

DEED OF CONSERVATION EASEMENT

**THIS DEED OF CONSERVATION EASEMENT** ("Easement") is made this \_\_\_\_\_ day of \_\_\_\_\_, 2011, by **Farm Owner**, having an address at 0000 Rural Road, Lexington, Kentucky 40500 ("Grantor") in favor of the **Fayette County Rural Land Management Board, Inc.**, a non-profit Kentucky corporation, having a mailing address at the Lexington-Fayette Urban County Government Center, 4th Floor, 200 E. Main St., Lexington, Kentucky 40507 ("Grantee"), and to the **United States of America ("United States")**, acting by and through the **United States Department of Agriculture ("USDA")**, **Natural Resources Conservation Service ("NRCS")** on behalf of the **Commodity Credit Corporation, as its interest appears herein**, 771 Corporate Drive, Suite 210, Lexington, Kentucky 40503, ("United States") The Grantor and Grantee are collectively referred to as "The Parties". The in-care of tax mailing address for the current tax year is c/o Fayette County Rural Land Management Board, Inc., Lexington-Fayette Government Center, Ninth Floor, 200 East Main Street, Lexington, Kentucky 40507.

**WITNESSETH**

WHEREAS, Grantor is the record title owner in fee simple of certain real property located in Fayette County, Kentucky, more particularly described in Exhibit A attached hereto and incorporated by this reference (the "Protected Property") containing XXX and XXX hundredths (**XXX.XX**) acres of land, more or less, of which, as classified by the USDA - NRCS, XX.XX percent is prime and XX.XX percent is statewide important soils; and commonly known and designated as **0000 Rural Road, Lexington, KY 40500**; and

WHEREAS, it is Grantor's desire to restrict and protect the Protected Property; and  
WHEREAS, the Protected Property possesses scenic, open space, and agricultural values (collectively the "Conservation Values") worthy of conservation and protection and of great importance to Grantor, the people of Fayette County and the people of the Commonwealth of Kentucky; and

WHEREAS, Grantor and Grantee have the common purpose of conserving and preserving the aforementioned Conservation Values of the Protected Property; and

WHEREAS, the specific Conservation Values of the Protected Property are documented in an inventory of relevant features of the Protected Property, dated September 19, 2002, on file at the office of the Grantee and incorporated herein by reference (the "Baseline Documentation"), which consists of reports, maps, photographs, and other documentation that the Grantor and Grantee agree provide, collectively, an accurate representation of the Protected Property at the time of this grant and which are intended to serve as an objective, though nonexclusive, information baseline for monitoring compliance with the terms of this Easement, and

WHEREAS, the Protected Property contains the following:

- Large trees and tree stands throughout the Property
- Boone Creek Focus Area and Rural Greenway
- Environmentally sensitive areas
- Tree lined roads
- Scenic Road Frontage and Viewshed-Rural Road and

WHEREAS, the Protected Property contains approximately 1000 feet of frontage along Rural Road, and the public traveling this roads is afforded scenic views of the rolling pastures and fields whose beauty and open space character will be protected by this Easement; and

WHEREAS, the Federal Farm and Ranch Lands Protection Program's purpose is to partially fund the purchase of Conservation Easements on land with prime, unique, or other productive soil for the purpose of protecting topsoil from conversion to nonagricultural uses (16 U.S.C. 3838h and 3838i); and

WHEREAS, the Commonwealth of Kentucky, by Kentucky Revised Statutes ("KRS") Sections 382.800 through 382.860, effective July 15, 1988, has authorized the use of conservation easements "the purposes of which include retaining or protecting natural, scenic or open space values of real property, assuring its availability for agricultural, forest, recreational, or open-space use, protecting natural resources, maintaining or enhancing air or water quality, or preserving the historical architectural, archaeological, or cultural aspects of real property" and has authorized Grantee, as a charitable corporation, to hold such conservation easements; and

WHEREAS, it is the adopted policy of the Commonwealth of Kentucky, as stated in KRS 262.900 to 262.920, effective July 14, 1994, "to retain agriculture and enhance the contribution that agriculture makes to its economy," and to that end "[a] program to retain and enhance agriculture is in the economic best interest of the Commonwealth and consequently, constitutes a public benefit that contributes to the health, safety, and general welfare of the residents of the Commonwealth and the nation"; and

WHEREAS, it is the declared policy of the Commonwealth of Kentucky, as stated in KRS 262.850, effective July 15, 1994, "to conserve, protect and encourage development and improvement of its agricultural lands for the production of food and other agricultural products," "to conserve and protect its agricultural land base as a valuable natural resource which is both fragile and finite," and "to provide a means by which agricultural land may be protected and enhanced as a viable segment of the State's economy and as an important resource"; and

WHEREAS, the Lexington-Fayette Urban County Government has by adoption of Chapter 26 of its Code of Ordinances established a program for the preservation and management of agricultural, rural and natural lands in Fayette County, and has authorized the Grantee to acquire conservation easements for that purpose; and

WHEREAS, Chapter 26 of the Code of Ordinances of the Lexington-Fayette Urban County Government implements the Rural Service Area Land Management Plan (the "Plan") which recommended that a program be established to preserve and manage agricultural, rural and natural lands in Fayette County; and

WHEREAS, implementation of the Plan will protect the health, safety and well-being of present and future residents of Fayette County by preserving and managing approximately fifty thousand (50,000) acres of eligible agricultural, rural and natural lands in the rural service area as a viable sector of the County's economy and as an environmental resource of major importance; and

WHEREAS, the grant of a conservation easement by Grantor to Grantee on the Protected Property and the acceptance by Grantee will assist in preserving and maintaining the aforementioned Conservation Values of the Protected Property; and

WHEREAS, Grantor intends that the Conservation Values of the Protected Property be preserved and maintained by this Easement, in perpetuity, by permitting only those land uses on the Protected Property that do not significantly impair or interfere with those values, including, without limitation, those land uses existing at the time of this Easement; and

WHEREAS, Grantor further intends, as owner of the Protected Property, to convey to Grantee the right to preserve the Conservation Values of the Protected Property in perpetuity; intending the grant of such right to qualify as a "qualified conservation contribution" as that term is defined under Section 170(h) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder (the "Code"); and

WHEREAS Grantor desires to grant to Grantee and Grantee desires to accept from Grantor a conservation easement pursuant to the terms of this Easement; and

WHEREAS, Grantee agrees by accepting this Easement that Grantee shall endeavor to honor the intentions of Grantor stated herein and endeavor to preserve and protect in perpetuity the Conservation Values of the Protected Property for the benefit of this generation and future generations; and

NOW, THEREFORE, in consideration of the sum of **\$XXX,XXX.XX** cash in hand paid, of the above, and of the mutual covenants, terms, conditions, and restrictions contained herein, and pursuant to Section 170(h) of the Code and the laws of the Commonwealth of Kentucky, in particular KRS Sections 382.800 through 382.860, Grantor hereby voluntarily, unconditionally, and absolutely grants and conveys to Grantee its successors and permitted assigns, a conservation easement (the "Easement" or "Conservation Easement") in perpetuity over the Protected Property of the nature and character and to the extent hereinafter set forth and to that end, Grantor covenants on behalf of itself, and its, successors and assigns, to Grantee and its successors and permitted assigns, that the Protected Property shall be held, transferred,

sold, conveyed, used and occupied subject to the covenants, conditions, restrictions, and easements hereinafter set forth, which covenants, conditions, restrictions, and easements shall constitute restrictive covenants and shall be deemed to run with the land in perpetuity and to burden the Protected Property in perpetuity. The United States is granted the same rights of enforcement as the Grantee under this Easement. However, the United States will only exercise those rights of enforcement as set forth in section 7.11. The parties agree that Grantee shall act as primary steward of this Easement, until such time as the United States exercises its rights of enforcement, if ever. In the event that such rights of enforcement are triggered, the references below to "Grantee" shall be read to mean to the United States as well.

1. **Purpose.** It is the purpose (the "Purpose") of this Easement to retain and enhance the agricultural use of the Protected Property by preserving and protecting its agricultural soils and agricultural viability and productivity; to preserve the natural, scenic or open space values of the Protected Property; to preserve areas or structures of architectural or historical interest; to restrict or prevent the development or improvement of the Protected Property for purposes other than agricultural production; and to protect and preserve the following:

- Large trees and tree stands throughout the Property
- Boone Creek Focus Area and Rural Greenway
- Environmentally sensitive areas
- Tree lined roads
- Scenic Road Frontage and Viewshed-Rural Road and

to prevent any use of the Protected Property that is inconsistent with this Purpose or will impair or interfere with the Conservation Values of the Protected Property. For purposes of clarification the term "Agricultural Production" as used herein is defined to include the production for commercial purposes of crops, livestock and livestock products, and nursery and greenhouse products, including the processing or retail marketing of these crops, livestock and livestock products, and nursery and greenhouse products, if more than fifty percent (50%) of those processed or merchandised products are produced by the farm operator and the raising and stabling of horses for commercial purposes, and shall also include any of the following: dairying, pasturage, growing crops, bee keeping, horticulture, floriculture, orchards, plant nurseries, viticulture, silviculture, aquaculture and animal and plant husbandry; the breeding, raising, training and general care of livestock for uses other than food, such as sport or show purposes; and construction and maintenance of barns, silos and other similar structures, the use of farm machinery, the primary processing of agricultural products and the sale of agricultural products produced on the land where the sales are made.

2. **Rights of Grantee.** To accomplish the Purpose of this Easement the following rights are hereby conveyed to Grantee by this Easement:

(a) to preserve and protect the Conservation Values of the Protected Property;

(b) to enter upon the Protected Property at reasonable times in order to monitor compliance with and otherwise enforce the terms of this Easement in accordance with Section 7; provided that, except in cases where Grantee determines that immediate entry is required to prevent, terminate, or mitigate a violation of this Easement, such entry shall be upon prior reasonable notice to Grantor, and Grantee shall not unreasonably interfere with Grantor's use and quiet enjoyment of the Protected Property; and

(c) to prevent any activity on or use of the Protected Property that is inconsistent with the Purpose of this Easement and to require the restoration of such areas or features of the Protected Property that may be damaged by any inconsistent activity or use, by exercise of the remedies set forth in Section 7.

(d) Under this Easement, the United States is granted the right of enforcement in order to protect the public investment. The Secretary of the United States Department of Agriculture (the Secretary) or his or her assigns, on behalf of the United States, may exercise this right of enforcement under any authority available under State or Federal law if the **Fayette County Rural Land Management Board, Inc.** fails to enforce any of the terms of this Easement, as determined in the sole discretion of the Secretary.

3. **Grantor's Affirmative Obligations.** Grantor agrees at all times to maintain or do the following as a condition of this easement:

(a) Grantor shall deliver to Grantee within five (5) days of receipt copies of any notice of default or demand letter received by Grantor from any duly authorized governmental authority which if not complied with could result in a lien on the Protected Property. Upon receipt of written request by Grantee, Grantor shall promptly furnish Grantee with evidence of Grantor's compliance with such notice or demand letter where compliance is required by law.

(b) As required by section 1238I of the Food Security Act of 1985, as amended, the Grantor, its, successors, or assigns, shall conduct all agricultural operations on the Protected Property in a manner consistent with a conservation plan prepared in consultation with NRCS and approved by the Conservation District. This conservation plan shall be developed using the standards and specifications of the NRCS Field Office Technical

Guide and 7 CFR Part 12 that are in effect on the date of this Easement. However, the Grantor may develop and implement a conservation plan that proposes a higher level of conservation and is consistent with the NRCS Field Office Technical Guide standards and specifications. NRCS shall have the right to enter upon the Protected Property, with advance notice to the Grantor, in order to monitor compliance with the conservation plan.

In the event of noncompliance with the conservation plan, NRCS shall work with the Grantor to explore methods of compliance and give the Grantor a reasonable amount of time, not to exceed twelve months, to take corrective action. If the Grantor does not comply with the conservation plan, NRCS will inform Grantee of the Grantor's noncompliance. The Grantee shall take all reasonable steps (including efforts at securing voluntary compliance and, if necessary, appropriate legal action) to secure compliance with the conservation plan following written notification from NRCS that (a) there is a substantial, ongoing event or circumstance of non-compliance with the conservation plan, (b) NRCS has worked with the Grantor to correct such noncompliance, and (c) Grantor has exhausted its appeal rights under applicable NRCS regulations.

If the NRCS standards and specifications for highly erodible land are revised after the date of this Easement based on an Act of Congress, NRCS will work cooperatively with the Grantor to develop and implement a revised conservation plan. The provisions of this section apply to the highly erodible land conservation requirements of the Farm and Ranch Lands Protection Program and are not intended to affect any other natural resources conservation requirements to which the Grantor may be or become subject.

(c) Grantor shall protect and preserve the following:

- Large trees and tree stands throughout the Property
- Boone Creek Focus Area and Rural Greenway
- Environmentally sensitive areas
- Tree lined roads
- Scenic Road Frontage and Viewshed-Rural Road

4. **Prohibited Uses.** In order to accomplish, safeguard and promote the Purpose of this Easement, Grantor hereby declares and covenants that the following restrictions are hereby imposed and shall apply forever to the use and enjoyment of the Protected Property. Any activity on or use of the Protected Property inconsistent with the Purpose of this Easement is prohibited. Without limiting the generality of the foregoing, the following activities and uses are expressly prohibited on, over, or under the Protected Property, except as provided in Section 5:

- (a) mining, excavating, quarrying, dredging, or removing from the Protected Property of soil, loam, peat, gravel, sand, hydrocarbons, rocks, or other mineral resource or natural deposit except in connection with an activity or construction permitted in Section 5;
- (b) commercial or industrial uses of the Protected Property with the exception of agricultural production as defined in Section 1 or as permitted in Section 5;
- (c) constructing, placing or maintaining of any building, mobile home, or other temporary or permanent structure or facility on, above, or below the Protected Property except as permitted in Section 5;
- (d) cutting, removing, pruning, or otherwise destroying shrubbery or trees except as permitted in Section 5;
- (e) the installation of underground storage tanks or the placing, filling, storing, processing, dumping or other disposal on the Protected Property of soil, refuse, trash, vehicle bodies or parts, rubbish, debris, junk, waste, or other such substance, whether or not generated on the Protected Property except as both (i) reasonably required for the use of the Protected Property for normal agricultural production or permitted residential use and (ii) in accordance with applicable local, state and federal laws and regulations. For purposes of clarification, the storage of agricultural products, byproducts and agricultural equipment on the Protected Property, so long as such storage is done in accordance with all applicable governmental laws and regulations, is permitted;
- (f)
  - (i) any legal or de facto division, subdivision or partitioning of the Protected Property whatsoever;
  - or
  - (ii) any sale, transfer or conveyance of any portion constituting less than one hundred percent of the Protected Property;
- (g) mining or removal of groundwater from the Protected Property except as may be required for agricultural production and residential uses permitted herein;
- (h) diking, draining, filling or alteration of the springs or streams on the Protected Property that is inconsistent with the rules and regulations of the Commonwealth of Kentucky, Division of Water and the technical guidelines of the United States Natural

Resources Conservation Service;

- (i) dumping, depositing, abandoning, discharging, or release of any gaseous, liquid, solid or hazardous wastes, substances, materials, or debris of whatever nature on, in, over, or under the ground or into the surface or ground water of the Protected Property, except as permitted by law and only for sanitary sewage purposes or biological and chemical substances and waste by-products used and produced by agricultural production. For purposes of clarification, the parties agree that in connection with any agricultural or landscaping activity on the Protected Property, the use of chemical fertilizers, herbicides, pesticides, fungicides and natural controls is permitted provided such use is in compliance with all applicable federal, state, and local statutes and regulations;
- (j) the placing, construction or maintenance of signs, billboards or outdoor advertising structures other than a reasonable number of signs needed to state the name of the Protected Property, the names and addresses of the occupants, to advertise the sale or lease of the Protected Property, to advertise an activity permitted by this Easement, to identify horses on the Protected Property or to post the Protected Property against trespassers provided that the placement, number and design of such signs shall not significantly diminish the scenic character of the Protected Property. This prohibition shall not limit the right of Grantee to display such signs as it may customarily use to identify lands under conservation easement; however such signs posted by the Grantee will be posted with the reasonable approval of the Grantor as to location, size and appearance.
- (k) the establishment or maintenance of any large-scale commercial feed lot, which is defined for purposes of this Section as a confined area or facility within which land is not grazed or cropped at least annually and which is used to receive greater than one hundred (100) head of cattle or hogs that have been raised off the Protected Property for feeding and fattening for market;
- (l) the establishment, maintenance or operation of any large scale commercial hog or poultry farm, which is defined for purposes of this Easement, as a confined facility exceeding two thousand five hundred (2500) square feet for raising hogs or poultry for commercial resale. For purposes of clarification, this prohibition is not intended to prohibit Grantor from raising hogs or poultry for its own personal consumption or limited sale; and

- (m) the paving or otherwise covering with concrete, asphalt, gravel or any other paving material of any portion of the Protected Property or the construction, maintenance and use of any road for reasons not relating to agricultural production or permitted residential use without the advance written permission of the Grantee; Impervious surfaces, which include buildings and paved areas shall not exceed two (2) percent of the total easement acreage unless a waiver is provided by NRCS; and
- (n) any unanticipated activity or use of the Protected Property which would impair significant conservation interests protected by this Easement unless such use or activity is necessary for the protection of the Conservation Values that are the subject of this Easement, in which case such use or activity shall be subject to the prior approval of Grantee as provided in Section 6 below.
- (o) Oil and gas exploration and extraction.
- (p) Motorized Vehicle Use-except to support agricultural use, forestry, habitat management, law enforcement and public safety, or conservation uses of the Protected Property.
- (q) Granting of easements or rights-of-way for power lines, gas lines, sewer lines, telecommunication towers, and wind farms. Notwithstanding this prohibition, the Grantor may install utilities for permitted uses of the Protected Property that are not inconsistent with the purposes of the Easement.

5. **Reserved Rights.** Grantor reserves to itself, and its successors, and assigns, all rights accruing from its ownership of the Protected Property, including the right to engage in, or permit or invite others to engage in, all uses of the Protected Property that are not expressly prohibited herein and are not inconsistent with the Purpose of this Easement. Without limiting the generality of the foregoing, and subject to the terms of Sections 4 and 17.12, the following rights are expressly reserved:

- (a) the right to conduct Agricultural Production for domestic or commercial purposes;
- (b) the right to the one existing primary single-family detached dwelling with reasonable appurtenances (including but not limited to garages, sheds, swimming pools, tennis courts and other accessory structures), the one existing tenant house and necessary tenant housing, which shall be utilized by person(s) employed on the Protected Property that are not family members. Prior to beginning construction of any permitted New Residence(s), Grantor shall ob-

tain the approval of Grantee for New Residence(s) provided that Grantee's approval shall not be arbitrarily withheld, but shall be based on factors, including but not limited to, preservation of prime soils and the overall agricultural value of the Protected Property. Grantor thereafter shall be permitted to maintain, repair and reasonably expand any permitted New Residence(s). In the event that a permitted New Residence is destroyed or substantially damaged, Grantor may construct a replacement single-family detached dwelling at the location of the original dwelling after notice to and approval by the Grantee.

- (c) the right to all manner of residential use and enjoyment of the existing residences ("Existing Residences"), any permitted New Residence(s), and the grounds surrounding such residences including, but not limited to the maintenance, repair, restoration of fences, driveways, and paths, the right to cut and remove grass or other vegetation, and the right to perform routine maintenance, landscaping, horticultural activities, and upkeep, consistent with the Purpose of this Easement. This shall include the right to remove and rebuild existing residences, subject to prior approval of the Grantee and as permitted pursuant to the building and zoning ordinances. However, structures which are considered historic resources shall not be removed.
- (d) the right selectively to cut or clear trees or vegetation in accordance with a forestry plan under the supervision of the Commonwealth of Kentucky Forestry Service where the farm is involved in timber production or as reasonably necessary for agricultural purposes; and mow or clear existing fields for timber, lumber or habitat enhancement and protection, fire protection, unpaved trail and road maintenance, tick and insect control, creation or preservation of vistas, or otherwise to preserve the present condition of the Protected Property;
- (e) the right to drill for water on the Protected Property and to make available water wells and septic systems for any new or existing structures on the Protected Property, or if reasonably necessary in connection with the uses of the Protected Property permitted by this Easement;
- (f) the right to compost, burn with the appropriate permit from the Grantee's Fire Marshall, or store vegetative waste generated by permitted activities and uses and the right to store for removal at reasonable intervals normal and customary waste generated on the Protected Property by permitted activities and uses;

- (g) the right to extract fill solely in connection with uses of the Protected Property permitted by this Easement after notice and approval of Grantee;
- (h) the right to create new trails or footpaths using permeable materials (such as sand, gravel, or crushed stone) in a manner that does not impact the prime and other protected soils;
- (i) the right to engage in any outdoor recreational activities for personal, noncommercial purposes, including hunting and fishing, that are in compliance with all applicable federal, state and local statutes and regulations;
- (j) the right to post all or a portion of the Protected Property against trespassing and hunting;
- (k) the right to construct, repair, maintain or remove pens, corrals, paddocks, fences, barns, and related buildings with unpaved access roads reasonably necessary in connection with agricultural production except as provided in Section 3;
- (l) the right to lease or grant less than fee interests in all or a portion of the Protected Property for any use permitted to Grantor under this Easement, provided that such lease or other interest is consistent with and subject to the other terms of this Easement; and
- (m) the right to construct, repair and maintain new ponds or reservoirs reasonably necessary to carry-out the agricultural purposes subject to the prior approval of the Grantee which approval shall not be unreasonably withheld provided that such pond or reservoir is located in a manner consistent with the Purpose of this Easement and the proposed pond or reservoir does not substantially diminish or impair the agricultural productivity or Conservation Values of the Protected Property.
- (n) the right to operate a farm office on the Protected Property within the permitted structure for that purpose.
- (o) the right to establish or maintain a small-scale commercial feed lot, which is defined for purposes of this Section as a confined area or facility within which land is not grazed or cropped at least annually and which is used to receive not more than one (100) hundred head of cattle or hogs that have been raised off the Protected Property for feeding and fattening for market.;

- (p) The right to construct underground cisterns, water storage tanks or septic systems for permitted residential use or agricultural production on the Protected Property.

## **6. Notice and Approval.**

**6.1 Notice of Intention to Undertake Certain Permitted Actions.** The purpose of requiring Grantor to notify Grantee prior to undertaking certain permitted activities, as provided in Section 5, is to afford Grantee an adequate opportunity to monitor the activities in question to ensure that they are designed and carried out in a manner that is consistent with the Purpose of this Easement. Whenever notice is required, Grantor shall notify Grantee in writing not less than thirty (30) days prior to the date Grantor intends to undertake the activity in question. The notice shall describe the nature, scope, design, location, timetable, and any other material aspect of the proposed activity in sufficient detail to permit Grantee to make an informed judgment as to its consistency with the Purpose of this Easement.

**6.2 Grantee's Approval.** Where Grantee's approval is required, as set forth in Section 5, Grantee shall grant or withhold its approval in writing within thirty (30) days of receipt of Grantor's written request therefore. In the case where approval is sought for construction of a residence, the Grantee shall grant or withhold its approval in writing within sixty (60) days of receipt of the Grantor's written request. Grantee's approval may be withheld only upon a reasonable determination by Grantee that the action as proposed would be inconsistent with the Purpose of this Easement.

## **7. Grantee's Remedies.**

**7.1 Notice of Violation; Corrective Action.** If Grantee determines that a violation of the terms of this Easement has occurred or is threatened, Grantee shall give written notice to Grantor of such violation and demand corrective action sufficient to cure the violation and, where the violation involves injury to the Protected Property resulting from any use or activity inconsistent with the Purpose of this Easement, to restore the portion of the Protected Property so injured to its prior condition in accordance with a plan approved by Grantee.

**7.2 Injunctive Relief.** If Grantor fails to cure the violation within thirty (30) days after receipt of notice thereof from Grantee, or under circumstances where the violation cannot reasonably be cured within a thirty (30) day period, fails to begin curing such violation within the thirty (30) day period, or fails to continue diligently to cure such violation until finally cured, Grantee may bring an action at law or in equity in a court of competent jurisdiction to enforce the terms of this Easement, to enjoin the violation, *ex parte* as necessary, by restraining order or temporary or permanent injunction, and to require the restoration of the Protected Property to the condition that existed prior to any such injury. In the event that Grantee seeks injunctive or other equitable relief, Grantee

shall not be required to post a bond and shall not be required to demonstrate irreparable harm or injury.

**7.3 Damages.** Grantee shall be entitled to recover damages for violation of the terms of this Easement or injury to any Conservation Values protected by this Easement, including, without limitation, damages for the loss of scenic, aesthetic, historic, agricultural, open space, or environmental values. Without limiting Grantor's liability therefore, Grantee, in its sole discretion, may apply any damages recovered to the cost of undertaking any corrective action on the Protected Property.

**7.4 Emergency Enforcement.** If Grantee, in its discretion, determines that circumstances require immediate action to prevent or mitigate significant damage to the Conservation Values of the Protected Property, Grantee may pursue its remedies under Paragraphs 7.1 through 7.10 without prior notice to Grantor or without waiting for the period provided for cure to expire.

**7.5 Scope of Relief.** Grantee's rights under this Section 7 apply equally in the event of either actual or threatened violations of the terms of this Easement. Grantor agrees that Grantee's remedies at law for any violation of the terms of this Easement are inadequate and that Grantee shall be entitled to the injunctive relief described in Section 7.2, both prohibitive and mandatory, in addition to such other relief to which Grantee may be entitled, including specific performance of the terms of this Easement, without the necessity of proving either actual damages or the inadequacy of otherwise available legal remedies. Grantee's remedies described in this Section 7 shall be cumulative and shall be in addition to all remedies now or hereafter existing at law or in equity.

**7.6 Costs of Enforcement.** All reasonable costs incurred by Grantee in enforcing the terms of this Easement against Grantor, including, without limitation, costs and expenses of suit and reasonable attorneys' fees, and any costs of restoration necessitated by Grantor's violation of the terms of this Easement shall be borne by Grantor without setoff, deduction, defense, abatement, suspension, deferment or reduction; provided, however, that if Grantor ultimately prevails in a judicial enforcement action each party shall bear its own costs. Grantor expressly agrees that Grantee shall have, is hereby granted, and shall be entitled to record a lien against the Protected Property for any unpaid damages or costs of enforcement.

**7.7 Forbearance.** Forbearance by Grantee to exercise any of its rights under this Easement in the event of any breach of any term of this Easement by Grantor shall not be deemed or construed to be a waiver by Grantee of such term or of any subsequent breach of the same or any other term of this Easement or of any of Grantee's rights under this Easement. No delay or omission by Grantee in the exercise of any right or remedy upon any breach by Grantor shall impair such right or remedy or be construed as a waiver.

**7.8 Waiver of Certain Defenses.** Grantor acknowledges that Grantor has read this Easement, its terms and requirements, and Grantor, in full knowledge of its provisions, hereby waives any defense of laches, estoppel, or prescription with respect to any enforcement action instituted by Grantee.

**7.9 Acts Beyond Grantor's Control.** Nothing contained in this Easement shall be construed to entitle Grantee to bring any action against Grantor for any injury to or change in the Protected Property resulting from causes beyond Grantor's control, including, without limitation, 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.

**7.10 Failure of Grantee to Enforce.** If at any time Grantee shall fail to enforce the restrictions of this Easement, the Lexington-Fayette Urban County Government shall have the right to bring suit against the Grantee or Grantor for specific performance or to otherwise enforce any or all of the provisions of this Easement.

**8. Access.** No right of access by the general public to any portion of the Protected Property is conveyed by this Easement.

**9. Costs, Liabilities, Taxes, and Environmental Compliance.**

**9.1 Costs, Legal Requirements, and Liabilities.** Grantor retains all responsibilities and shall bear all costs and liabilities of any kind related to the ownership, operation, upkeep, and maintenance of the Protected Property, including the maintenance of reasonable liability insurance coverage. Grantor remains solely responsible for obtaining any applicable governmental permits and approvals for any construction or other activity or use permitted by this Easement, and all such construction or other activity or use shall be undertaken in accordance with all applicable federal, state, and local laws, regulations, and requirements. Grantor shall keep the Protected Property free of any liens arising out of any work performed for, materials furnished to, or obligations incurred by Grantor.

**9.2 Taxes.** Grantor shall pay, before delinquency, all taxes, assessments, fees, and charges of whatever description levied on or assessed against the Protected Property by competent authority (collectively "Taxes"), including any taxes imposed upon, or incurred as a result of, this Easement, and shall furnish Grantee with satisfactory evidence of payment upon request.

**9.3 Representations and Warranties.** Grantor represents and warrants that, after reasonable investigation and to the best of its knowledge:

- (a) Environmental Law or Environmental Laws means any and all Federal, state, local or municipal laws, rules, orders, regulations, statutes, ordinances, codes, guidelines, policies or requirements of any governmental

authority regulating or imposing standards of liability or standards of conduct (including common law) concerning air, water, solid waste, hazardous materials, worker and community right-to-know, hazard communication, noise, radioactive material, resource protection, subdivision, inland wetlands and watercourses, health protection and similar environmental health, safety, building and land use as may now or at any time hereafter be in effect.

- (b) Hazardous Materials means any petroleum, petroleum products, fuel oil, waste oils, explosives, reactive materials, ignitable materials, corrosive materials, hazardous chemicals, hazardous wastes, hazardous substances, extremely hazardous substances, toxic substances, toxic chemicals, radioactive materials, infectious materials and any other element, compound, mixture, solution or substance which may pose a present or potential hazard to human health or the environment.

Grantor warrants that it is in compliance with and shall remain in compliance with, all applicable Environmental Laws. Grantor warrants that there are no notices by any governmental authority of any violation or alleged violation of, non-compliance or alleged non-compliance with or any liability under any Environmental Law relating to the operations or conditions of the Protected Property.

Grantor warrants that it has no actual knowledge of a release or threatened release of any Hazardous Materials on, at, beneath or from the Property exceeding regulatory limits. Moreover, Grantor hereby promises to indemnify and hold harmless the United States against all costs, claims, demands, penalties and damages, including reasonable attorneys fees, arising from or connected with the release or threatened release of any Hazardous Materials on, at, beneath or from the Protected Property, or arising from or connected with a violation of any Environmental Laws by Grantor or any other prior owner of the Protected Property. Grantors indemnification obligation shall not be affected by any authorizations provided by Grantee to Grantor with respect to the Protected Property or any restoration activities carried out by Grantee at the Protected Property; provided, however, that Grantee shall be responsible for any Hazardous Materials contributed after this date to the Protected Property by Grantee;

- (c) Grantor and the Protected Property are in compliance with all federal, state, and local laws, regulations, and requirements applicable to the Protected Property and its use;
- (d) there is no pending or threatened litigation in any way affecting, involving, or relating to the Protected Property;

- (e) no civil or criminal proceedings or investigations have been initiated at any time or are now pending, and no notices, claims, demands, or orders have been received, arising out of any violation or alleged violation of, or failure to comply with, any federal, state, or local law, regulation, or requirement applicable to the Protected Property or its use, nor do there exist any facts or circumstances that Grantor might reasonably expect to form the basis for any such proceedings, investigations, notices, claims, demands, or orders; and
- (f) there are no outstanding surface or subsurface mineral rights associated with the Protected Property.

9.4 **Control.** Nothing in this Easement shall be construed as giving rise, in the absence of a judicial decree, to any right or ability in Grantee or the United States to exercise physical or managerial control over the day-to-day operations of the Protected Property, or any of Grantor's activities on the Protected Property, or otherwise to become an operator with respect to the Protected Property within the meaning of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended ("CERCLA"), and KRS Section 224.01-010 et seq.

9.5 **Hold Harmless.** Grantor for and on behalf of itself and its successors and assigns, and each subsequent owner of the Protected Property hereby releases and agrees to hold harmless and indemnify Grantee and its members, directors, officers, employees, agents, contractors and United States, and the successors, and assigns of each of them (collectively "Indemnified Parties") from and against any and all liabilities, penalties, fines, charges, costs, losses, damages, expenses, causes of action, claims, demands, orders, judgments, or administrative actions, including, without limitation, reasonable attorneys' fees, arising from or in any way connected with (1) injury to or the death of any person, or physical damage to any property, resulting from any act, omission, condition or other matter related to or occurring on or about the Protected Property, regardless of cause, unless due solely to the gross negligence of any of the Indemnified Parties; and (2) the obligations, covenants, representations, and warranties of Sections 9.1 through 9.5.

9.6 **General Indemnification.** Grantor shall indemnify and hold harmless the United States, its employees, agents, and assigns for any and all liabilities, claims, demands, losses, expenses, damages, fines, fees, penalties, suits, proceedings, actions, and costs of actions, sanctions asserted by or on behalf of any person or governmental authority, and other liabilities (whether legal or equitable in nature and including, without limitation, court costs, and reasonable attorneys' fees and attorneys' fees on appeal) to which the United States may be subject or incur relating to the Protected Property, which may arise from, but are not limited to, Grantor's negligent acts or omissions or Grantor's breach of any representation, warranty, covenant, agreements contained in this Easement, or violations of any Federal, State, or local

laws, including all Environmental Laws.”

## **10. Extinguishment and Condemnation.**

**10.1 Change in Economic Conditions.** The fact that any use of the Protected Property that is expressly prohibited by the terms of this Easement may become more economically valuable than uses permitted by the terms of this Easement, or that neighboring properties may, in the future, be put entirely to uses that are not permitted by the terms of this Easement, has been considered by Grantor in granting this Easement. Grantor believes that any such changes in the use of neighboring properties will increase the benefit to the public of the continuation of this Easement, and Grantor and Grantee intend that any such changes shall not be deemed to be circumstances justifying the termination or extinguishment of this Easement pursuant to Section 10.2. In addition, the inability of Grantor, its successors or assigns, to conduct or implement any or all of the uses permitted under the terms of this Easement, or the unprofitability of doing so, shall not impair the validity of this Easement or be considered grounds for its termination or extinguishment pursuant to Section 10.2.

**10.2 Extinguishment.** At any time thirty (30) years or more after the date first above written, the Grantor may file a written request with Grantee for release of the Easement as to any part of the Protected Property which has been included within the urban service area boundary, as determined by the then most recent Comprehensive Plan. At any time thirty (30) years or more after the date first above written, the Grantor may file a written request with Grantee for release of the Easement as to any part of the Protected Property. Requests for release of the Easement shall be addressed by Grantee according to the terms and conditions of Section 26-18 of the Lexington-Fayette Urban County Government Code of Ordinances. For purposes of clarification the term "Comprehensive Plan" as used herein is defined to mean the land use plan, and amendments, adopted by the Lexington-Fayette Urban County Government pursuant to KRS 100.197. In the event any sum is paid to the Grantee pursuant to Section 26-18(2)(d) of the Lexington-Fayette Urban County Government Code of Ordinances a sum shall be paid to the United States in an amount equal to the same percentage of Farm and Ranch Lands Protection Program dollars utilized in the acquisition of the original Easement. Given the United States' interest in this Easement, the Easement may not be extinguished under this section without advance written approval of the United States.

**10.3 Condemnation.** If all or any part of the Protected Property is taken by exercise of the power of eminent domain or acquired by purchase in lieu of condemnation, whether by public, corporate, or other authority, so as to terminate this Easement, in whole or in part, Grantor and Grantee shall act jointly to recover the full value of their interests in the Protected Property subject to the taking or in-lieu purchase and all direct or incidental damages resulting therefrom. All expenses reasonably incurred by Grantor and Grantee in connection with an effort to prevent a taking or in an effort to recover the full value of their interest subject to a taking or in-lieu purchase shall

be paid out of the amount recovered. Given the United States interest in this Easement, the Easement may not be condemned without the advance written approval of the United States.

**10.4 Proceeds of Condemnation** If the Easement is extinguished/terminated or condemned, in whole or in part, then Grantee and the United States are entitled to their proportional share each of 100% percentage of gross sale proceeds or condemnation award representing an amount equal to the ratio of the appraised value of this Easement to the unrestricted fair market value of the Protected Property as these values are determined on the date of this Easement. The proportional shares of the Grantee and the United States are XX.XX% and XX.XX% respectively, representing the proportion each party contributed to the purchase price of the Easement.

**10.5 Application of Proceeds.** Grantee shall use any proceeds received under the circumstances described in this Section 10 in a manner consistent with its conservation purposes, which are exemplified by this Easement.

**11. Mortgages.** Grantor represents and warrants that as of the date hereof, there are no liens, mortgages or encumbrances outstanding against the Protected Property, except any listed in Exhibit B, attached hereto and made a part hereof, which are subordinated to Grantee's right to enforce the restrictions of this Easement.

**12. Assignment and Backup Grantee.**

**12.1 Assignment.** With the advance written permission of the United States, Fayette County RLMB may assign its interest in this Easement, but only to an organization that is a qualified organization at the time of transfer under Section 170(h) of the Internal Revenue Code (or any successor provision then applicable), and authorized to acquire and hold conservation easements under KRS Sections 382.800 through 382.860 (or any successor provision then applicable) or the laws of the United States. As a condition of such transfer, Grantee shall require that the Purpose that this Easement is intended to advance continue to be carried out.

**12.2 Backup Grantee.** In the event Grantee shall cease to exist or to be a qualified organization under Section 170(h) of the Internal Revenue Code (or any successor provision then applicable) its rights and duties hereunder shall become vested in and fall upon the Lexington-Fayette Urban County Government or such other qualified organization as may then be determined, to the extent such entity shall evidence acceptance of and agree to fully enforce the terms herein.

**13. Subsequent Transfers.** Grantor agrees to incorporate the terms of this Easement by reference in any deed or other legal instrument by which Grantor divests itself of any interest in all or a portion of the Protected Property, including, without limitation, a leasehold interest. Grantor further agrees to give written notice to Grantee of the transfer of any interest at least thirty (30) days prior to the date of such transfer.

The failure of Grantor to perform any act required by this paragraph shall not impair the validity of this Easement or limit its enforceability in any way.

14. **Estoppel Certificates.** Upon written request by Grantor, Grantee shall within thirty (30) days execute and deliver to Grantor, or to any party designated by Grantor, any document, including an estoppel certificate, which certifies, to the best of Grantee's knowledge, Grantor's compliance with all obligations of Grantor contained in this Easement or which otherwise evidences the status of this Easement. Such certification shall be limited to the condition of the Protected Property as of Grantee's most recent inspection. If Grantor requests more current documentation, Grantee shall conduct an inspection, at Grantor's expense, within thirty (30) days of receipt of Grantor's written request therefore.

15. **Notices.** All notices or communication that either party desires or is required to give to the other hereunder shall be in writing and shall be deemed properly given (i) upon delivery, if delivered in person or by facsimile transmission with receipt acknowledged, (ii) one (1) business day after having been deposited for overnight delivery with any reputable overnight courier service, or (iii) three (3) business days after having been deposited in any post office or mail depository regularly maintained by the U.S. Postal Service and sent by registered or certified mail, postage prepaid, addressed as follows:

If to Grantor:            Farm Owner  
                                 0000 Rural Road  
                                 Lexington, KY 40500

If to Grantee:            Fayette County Rural Land Management Board, Inc.  
                                 Attn.: PDR Program Manager  
                                 c/o Lexington-Fayette Urban County Government  
                                 LFUCG Center, 9th Floor  
                                 200 E. Main Street  
                                 Lexington, KY 40507

If to the United States:    U.S. Department of Agriculture  
                                 Natural Resources Conservation Service  
                                 771 Corporate Drive, Suite 210  
                                 Lexington, Kentucky 40503

or to such other address as either party from time to time shall designate by written notice to the other. Any party by notice to the other party may designate additional or different addresses for subsequent notices or communications.

16. **Recordation.** Grantee shall record this instrument in timely fashion in the office of the County Clerk of Fayette County, Kentucky and in the office of the Division of Building Inspection of the Lexington-Fayette Urban County Government, and may re-

record it at any time as may be required to preserve the rights in this Easement.

## **17. General Provisions.**

**17.1 Controlling Law.** The interpretation and performance of this Easement shall be governed by the law of the Commonwealth of Kentucky or the United States, if applicable.

**17.2 Liberal Construction.** Any general rule of construction to the contrary notwithstanding, this Easement shall be liberally construed in favor of the grant to effect the purpose of this Easement and the policy and purpose of KRS 382.800 through 382.860. If any provision in this instrument is found to be ambiguous, an interpretation consistent with the purpose of this Easement that would render the provision valid shall be favored over any interpretation that would render it invalid. The rule of construction to the effect that any ambiguities are resolved against the drafting party shall not be employed in the interpretation of this Easement.

**17.3 Severability.** If any provision of this Easement, or the application thereof to any person or circumstance, is found to be invalid, the remainder of the provisions of this Easement, or the application of such provision to persons or circumstances other than those as to which it is found to be invalid, as the case may be, shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

**17.4 Entire Agreement.** This instrument sets forth the entire agreement of the parties with respect to the Easement and supersedes all prior discussions, negotiations, understandings, or agreements relating to the Easement, all of which are merged herein.

**17.5 Amendment.** If circumstances arise under which an amendment to or modification of this Easement would be appropriate, Grantor, Grantee, and the United States may amend this Easement by a mutually acceptable written agreement; provided that no amendment shall be allowed that will affect the qualification of this Easement or the status of Grantee under any applicable laws, including Section 170(h) and 501(c)(3) of the Internal Revenue Code and the laws of the Commonwealth of Kentucky, and any amendment shall be consistent with the Purpose of this Easement and shall not affect its perpetual duration. Any such amendment shall be recorded in the office of the County Clerk of Fayette County, Kentucky and in the office of the Division of Building Inspection of the Lexington-Fayette Urban County Government. Nothing in this paragraph shall require Grantor, Grantee, or the United States to agree to any amendment or to consult or negotiate any amendment.

**17.6 No Forfeiture.** Nothing contained herein will result in a forfeiture or reversion of Grantor's title in any respect.

**17.7 Joint and Several Obligations.** The obligations imposed by this

Easement upon Grantor shall be joint and several.

**17.8 Successors.** All of the covenants, terms, conditions, restrictions, easements, representations, warranties and provisions of this Easement shall be binding upon, and inure to the benefit of, the parties hereto and their respective, successors, and permitted assigns and shall continue as a servitude running in perpetuity with the Protected Property. The terms "Grantor", "Grantee," and United States wherever used herein, and any pronouns used in place thereof, shall include, respectively, the above-named Grantor and its successors, and permitted assigns, the above-named Grantee and its successors and permitted assigns, and the above named United States and its assigns.

**17.9 Termination of Rights and Obligations.** A party's rights and obligations under this Easement terminate upon transfer of the party's interest in the Easement or Protected Property, except that liability for acts or omissions occurring prior to transfer shall survive transfer. In the event a termination occurs under this paragraph, notice shall be given to the United States.

**17.10 Captions.** The captions in this instrument have been inserted solely for convenience of reference and are not a part of this instrument and shall have no effect upon construction or interpretation.

**17.11 Counterparts.** The parties may execute this instrument in two or more counterparts, which shall, in the aggregate, be signed by both parties; each counterpart shall be deemed an original instrument as against any party who has signed it. In the event of any disparity between the counterparts produced, the recorded counterpart shall be controlling.

**17.12 Compliance with Laws.** Nothing contained herein shall be interpreted to authorize or permit Grantor to violate any law, regulation, ordinance, code or requirement relating to building materials, construction method, or use of the Protected Property. In the event of any conflict between any such ordinance, code or regulation and the terms hereof, Grantor shall promptly notify Grantee of such conflict and shall cooperate with Grantee and the applicable governmental entity to accommodate the purposes of both this Easement and such law, ordinance, code or regulation.

**17.13 Development Rights.** To the extent that Grantor owns or is entitled to development rights which may exist now or at sometime hereafter by reason of the fact that under any applicable zoning or similar ordinance the Protected Property may be developed to more intensive uses than the Protected Property is devoted to as of the date hereof, such development rights shall not be exercisable on, above or below the Protected Property during the term of the Easement, nor shall they be transferred to any adjacent parcel and exercised in a manner that would interfere with the Purpose of the Easement.

17.14 **Statement of Consideration.** The undersigned, Grantor and Grantee certify that the consideration reflected in this Deed of Conservation Easement is the full consideration paid for this Easement.

TO HAVE AND TO HOLD unto the Fayette County Rural Land Management Board, Inc. and its successors, and assigns forever.

**GRANTOR:**

\_\_\_\_\_  
Farm Owner

COMMONWEALTH OF KENTUCKY  
COUNTY OF FAYETTE

IN WITNESS WHERE OF the foregoing instrument was subscribed, sworn to and acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2011, by Farm Owner.

My commission expires: \_\_\_\_\_

My Identification No.: \_\_\_\_\_

\_\_\_\_\_  
NOTARY PUBLIC

**GRANTEE:**

**The Fayette County Rural Land  
Management Board, Inc.**

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**By: Robert M. Hewett, Chairperson  
Fayette County Rural Land Management  
Board, Inc.**

COMMONWEALTH OF KENTUCKY  
COUNTY OF FAYETTE

IN WITNESS WHERE OF the foregoing instrument was subscribed, sworn to and acknowledged this \_\_\_\_ day of \_\_\_\_\_, 2011, on behalf of the Fayette County Rural Land Management Board, Inc., a Kentucky non-profit corporation, by Robert M. Hewett, Chairperson.

My commission expires: \_\_\_\_\_

My Identification No.: \_\_\_\_\_

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NOTARY PUBLIC

ACCEPTANCE BY THE UNITED STATES OF AMERICA

The Natural Resources Conservation Service, United States Department of Agriculture, an agency of the United States Government, hereby accepts and approves the foregoing conservation easement deed, and the rights conveyed therein, on behalf of the United States of America.

\_\_\_\_\_  
By: **Karen Woodrich**  
**NRCS State Conservationist**

STATE OF KENTUCKY

COUNTY OF \_\_\_\_\_

On this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me, the undersigned, a Notary Public in and for the State, personally appeared \_\_\_\_\_ known or proved to me to be the person whose signature appears above, and who being duly sworn by me, did say that he/she is the \_\_\_\_\_(title) of the Natural Resources Conservation Service, United States Department of Agriculture, is authorized to sign on behalf of the agency, and acknowledged and accepted the rights conveyed by the deed to be her/his voluntary act and deed.

In witness whereof, I have hereunto set my hand and official seal the day and year first above written.

\_\_\_\_\_  
Notary Public, State of \_\_\_\_\_, At Large

My commission expires: \_\_\_\_\_

PREPARED BY:

\_\_\_\_\_  
Attorney

EXHIBIT A  
TO  
DEED OF CONSERVATION EASEMENT  
FROM  
**Farm Owner**  
TO  
**Fayette County Rural Land Management Board, Inc.**

EXHIBIT B  
TO  
DEED OF CONSERVATION EASEMENT  
FROM  
**Farm Owner**  
TO  
**Fayette County Rural Land Management Board, Inc.**

[List any outstanding liens, mortgages or encumbrances against the protected property]

NONE