allowed unless such activities:

i. Are commonly necessary in the accomplishment of the Forestry (consistent with the Stewardship Plan required in Section 2), conservation, Agriculture, wildlife habitat management, low impact outdoor recreational, or primitive cabin uses of the Property; and

ii. Do not harm state or federally recognized rare, threatened, or endangered species, such determination of harm to be made by the Easement Holder based upon information from the New Hampshire Natural Heritage Inventory or the agency then recognized by the State of New Hampshire and/or the New Hampshire Department of Fish and Game, Nongame Program, as having responsibility for identification and/or conservation of such species; and

iii. Are not detrimental to the Purposes and Stewardship Goals of this Easement.

Prior to commencement of any such activities, all necessary federal, state and local permits and approvals shall be secured.

E. No outdoor advertising structures such as signs and billboards shall be displayed on the Property, except as desirable or necessary in the accomplishment of the Forestry, Agriculture, conservation, wildlife habitat management, or low impact outdoor recreational uses of the Property or to advertise the land for sale or to publicize the Forest Legacy Program, and provided such signs are not detrimental to the Purposes. No sign shall exceed six (6) square feet in size and no sign shall be artificially illuminated.

F. There shall be no mining, quarrying, excavation, or removal of rocks, minerals, gravel, sand, topsoil, or other similar materials on the Property, except in connection with any improvements made pursuant to the provisions of Paragraphs 2(A), (C), or (D) above, or with any Agricultural, Forestry, conservation, wildlife habitat management, or low impact outdoor recreational uses on adjoining real property owned by the Fee Owner and subject to a conservation easement with similar Purposes, Stewardship Goals, terms and conditions. Subject to the provisions of Paragraph 3(J), below, no such rocks, minerals, gravel, sand, topsoil or other similar materials shall be removed from the Property, except to the adjoining real property owned by the Fee Owner and for the purposes described in Paragraph 2(F). Any materials that are removed shall not be further removed. Areas affected by activities permitted hereunder shall be reclaimed in accordance with the Purposes and Stewardship Goals of this Easement.

G. There shall be no dumping, injection, burning, or burial of manmade materials or materials then known to be environmentally hazardous on the Property.

3. RESERVED RIGHTS.

All acts and uses not prohibited in Section 2 are permissible provided that such acts and uses do not materially impair the Purposes of this Easement as set forth in Section 1, above, are consistent with the Stewardship Goals as set forth in Paragraph 2(A)(iii), above, and are performed subject to the Stewardship Plan required under Paragraph 2(A)(iii)(a), above. The Fee Owner retains all other customary rights and privileges of ownership including the right to conduct or permit the following activities in the Property:

A. The construction and maintenance of unpaved paths and trails incidental to low impact outdoor recreational activities such as hiking, nature study, bird watching, walking, snow shoeing, cross-country skiing and horseback riding. Trail construction and maintenance shall be carried out in accordance with best management practices for the sites, soils and terrain of the property, as described in "Best Management Practices for Erosion Control During Trail Maintenance and Construction" (State of New Hampshire, Department of Resources and Economic Development, Division of Parks and Recreation, Trails Bureau, 1996) or such successor standard.

B. The erection, maintenance, and replacement of signs (subject to the limitations of Paragraph 2(E)) to identify the interest of the Easement Holder or the Fee Owner of the Property and regulatory signs such as the Easement Holder and Fee Owner of the Property may deem necessary or desirable. To protect human safety, the Fee Owner may post signs prohibiting public access in the immediate vicinity of active Forestry operations or road construction. Such prohibition shall end at the conclusion of such activities.

C. The construction and maintenance of cart paths, trails, ways, and farm and wood roads.

D. The use of motor vehicles reasonably necessary for the practice of Forestry as defined herein and for exercising any of the Fee Owner's reserved rights.

E. Archaeological investigations on the Property after receiving written approval from the Easement Holder. Prior to permitting any such investigations, the Fee Owner shall send written notice to the New Hampshire State Archaeologist (or other person or agency then recognized by the State as having responsibility for archaeological resources) for review and comment, and to the Easement Holder, such notice describing the nature, scope, location, timetable, qualifications of investigators, site restoration, research proposal, and any other material aspect of the proposed activity. The Fee Owner and Easement Holder shall request the State Archaeologist (or other person or agency, as above) to consider the proposal, to apply the standards as specified in rules implementing RSA 227-C:7 (Permits Issued for State Lands and Waters), and to provide written comments to the Fee Owner and the Easement Holder. The Easement Holder may, in its sole discretion, approve the proposed investigations only if it finds that all of the following conditions are met:

- The archaeological investigations shall be conducted by qualified individuals and according to a specific research proposal;
- The proposed activities will not harm state or federally recognized rare, endangered or threatened species; and
- The proposed activities will not be materially detrimental to the Purposes and Stewardship Goals of this Easement.

F. Except as may be otherwise provided herein, the erection of gates and installation of signs to limit access by use of motorized or non-motorized wheeled vehicles (including, but not limited to all terrain vehicles and mountain bicycles) on the Property.

G. The closure of areas involved in active Forestry operations or road construction from public access for the purposes of public safety (the forestry safety zones). Said closure shall end at the conclusion of the operation or construction.

H. The construction, maintenance and rental use of no more than three (3) primitive outdoor recreation cabins on the Property at sites selected by the Fee Owner and approved by the Easement Holder, which approval shall not be unreasonably withheld, for the purpose of providing additional recreational opportunity on a nonexclusive basis for the general public. Land area utilized by said primitive outdoor recreational cabins as permitted under this Paragraph 3(H) shall be considered a "non-forest" use. Each cabin shall not exceed 600 square feet in external ground surface area, including any porch, and shall not exceed 1-½ stories in height. Accessory structures (woodshed, outhouse, etc.) shall not exceed a combined total of 120 square feet in external ground surface area at each cabin site. Gray water and human waste disposal systems shall comply with New Hampshire law and administrative rules promulgated by the New Hampshire Department of Environmental Services or their successor agency. The cabins and accessory structures shall be log or wood frame construction with natural wood siding that is aesthetically appropriate to, and will blend in with, the forest setting. The cabin, sites, and accessory structures shall not have internal running water systems, shall not be served by a septic system (except that "mini-dry wells," as permitted under State laws and regulations, shall be allowed) and shall not be served by electric, telephone, or other utility lines, telecommunication facility, antenna, or generator, nor any other facility, fixture or

amenity that disrupts the wilderness setting and experience. The cabins, sites, and accessory structures shall be kept in good repair. To the extent there is disagreement between the parties regarding these primitive cabins, decisions shall be made that benefit the maintenance of the natural setting and features of the Property.

The cabins shall be available for rental use by the general public at rates established by the Fee Owner. Rental rates shall be based on fees charged for similar accommodations by other private sector vendors in the Northeast, to the extent that comparable accommodations exist.

This right is an exception to Paragraph 2(A) (no commercial activities), Paragraph 2(C) (structures) and Paragraph 2(D) (disturbance of soil surface) above.

I. To allow, restrict, limit and control equestrian activity on the Property by such means, including posting and erecting gates or other barriers, as the Fee Owner in its sole discretion shall determine.

J. On the date of this Easement, the Property includes an area known as the "Gravel Reserve," which is more particularly described in the baseline documentation that will accompany this Easement. To the extent further defined and described herein, the Fee Owner has the limited and localized right to extract and remove materials from the Gravel Reserve prior to commencement of the Fee Owner's obligation to restore and reclaim the Gravel Reserve as set forth in Paragraph 3(J)(iv), below.

i. On the date of this Easement, the Gravel Reserve includes stockpiles of various processed materials, which materials are described in greater detail in the baseline documentation (the "Processed Materials"). The Fee Owner reserves the right to remove the Processed Materials from the Property for commercial sale.

ii. In addition, for a period of two (2) years commencing on the date this Conservation Easement Deed is signed (the "Extraction Period"), the Fee Owner has the right to extract up to 20,000 cubic yards of additional gravel and related materials from the Gravel Reserve for commercial sale. The additional materials permitted to be extracted under this Paragraph 3(J)(ii) shall hereinafter be referred to as the "Extracted Materials," and shall be fully removed from the Gravel Reserve by the conclusion of the Extraction Period. The Fee Owner agrees that extraction and removal of the Extracted Materials shall be undertaken in a manner that aids and furthers its obligation to restore and reclaim the Gravel Reserve as set forth in Paragraph 3(J)(iv), below.

iii. Access to the Gravel Reserve is provided by a forest road, sometimes known as Gilman Valley Road, a portion of which crosses the Property. To the extent the forest road is not a public road, the Fee Owner reserves the right to repair, maintain and use the road for the purposes of accessing the Gravel Reserve and transporting the Processed Materials and Extracted Materials therefrom, until such time as all such materials have been fully removed as permitted under this Paragraph 3(J). At such time as the Fee Owner has fully removed the Processed Materials and the Extracted Materials from the Gravel Reserve, the rights reserved in this Paragraph 3(J)(iii) shall be limited to uses of the forest road that are otherwise allowed by and are not inconsistent with the Easement.

iv. At such time as the Fee Owner has fully removed the Extracted Materials from the Gravel Reserve in accordance with the right reserved in this Paragraph 3(J), the Fee Owner covenants and agrees to restore and reclaim the Gravel Reserve to substantially its natural condition, and further covenants and agrees that no additional gravel, minerals, or other materials shall be removed from the Property except in accordance with the provisions of Paragraph 2(F) of this Easement.

v. The rights reserved to the Fee Owner in this Paragraph 3(J) shall be considered a "non-forest" use.

4. NOTIFICATION OF TRANSFER, TAXES, MAINTENANCE

A. The Fee Owner of the Property agrees to notify the Easement Holder in writing ten (10) days before the transfer of title to the Property.

B. The Easement Holder shall be under no obligation to maintain the Property or pay any taxes or assessments thereon; said responsibility being solely that of the Fee Owner.

5. BENEFITS, BURDENS AND ACCESS

A. The burden of the Easement created hereby shall run with the Property and shall be enforceable against all future owners and tenants in perpetuity; the benefits of this Easement shall not be appurtenant to any particular parcel of land, but shall be in gross and assignable or transferable only to a governmental entity, consistent with the Forest Legacy Program (16 USC Section 2103c), which entity agrees to and is capable of enforcing the conservation purposes of this Easement. Any such assignee or transferee shall have the like power of assignment or transfer.

B. The Easement Holder shall have reasonable access to the Property, including access under any assignable rights the Fee Owner may have across adjacent properties, for such inspection as is necessary to determine compliance with and to enforce this Easement, to exercise the rights conveyed hereby, and to fulfill the responsibilities and carry out the duties assumed by the acceptance of this Easement.

C. The Easement Holder shall have the right to use motorized vehicles as may be reasonably necessary to determine compliance with and to enforce this Easement and to exercise the Easement Holder's affirmative rights on the Property, provided that the use of such vehicles is not detrimental to the Purposes and Stewardship Goals of this Easement.

D. The Easement Holder shall have the right to post signs along the boundary line and at points of public access to the Property to identify the interest of the Easement Holder thereon. The Fee Owner will be consulted with respect to the size, and location of such signs. The signs shall comply with the requirements and limitations of Paragraph 2(E) above.

E. With the exception of the temporary Forestry safety zones as defined in Paragraph 3(G), the public shall have the right of pedestrian access to, on, and across the Property for hiking, cross country skiing, snowshoeing, hunting, fishing, and other low impact outdoor recreational purposes,

but not camping. The Property may be posted against public access or otherwise restricted by the Easement Holder in the public interest, or to prevent natural resource degradation.

F. The Easement Holder shall have the right to construct, maintain, use, and permit the public to use the existing snowmobile trail on the Property as shown on the Plan to be appended to the "Snowmobile Agreement" between the Fee Owner and the Easement Holder dated March 27, 2002, which Agreement and Plan are to be recorded herewith. The construction, maintenance and management of the snowmobile trail, and the public use of the snowmobile trail on the Property shall be governed by the Snowmobile Agreement, which may be amended from time to time upon the written mutual agreement of the Fee Owner and the Easement Holder to include additional snowmobile trails.

G. Nothing contained in this Easement shall create any liability on behalf of the Fee Owner or the Easement Holder to any third party or create any right, claim or cause of action on behalf of any party other than the Fee Owner or the Easement Holder and their successors and assigns.

6. BREACH OF EASEMENT

A. When a breach of this Easement, or conduct by anyone inconsistent with this Easement, comes to the attention of the Easement Holder, it shall notify the Fee Owner in writing of such breach or conduct, delivered in hand or by certified mail, return receipt requested.

B. The Fee Owner shall, within thirty (30) days after receipt of such notice or after otherwise learning of such breach or conduct, undertake those actions, including restoration, which are reasonably calculated to cure swiftly said breach, or to terminate said conduct, and to repair any damage. The Fee Owner shall promptly notify the Easement Holder of its actions taken under this section.

C. If the Fee Owner fails to take such proper action under the preceding paragraph, the Easement Holder may, as appropriate to the Purposes, undertake any actions that are reasonably necessary to cure such breach or to repair any damage in the Fee Owner's name or to terminate such conduct. The cost thereof, including the Easement Holder's expenses, court costs, and legal fees shall be paid by the Fee Owner, provided that the Fee Owner is directly or primarily responsible.

D. Nothing contained in this Easement shall be construed to entitle the Easement Holder to bring any action against the Fee Owner for any injury to or change in the Property resulting from causes beyond Fee Owner's control, including, but not limited to, unauthorized actions by third parties, natural disasters such as fire, flood, storm and earth movement, or from any prudent action taken by Fee Owner under emergency conditions to prevent, abate, or mitigate significant injury to the Property resulting from such causes.

E. The Easement Holder and the Fee Owner reserve the right, separately or collectively, to pursue all legal remedies against any third party responsible for any actions detrimental to the Purposes.

7. NOTICES

All notices, requests and other communications, required or permitted to be given under this Easement shall be in writing, except as otherwise provided herein, and shall be delivered in hand or sent by certified mail, postage prepaid, return receipt requested to the appropriate address set forth

above, or at such other address as the Easement Holder or the Fee Owner may hereafter designate by notice given in accordance herewith. Notice shall be deemed to have been given when so delivered or so mailed. The Fee Owner shall provide the Easement Holder notification of any activities on the Property that require legal notices to abutters or the public under New Hampshire law.

8. SEVERABILITY

If any provision of this Easement, or the application thereof to any person or circumstance, is found to be invalid by a court of competent jurisdiction or otherwise, the remainder of the provisions of this Easement or the application of such provision to persons or circumstances other than those to which it is found to be invalid, as the case may be, shall not be affected thereby.

9. CONDEMNATION

A. Whenever all or part of the Property is taken in exercise of eminent domain by public, corporate, or other authority so as to abrogate in whole or in part the Easement conveyed hereby, the Fee Owner and the Easement Holder shall thereupon act jointly to recover the full damages resulting from such taking with all incidental or direct damages and expenses incurred by them thereby to be paid out of the damages recovered.

B. The balance of the land damages recovered (including, for purposes of this subsection, proceeds from any lawful sale, in lieu of condemnation, of the Property unencumbered by the restrictions hereunder) shall be divided between the Fee Owner and the Easement Holder in proportion to the fair market value on the date of execution of this Easement of their respective interests in that part of the Property condemned. This value was determined by an appraisal that was completed by an appraiser licensed in the State of New Hampshire in conformance with the Uniform Appraisal Standards for Federal Land Acquisition, which appraisal determined the purchase price for this Easement.

C. The Easement Holder shall use its share of the proceeds in a manner consistent with and in furtherance of one or more of the Purposes set forth herein, subject to the provisions of Section 14, below.

10. ADDITIONAL EASEMENT AND RIGHTS

No rights-of-way, easements of ingress or egress, driveways, roads, or utility lines or easements shall be constructed, developed or maintained into, on, over, under, or across the Property, without the prior written permission of the Easement Holder, except as may be otherwise specifically permitted in this Easement. The Easement Holder may grant such permission if it determines, in its sole discretion, that any such improvement would be consistent with the Purposes and Stewardship Goals, and would not adversely affect the Forestry potential or the scenic beauty of the Property.

The Fee Owner shall not convey use restrictions or other easements on, over, under, or across the Property without the prior written permission of the Easement Holder. Such written permission shall be recorded in the Carroll County Registry of Deeds. Any such use restrictions or other easements shall be consistent with the Conservation Purposes of this Easement and must be accepted and

recorded by a public agency as described in Paragraph 5(A), above, or a qualified organization within the meaning of Section 170 (h) (3) of the U.S. Internal Revenue Code of 1986, as amended.

11. DISPUTES

A. The Fee Owner and the Easement Holder shall have the right to have any dispute arising under this Easement determined by the Superior Court in the county in which the Property is located or submitted to non-binding arbitration in accordance with this section. In this section, any reference to "arbitration" shall mean non-binding arbitration. The parties agree that arbitration shall not operate to stay any proceedings that either party may institute in the Superior Court. If either party requests that arbitration of a particular matter or matters be undertaken and if that matter is not at the time of the request the subject of an action in the Superior Court or if it does not become the subject of an action in the Superior Court during the course of the arbitration, then the parties shall agree that the matter will be submitted to arbitration. The agreement for arbitration shall be in writing, signed by both parties, and include a statement of the matter or matters that are the subject of the arbitration.

B. If arbitration is requested in a manner consistent with Paragraph 11(A), the Fee Owner and the Easement Holder shall each choose an arbitrator within 15 days of the date of the written agreement for arbitration. These arbitrators shall be notified, in writing, that they have been chosen as arbitrators and that they are required to choose a third arbitrator within 15 days of the date of the notice. The fees and costs for the three arbitrators shall be agreed to, in writing, by the parties and the arbitrators. Each party shall pay one-half the total fees and costs of the arbitrators.

C. When the three arbitrators have been selected, they shall, with the agreement of the parties, schedule a date or dates for the arbitration hearing as soon as practicable. All three arbitrators shall be present for the arbitration hearing. The arbitration hearing date may only be postponed for good cause accepted by at least two of the three arbitrators.

D. A written decision shall be rendered and signed with the agreement of at least two of the three arbitrators. The decision shall be issued within 45 days after the submission of the dispute and shall be considered the final decision of the arbitrators.

12. LIMITATION ON AMENDMENT

If circumstances arise under which an amendment to or modification of this Easement would be appropriate, the Fee Owner and the Easement Holder may, by mutual written agreement, jointly amend this Easement, provided that no amendment shall be made that will adversely affect the qualifications of this Easement or the status of the Easement Holder under any applicable laws, including Section 170(h) of the Internal Revenue Code, and the Forest Legacy Program (16 USC Section 2103c) and NH RSA 477:45-47. Any such amendment shall be consistent with the Purposes of this Easement, shall not affect its perpetual duration, shall not permit any residential or any commercial development of the Property, and shall not permit any impairment of the conservation value of the Property. Any such amendment shall be recorded in the Carroll County Registry of Deeds, New Hampshire, after all approvals required by law have been obtained. Nothing in this paragraph shall require the Fee Owner or the Easement Holder to agree to any amendment or to

consult or negotiate regarding any amendment.

13. BINDING EFFECT

The Easement Holder, by accepting and recording this Easement, agrees to be bound by, observe, and enforce the provisions hereof and assumes the rights and responsibilities herein reserved to, and incumbent upon, the Easement Holder, all in the furtherance of the conservation purposes of this Easement is delivered.

14. EASEMENT CONVERSION

The Easement Holder acknowledges that this Easement was acquired with Federal funds under the Forest Legacy Program (16 USC Section 2103c) and that the easement interest acquired can not be sold, exchanged, transferred or otherwise disposed, except as provided in Paragraph 5(A) above, unless the United States is reimbursed the fair market value of the easement interest valued pursuant to Paragraph 9(B), above. Provided, however, the Secretary of Agriculture may exercise his/her discretion and consent to such sale, exchange, transfer, or disposition upon tender by the State of New Hampshire of consideration of equal value acceptable to the Secretary.

IN WITNESS WHEREOF, we have hereunto set our hands this 27th day of March, 2002.

Attest:

[Signature]

CHOCORUA FORESTLANDS, LLC

By: [Signature]
F. Colin Cabot, Manager
Duly authorized

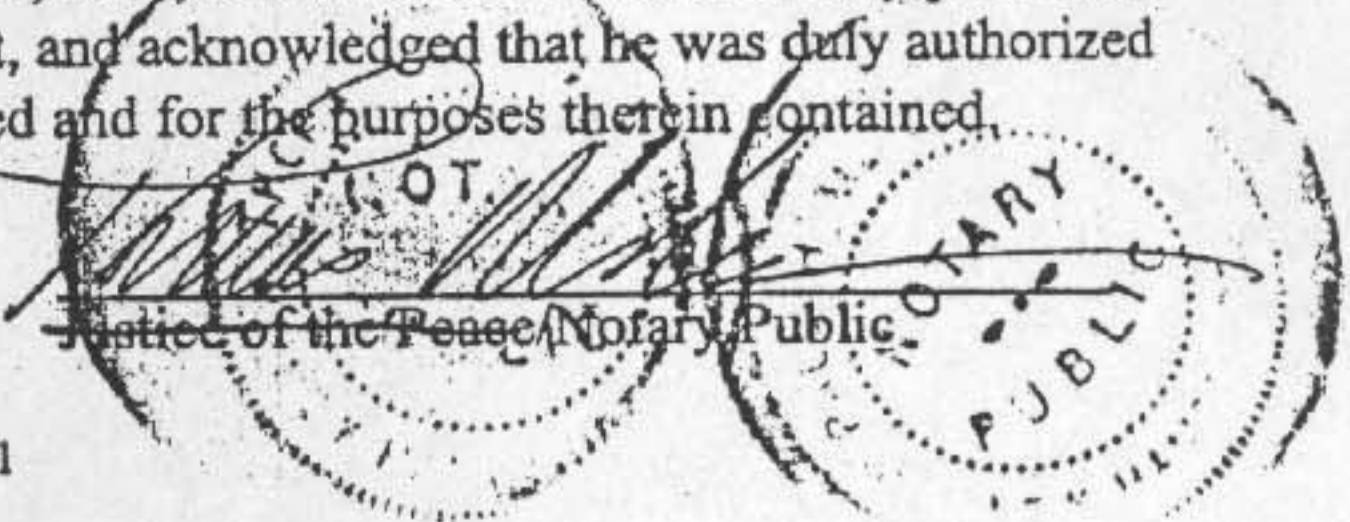
STATE OF NEW HAMPSHIRE
DEPARTMENT OF RESOURCES
AND ECONOMIC DEVELOPMENT

[Signature]

By: [Signature]
George M. Bald, Commissioner

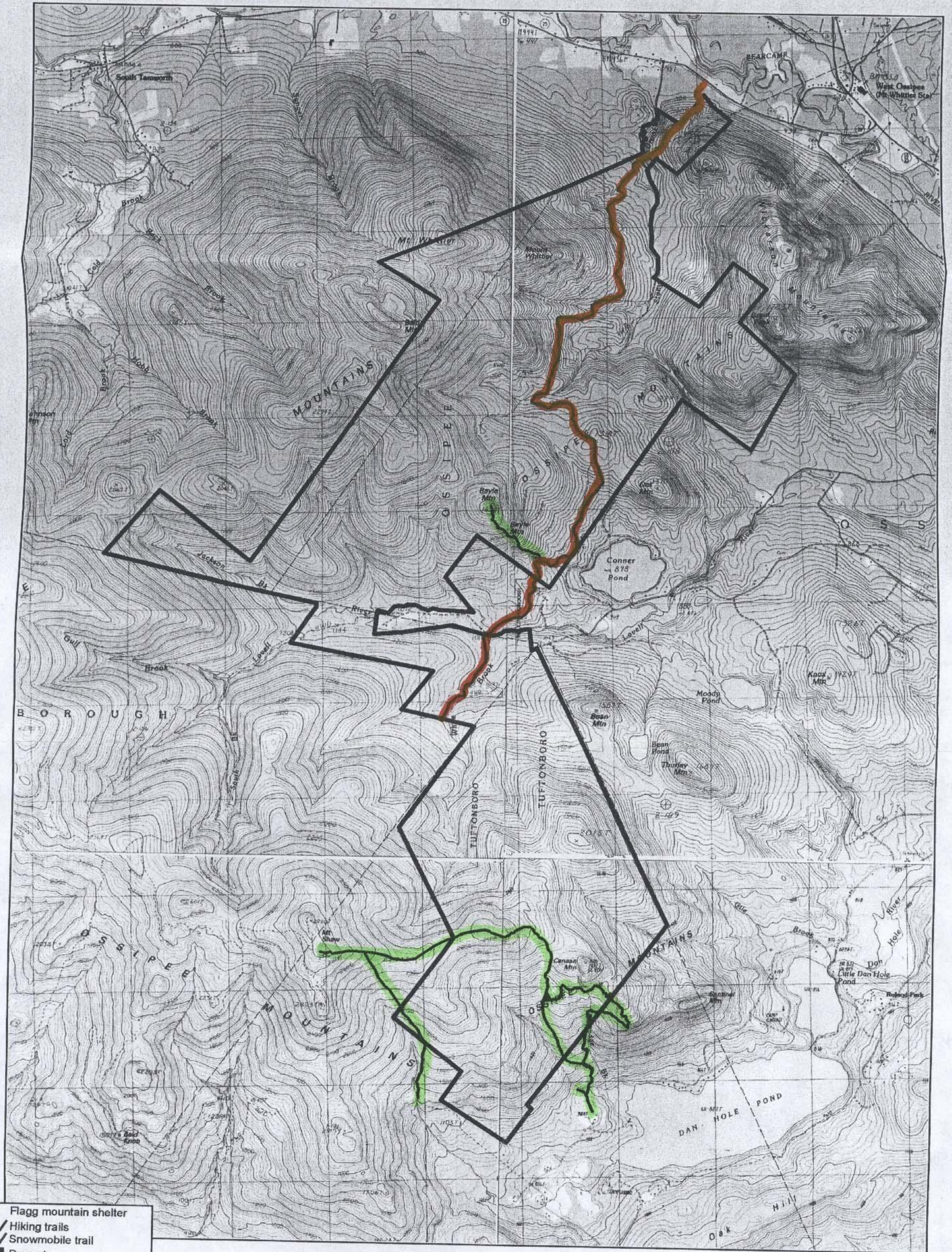
STATE OF NEW HAMPSHIRE
COUNTY OF MERRIMACK

On this 27th day of March, 2002 personally appeared the above-named F. COLIN CABOT, of Chocorua Forestlands, LLC, known to me or satisfactorily proven to be the person described in the foregoing instrument, and acknowledged that he was duly authorized and executed the same in the capacity therein stated and for the purposes therein contained.



BK 2011 PG 298

Map 6, Recreational Trails



- ▲ Flagg mountain shelter
- ≡ Hiking trails
- Snowmobile trail
- Property

700 0 700 1400 Feet

