

Lessard-Sams Outdoor Heritage Council

MEMO: Agenda Item #9

DATE: June 29, 2016

SUBJECT: Accomplishment Plan Amendment
ML 2013, Ch. 137, Art. 1, Sec. 2, Subd. 5(b) Habitat Protection in Dakota County

PRESENTER: Lisa West, Senior Project Manager and Al Singer, Land Conservation Manager, Dakota County

Motion

Motion to approve / deny the accomplishment plan amendment as presented which would allow budget shifts to purchase the Grannis easement pending DNR pending appraisal review and acceptance.

Background:

Dakota County is requesting a budget amendment in the last 6 months of the appropriation availability.

Members made a motion in June 2014 that budget shifts in the last 6 months of the appropriation greater than \$50,000 or ½% of the total appropriation need to come before the Council for approval.

In ML 2016, the legislature granted a 1-year extension of time for the easement acquisition. Monies for restoration and enhancement are available until June 30, 2018 per the original appropriation language.

Dakota County is requesting the following budget amendments which move additional monies into easement acquisition line to acquire the Grannis parcel which was original to the accomplishment plan.

- Decrease **Personnel** by \$119,300 (from \$ 147,000 to \$ 27,700)
- Decrease **Contracts** by \$139,000 (from \$ 375,000 to \$ 236,000)
- Decrease **Fee Acquisition w/PILT** by \$558,500 (from \$ 1,122,000 to \$ 563,500)
- Increase **Easement Acquisition** by \$856,800 (from \$ 2,288,000 to \$ 3,144,800)
- Decrease **Easement Stewardship** by \$40,000 (from \$ 60,000 to \$ 20,000)

The easement acquisition of this parcel would change the acres achieved in the program as follows:

- Decrease **Protect in Fee WITH PILT** acres by 36 (from 254 to 218)
- Decrease **Protect in Easement** acres by 486 (from 772 to 286)
- Decrease in **Overall Acres accomplished** by 522 (from 1,170 to 648)

The project summary provided by Dakota County provides background information and details on how those lands are managed and allowed uses.

Attachments:

Three Dakota County supporting documents and Accomplishment Plan

Grannis Project Status Summary

June 22, 2016

Background

The Marcott chain of lakes and associated upland located in the City of Inver Grove Heights was identified as an important natural area in the Dakota County Farmland and Natural Area Protection Plan adopted by the Dakota County Board of Commissioners in 2002. The 250-acre conservation area was also identified as a regionally significant natural area by the Minnesota Department of Natural Resources and is included in a Metro Conservation Corridor Focus Area.

The Grannis Family owns 134.2 acres of high quality woodlands, wetlands, grasslands, agricultural land, and the largest, southernmost lake within the Marcott chain of lakes. The County has been working with the Grannis Family to protect their land and adjoining property since 2008. In 2011, the County acquired a 16.8-acre permanent conservation easement (Easement I) on the Grannis Family property. The County acquired a 103-acre Easement on the adjacent Lindberg Family property in 2012. Both projects included significant state grant funding. The County and the Grannis Family have continued to work on securing additional state funding and advancing this land protection project to meet the goals of all parties. Outdoor skills classes, DNR gun safety classes, and nature-based programs are already occurring on the site, with involvement from the DNR, Macalester College, local nature-based businesses, and the City of Inver Grove Heights, through the existing Darvan Acres Outdoor Skills and Environmental Education Center (Education Center).

Project Evolution

The Grannis land protection project has evolved significantly from the original proposed easement project in 2012. The project was envisioned to protect high quality habitat, while providing important opportunities for people to participate in outdoor skills and environmental education programs, classes and activities on the protected property. Two appraisals were completed; and the Grannis Family and County could not agree on the values. In addition, Legislative-Citizen Commission on Minnesota Resources (LCCMR) staff expressed concern that the three proposed easement exception areas [1) for an existing building, parking lot and a future educational facility; 2) a leased combined preschool an elder care center to provide education center operating revenue; and 3) the existing homestead) could inadvertently result in publicly subsidized private estates, if the education center failed. Although the Grannis Family agreed to address these concerns, LCCMR staff requested that the Grannis Family easement acquisition project be removed from the County's acquisition list for Environment and Natural Resource Trust Funds allocated to the County; and Dakota County agreed. Two of the exception areas have been removed from the original land protection project, with only the existing homestead exception area remaining (see maps on pages 7 and 8 for project area changes).

Revised Grannis Property Acquisition Project

The re-negotiated Grannis Property Acquisition Project now includes three primary components:

1. **Easement Acquisition**

The Grannis Family will sell a 108.7-acre permanent conservation easement (Easement II) on the property at a price below the September 15, 2015, appraised value. Easement II allows for the existence of a seasonally used, 1,500-square foot, Education Center building, within a defined 3.6-acre area, and potential construction of a more extensive educational facility. A 7.0-acre homestead area (Grannis' residence, driveway, two large barns currently used for housing a small number of domestic animals and rehabilitated

wildlife for release through the Wildlife Rehabilitation Center, and approximately 210 feet of shoreline), and 1.6 acres of future County road right-of-way are not included in Easement II and are designated as Easement II Exception Areas (see map on page 8).

2. Option to Purchase Agreement

Once Easement II is acquired, three Grannis Family members will quit claim their partial fee interest ownership of the previously acquired 16.8-acre Easement I area and the new 108.7-acre Easement II area to Vance and Darlene Grannis. An Option to Purchase Agreement would be executed between Vance and Darlene Grannis and the County, whereby the County would have the right to acquire fee title to the combined 125.5-acre Easements I and II area within eight years, for the appraised value of the existing Education Center building, subject to the terms of Easement II, and the Restrictive Covenant required by the LSOHC. Although the County has recently created a County Park Conservation Area designation for protected conservation lands that allows the County to use and amend its County park ordinances and maintain its liability protection, the County expects to explore legislative action to broaden its legal ability to own conservation land. This time period would provide an opportunity for additional public engagement in the future ownership and management of the property.

The Option Agreement would also include restrictions on the occupancy and use of the homestead portion of the Easement II Exception Area by up to three generations of Grannis Family members (beginning with Vance and Darlene Grannis) or a non-profit education/nature center. The County would have the right to acquire the Easement II Exception Area and improvements at such time that there is no interest by the family or acceptable organization or in 2076, whichever comes first. Subject to the same restrictions contained in Easement II, this approach would ensure that private ownership does not conflict with the intended purposes of Easement I and II and the Education Center, while providing an option for public ownership.

3. Operating Agreement. Use of the property prior to potential fee title acquisition by the County would be based on an Operating Agreement developed and executed between Vance and Darlene Grannis and the County. It would allow a wide variety of public outdoor skills and environmental programs, classes and related activities as provided through the Education Center or cooperative ventures. Natural resource management activities would continue to occur, guided by the Natural Resource Management Plan prepared for the combined 125.5-acre protected area, with the Grannis' contributing up to \$50,000 in cash and in-kind resources for implementation.

The County believes this creative approach results in the protection and improvement of this very high quality, 108.7-acre habitat area that is adjacent to 119.8 acres of previously protected land. It will provide enhanced public access and allow development of the educational programming envisioned for the site, with significant cost savings to the public.

See the maps on pages 7 and 8 for the changes to the original Easement II area proposal. The Easement II area increased from the 101.8 acres to 108.7 acres. Note that farming of the 16 acres of agricultural land in the northeast portion of Easement II will cease following the 2016 growing season, and the area will be restored to natural vegetation.

In the meantime, land values rebounded from the great recession, particularly for this large tract of highly developable residential property, with lakeshore and scenic views in close proximity to Minneapolis and St. Paul. The County and the Grannis Family cost shared a third appraisal in

an attempt to arrive at an agreed upon value for Easement II. The appraisal was completed and submitted to the DNR for review and approval. The revised appraisal, per the DNR review, was completed on June 21, 2016. We are awaiting formal approval by the review appraiser and the DNR. The Easement II acquisition price is remains below the County's appraised Easement II value.

County Board Actions

On March 1, 2016, the Dakota County Board of Commissioners (County Board) conducted a closed executive session to review the appraisal and a proposal from the Grannis Family, and to consider an offer to protect the Grannis Family property, but took no action.

The Grannis Family subsequently provided a revised land protection proposal for County Board consideration that includes: acquisition of 108.7-acre Easement II; potential conveyance of fee title for a 125.5-acre area encumbered by Easements I and II to the County within eight years; restrictions for the ownership, use and future sale of the homestead area; and an associated Operating Agreement for public use and management of the Grannis Family property prior to County ownership.

On May 17, 2016, the Dakota County Board agreed to consider the revised land protection proposal and received public comments from several individuals from throughout the metropolitan region, encouraging the County Board to support permanent protection of the Grannis Family property. The County Board then conducted a closed executive session to consider the revised offer from the Grannis Family and directed staff to continue working with the Grannis Family.

On June 7, 2016, the County Board conducted a closed executive session to develop an offer to the Grannis Family. Later that day, based on general support for the project, the County Board passed a resolution directing staff to finalize negotiations with the Grannis Family to acquire Easement II.

On June 21, 2016, the County Board passed a resolution authorizing the acquisition of 108.7-acre Easement II on the Grannis Family property, contingent on DNR approval of the appraisal, and LSOHC approval of a requested budget amendment. The County Board also authorized:

- 1) Execution of an eight-year option to purchase fee title for Easement II and the previously acquired Easement I, or a total of 125.5-acres at no cost, except for the appraised value of the existing education building;
- 2) Execution of a Memorandum of Understanding between the Grannis Family and the County, referencing the Option, which would be recorded with the County;
- 3) Execution of an Operating Agreement between the Education Center, a 501c(3) organization recognized by the IRS and the State of Minnesota, and the County describing roles and responsibilities for the use of the Easement I and II area; and
- 4) Execution and recording of a Notice of Funding Restriction as required for use of LSOHC ML 2013 grant funds.

Budget Amendment

In order to facilitate the anticipated funding for the Easement II acquisition, the County is requesting an Accomplishment Plan amendment to reduce specific budget item amounts and shift funding to easement acquisition on the Grannis Family property. The requested budget changes are greater than 10 percent and are occurring during the last six months of the appropriation timeline, thus requiring Council approval of the requested amendment.

The original allocated amount for this acquisition project was \$1.2M, which was based on additional ENRTF funding and significantly lower land values. The budget for the project was increased by \$400K to \$1.6M via an approved amendment to compensate for the reduction in the ENRTF funding. The County is requesting an amendment to shift an additional \$1.3M to the Grannis project. Land values have been increasing significantly as the residential development market has been recovering. The original appraised value of the conservation easement in 2013 has more than doubled, resulting in the County's desire to allocate additional state funding to this important project.

At the same time, the County made extensive attempts to acquire easements and fee title to properties within the original and amended acquisition list. While there have been notable successes, there are enough projects that were withdrawn or not successful that have resulted in the unencumbered budget.

An update on the current Projects included in the Accomplishment Plan appears on pages 5 and 6.

Dakota County Riparian and Lakeshore Protection and Management, Phase IV
ML 2013, Ch. 137, Art. 1, Sec. 2, Subd. 5(b)
June 22, 2016

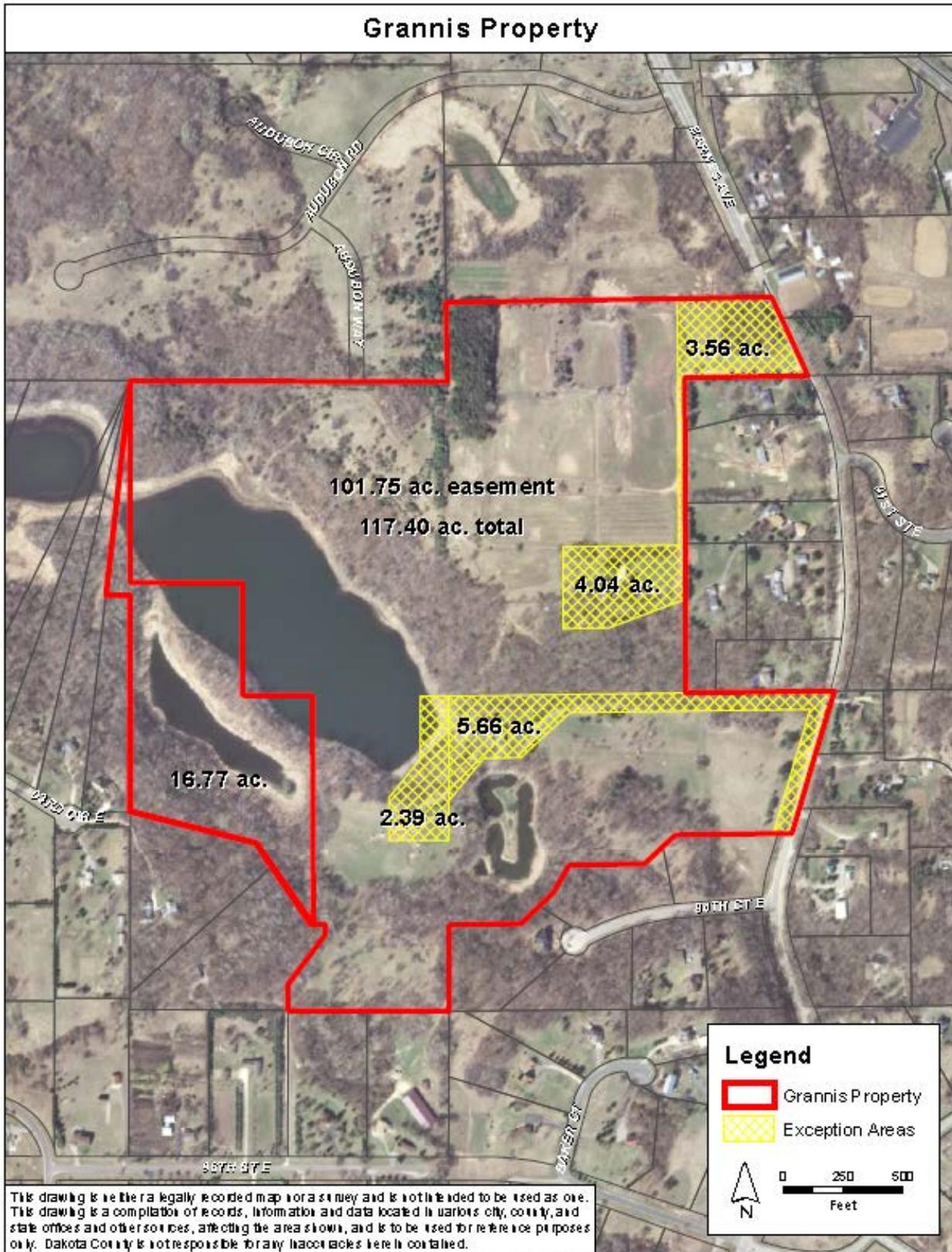
Easement Acquisition List

Project Area Identified in Grant Application	County Identified Projects Related to Project Areas	Size (acres)	Est. OH Cost (\$)	Current Status	Comments
Cannon River	Augustine	13	50,000	Pending	On-going discussions with Landowner
	Gallagher/Johnson	35	145,000	Withdrawn	By Landowner
Chub Lake	Kuhns	35	30,000	Postponed	Landowner postponed discussions until mid-2016
	Bucheger	30	50,000	Withdrawn	By Landowner
	Mt. Olivet (Sect. 21)	30	150,000	Withdrawn	By Landowner, potential future interest
	Mt. Olivet (Sect. 28)	30	150,000	Withdrawn	By Landowner, potential future interest
Marcott Lakes	Grannis (Sect. 20)	54	800,000	Pending	County Board approval, June 21, 2016; LSOHC budget amendment requested
	Grannis (Sec 21)	44	670,000	Pending	
	Grannis (Sec 16)	10	130,000	Pending	
	Lengsfeld	14		Postponed	Landowner is waiting until Grannis is resolved
Trout Brook	Weber J & J	30	100,000	Withdrawn	By Landowner
	Weber J & J	20	53,000	Withdrawn	By Landowner
Chub, Dutch and Mud Creeks	Steinhoff			Withdrawn	By Landowner
Pine and Darden Creeks	Callister	8	20,000	Acquired	June 22, 2016
	Sipe/Schumacher	44	55,000	Acquired	December 14, 2015
Vermillion River-Main	Stoffel, D. & G.	56	100,000	Closing	Anticipated in summer 2016
	Bastien	26	51,000	Withdrawn	By Landowner
	Cemstone	62	150,000	Acquired	By County
Vermillion River-Headwaters	No specific projects				
Vermillion River-South Branch	ISD 192	86	160,000	Withdrawn	By Landowner
Vermillion River-South, Middle and North Creek	Olson	5	35,000	Withdrawn	By County
	Peterson	23	45,000	Pending	Required another appraisal which is underway

Fee Title Acquisition List

Project Area Identified in Grant Application	County Identified Projects Related to Project Area	Size	Est. OH Cost (\$)	Status	Comments
Hampton Woods	Burke	5	20,000	Withdrawn	By Landowner
	Dove Creek Co. LLC	7	30,000	Pending	Offer being considered by Landowner
	Kuntz (Sect. 6)	130	480,000	Pending	Purchase Agreement Signed
	Kuntz (Sect. 1)	36	150,000	Pending	Purchase Agreement Signed
	Luedke	10	30,000	Pending	Offer being considered by Landowner
	Nicolai (Sec 1)	18	50,000	Withdrawn	By Landowner
	Toohey	10	30,000	Pending	Offer being considered by Landowner
	Uselmann/Bakalars	24	80,000	Acquired	April 14, 2016
Vermillion River-Main	Cemstone	62	150,000	Acquired	Using County Funds
	Brainerd 52 LLC	13	80,000	Withdrawn	By Landowner
	Virblas	13	40,000	Withdrawn	By County

Original Easement Proposal for the Grannis Family Property



Lessard-Sams Outdoor Heritage Council

Laws of Minnesota 2013 Accomplishment Plan



Date: June 21, 2016

Program or Project Title: Dakota County Habitat Protection/Restoration Phase IV

Funds Recommended: \$ 4,100,000

Manager's Name: Lisa West
Title: Land Conservation Manager
Organization: Dakota County
Address: 14955 Galaxie Avenue
City: Apple Valley, MN 55124
Office Number: 952-891-7018
Email: lisa.west@co.dakota.mn.us
Website: www.dakota.mn.us

Legislative Citation: ML 2013, Ch. 137, Art. 1, Sec. 2, Subd. 5(b)

Appropriation Language: \$4,100,000 in the first year is to the commissioner of natural resources for an agreement with Dakota County to acquire, restore, and enhance lands in Dakota County for fish and wildlife management purposes under Minnesota Statutes, section 86A.05, subdivision 8, or aquatic management area purposes under Minnesota Statutes, sections 86A.05, subdivision 14, and 97C.02, and to acquire permanent conservation easements and restore and enhance habitats in rivers and lake watersheds in Dakota County. Up to \$60,000 is for establishing a monitoring and enforcement fund, as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of proposed land acquisitions and permanent conservation easements must be provided as part of the required accomplishment plan.

Explanation of Amendment Change: Amendment request covers the following: General Adjustment to the Narrative, Timeline, Budget, Output Tables and Parcels.

General

-Amend Appropriation Language to reduce monitoring budget from \$60,000 to \$20,000.

Narrative

-Change 1026 acres Habitat 504 acres of Habitat. No change in 144 Restoration Acres. New total 648 acres. A Reduction in acres of 522 acres.

Timeline

-Change the fee title and easement deadline from 6/30/2016 to 6/30/2017 per the legislative amendment.

Budget

- Personnel

- Reduced from \$147,000 to \$27,700. A reduction of \$119,300

-Contracts

-Reduced from \$375,000 to \$236,000. A reduction of \$139,000.

-Fee Acquisition w/ PILT-

- Reduced from \$1,122,000 to \$563,500. A reduction of \$558,500

-Easement Acquisition

-Increased from \$2,288,000 to \$3,144,800. An increase of \$856,800.00

-Easement Stewardship

-Reduced from \$60,000 to \$20,000. A total reduction of \$40,000

Output Tables

Table 1A

- Reduced Forest from 235 to 218. A total reduction of 17 acres.
- Reduced Habitats from 935 to 430. A total reduction of 505.
- Overall acres went from 1,170 to 648 acres. A total reduction in acres of 522.

Table 2

- Reduced Forest from \$982,000 to \$845,000. A total reduction of \$137,000.
- Increased Habitat from \$3,118,000 to \$3,255,000. A total increase of \$137,000.

Table 3

- Reduced Metro/Urban acres from 935 to 430 acres. A total reduction of 505 acres.
- SE Forest from 235 to 218 acres. A total reduction of 17 acres.
- Overall acres went from 1,170 to 648 acres. A total reduction in acres of 522.

Table 4

- Increased dollars under Metro/Urban from \$3,118,000 to \$3,255,000. Increase of \$137,000.
- Decreased dollars under SE Forest from \$982,000 to \$845,000. Decrease of \$137,000.

Parcels

- Updated acres and dollar amounts needed for individual projects.
- Removed all general reaches acres for Protect in easement.
- Removed the Gilomen Project
- Removed the Burke Project
- Removed the Nicolai Project
- Removed the Virblas Project.

County Locations: Dakota

Regions in which work will take place:

- Metro / Urban
- Prairie
- Southeast Forest

Activity types:

- Enhance
- Protect in Easement
- Protect in Fee
- Restore

Priority resources addressed by activity:

- Forest
- Habitat

Abstract:

This project will protect an estimated ~~1026~~ 504 acres of habitat along the Vermillion, Cannon and Mississippi Rivers, Marcott and Chub Lake and the largest privately owned forest in Dakota County through acquisition of conservation easements and fee title, as well as restore/enhance 144 acres for a total of ~~1170~~ 648 acres.

Design and scope of work:

The long history of agricultural and urban/suburban development in Dakota County has resulted in the significant loss, degradation and fragmentation of our natural resource systems to a condition where less than three percent of the pre-settlement plant communities remain. And despite increased public awareness of water quality issues, improvement methods, and regulations, and improved, multi-agency efforts to assist landowners in protecting the environment, nearly every river, stream and lake in the County that has been monitored is officially impaired in some fashion. The majority of land is privately owned and does not provide close-to-home public access for most residents to hunt, fish or enjoy other outdoor recreational activities.

With a vibrant agricultural economy and high commodity prices, the pressure to plant corn and soybeans from fence row to fence row and continues to have a corresponding negative effect on wildlife habitat and water quality. Recent storm events illustrate the ever greater importance of protecting shoreland to reduce soil erosion and infrastructure damage. The current and near-term economic prospects continues to result in very low residential development pressure and has significantly lowered non-agricultural land prices. This combination of large-scale impacts and trends must be approached comprehensively, long-term and collaboratively if we are to maintain and improve our natural resource heritage and its many associated benefits. At the same time, there are tremendous opportunities to proactively and successfully address these challenges.

The County's initial response to these challenges was development of the Farmland and Natural Areas Program (FNAP) in 2003. This program, which used the best available technology, collaborative planning and partnerships and focused on multiple benefits, led to the successful passage of a \$20 million bond referendum in 2002. Over the past ten years, a total of 106 projects have been completed or are varying stages of completion that have/will protect nearly 10,000 acres with a real estate value of \$75 million. Aside from these significant on-the-ground natural resource successes, the program has greatly increased the political support and staff and process capacity within the County and has greatly increased County credibility among landowners and diverse partners such as the Natural Resources Conservation Service, MN Department of Natural Resources, Soil and Water Conservation District, Vermillion River Watershed Joint Powers Organization, Cannon River Watershed Partners, Friends of the Mississippi River, Trout Unlimited, Pheasants Forever, and many others.

The FNAP subsequently inspired the development and completion of the Vermillion River Corridor Plan which used a comprehensive and integrated approach to protecting and improving wildlife habitat and water quality while increasing opportunities for nature-based recreation along a very diverse, multi-jurisdictional corridor. Over 220 people participated in the plan and these efforts reduced property rights issues and led to wide-spread support for riparian easements that can accomplish multiple public benefits while compensating and protecting private landowners. This approach was adopted for the Mississippi and Cannon River systems and remaining undeveloped lakeshore. A system of established criteria including habitat quality and size; reducing non-point pollution; improving stream channel, floodplain and wetland functions; length of shoreline; proximity to other protected land; landowner commitment to current and future stewardship; cost and leveraged funds; improving appropriate outdoor recreational opportunities; and other considerations will be used to evaluate and rank projects. Easements do not require public access, but projects including public access receive higher scores. In addition, payment for public access easements similar to the DNR Angler Access Easement Program, will be available to landowners. Easements do not preclude providing public trails at a future date and reflect the principle of being able to adapt to future changes in demographics and local land use. A technical staff team reviews and ranks projects and then forwards recommendations to the County Board for approval. Easement values for projects in cities or exceeding \$50,000 will be based upon an independent, fair market appraisal.

Due to the lack of real estate comparables for riparian easements in the metro region and to increase staff and financial efficiency, a formula based on rural agricultural tax assessed value and variably adjusted according to regulatory conditions, floodplain, amount of cultivated land taken out of production, and vegetation types is used to determine per acre easement value in townships where the estimated easement value is less than \$50,000. Updated aerial photography and Minnesota Land Cover Classification System data, official FEMA floodplain boundaries, and site visits will be used to determine the following respective acreage components of each easement:

Agricultural Land within and outside of 50 feet from the shoreline
Woodlands within and outside of 100-year floodplain, and
Grasslands and Wetlands within and outside of 100-year floodplain

The respective acreages are multiplied by the relevant valuation amount to determine the value of each respective component to produce the overall easement value. Payment for public access is based upon \$5/foot of shoreline within the easement. Phase I Environmental Assessments are completed for all projects and all solid waste has to be removed as a condition of participation. Easements are surveyed by the County Surveyor's Office and the resulting information is used for legal documents and establishing boundaries. Baseline Property Reports, referenced in the easement deed, are reviewed and signed by the landowner and the County prior to acquisition. All easements require joint development of a Natural Resource Management Plan (NRMP) by the landowner(s) and the County. A Landowner Agreement is then developed between the two parties identifying the priorities, activities, responsibilities, costs, and schedule for restoration/enhancement activities.

On June 5, 2012, the County Board approved Resolution No. 12-326 and No. 12-330 authorizing the submission of a FY14 LSOHC proposal that also included requested funds to acquire fee title for some properties. In some instances this is to augment the strong partnership with the DNR and to assist them in acquiring AMA or WMA lands for hunting and fishing. In other cases, the Board is committing to protecting land outside of the regional park system because of its habitat value. Project evaluation criteria for these fee title projects will be consistent with criteria used to evaluate and prioritize easements.

Which sections of the Minnesota Statewide Conservation and Preservation Plan are applicable to this

project:

- H1 Protect priority land habitats
- H2 Protect critical shoreland of streams and lakes
- H3 Improve connectivity and access to recreation
- H5 Restore land, wetlands and wetland-associated watersheds
- H6 Protect and restore critical in-water habitat of lakes and streams
- H7 Keep water on the landscape
- LU8 Protect large blocks of forest land

Which other plans are addressed in this proposal:

- Minnesota DNR AMA Acquisition Plan
- Minnesota DNR Scientific and Natural Area's Long Range Plan
- Minnesota DNR Strategic Conservation Agenda
- Minnesota Sustainability Framework
- Minnesota's Wildlife Management Area Acquisition - The Next 50 Years
- Outdoor Heritage Fund: A 25 Year Framework
- Tomorrow's Habitat for the Wild and Rare

Which LSOHC state-wide priorities are addressed in this proposal:

- Address conservation opportunities that will be lost if not immediately acted on
- Address wildlife species of greatest conservation need, Minnesota County Biological Survey data, and rare, threatened and endangered species inventories in land and water decisions, as well as permanent solutions to aquatic invasive species
- Allow public access. This comes into play when all other things about the request are approximately equal
- Are able to leverage effort and/or other funds to supplement any OHF appropriation
- Are ongoing, successful, transparent and accountable programs addressing actions and targets of one or more of the ecological sections
- Ensures activities for "protecting, restoring and enhancing" are coordinated among agencies, non profits and others while doing this important work
- Produce multiple enduring conservation benefits
- Provide Minnesotans with greater public access to outdoor environments with hunting, fishing and other outdoor recreation opportunities
- Restore or enhance habitat on state-owned WMAs, AMAs, SNAs, and state forests
- Target unique Minnesota landscapes that have historical value to fish and wildlife
- Use a science-based strategic planning and evaluation model to guide protection, restoration and enhancement, similar to the United States Fish and Wildlife Service's Strategic Habitat Conservation model

Which LSOHC section priorities are addressed in this proposal:

Metro / Urban:

- Protect, enhance, and restore remnant native prairie, Big Woods forests, and oak savanna with an emphasis on areas with high biological diversity
- Protect habitat corridors, with emphasis on the Minnesota, Mississippi, and St. Croix rivers (bluff to floodplain)
- Enhance and restore coldwater fisheries systems
- Protect, enhance, and restore riparian and littoral habitats on lakes to benefit game and nongame fish species

Prairie:

- Not Listed

Southeast Forest:

- Protect, enhance, and restore habitat for fish, game, and nongame wildlife in rivers, cold-water streams, and associated upland habitat

Relationship to other funds:

- Environmental and Natural Resource Trust Fund

- Clean Water Fund
- Parks and Trails Fund

Describe the relationship of the funds:

Past investments of the Environment and Natural Resources Trust Fund (ENRTF) provided Dakota County with the opportunity to develop the Farmland and Natural Area Protection Plan and the Vermillion River Corridor Plan which provided the foundation for an integrated, comprehensive countywide land conservation vision, priorities and implementation strategies. The initial funding led to the successful passage of a \$20M bond referendum in 2002 that has resulted in the permanent protection of nearly 10,000 acres and 57 miles of shoreline with an estimated fair market value of \$75M.

Current and recommended ENRTF allocations are focused on many of the same habitat areas included in this proposal.

Dakota County has already conducted extensive testing to establish significant water quality impairments. A significant benefit of these habitat protection and improvement projects are to prevent or reduce impairments that would otherwise require Clean Water Funds.

Much of the riparian habitat work is also included within the County's 200-mile regional greenway plan that focuses on integrating wildlife habitat, water quality and outdoor recreation within multi-purpose corridors. Many of the greenways are located along rivers and streams and the objective is to protect the corridors first and make provisions for potential recreational trail development at a future time. Metropolitan Council funds, through their bonding authority or through their Legacy Parks and Trails funds may be available for partial land acquisition funding.

How does this proposal accelerate or supplement your current efforts in this area:

The County has been undertaking an ambitious and award-winning, long-term approach to land conservation for the last ten years. The key components to this successful approach has been to develop integrated and comprehensive plans involving multiple interests, effectively using technology, relying on strategic collaboration, treating landowners fairly, and having committed local funds to match non-County funds.

This proposal would allow the County to continue these critical, long-term goals of combining various funding sources to achieve multiple public benefits in a very strategic and cost-effective manner. Of the approximately 350 river and stream miles (excluding the Mississippi and Minnesota Rivers) in the County, nearly 120 miles are now protected. This project would also provide near complete protection of the 300+ acre Marcott Chain of Lakes in Inver Grove Heights and facilitate the recently established Darvan Acres Outdoor Skills and Environmental education Center to provide more convenient programs and classes for hunting, fishing and other activities to the metro population.

Funding for fee title acquisition in which the County is willing to own land outside of the park system or to partner with the DNR to provide wildlife habitat protection and outdoor recreation opportunities would be another very positive step in achieving its overall land conservation vision.

How will you sustain and/or maintain this work after the Outdoor Heritage Funds are expended:

The majority of the land protection and restoration work will occur on private lands and is designed to achieve maximum conservation benefits with both short- and long-term fiscal efficiency. By primarily focusing on easements on private property, management responsibilities remain with private landowners creating less of a burden on the County. Moreover, the relationship-building, developing and implementing the NRMP, strategic assistance, and subsequent monitoring will provide opportunities to share updated natural resource information and best management practices with landowners and achieve a higher likelihood of increased private stewardship. This comprehensive wildlife habitat and water quality approach will provide the best opportunity to effectively protect these community assets and past public investments.

The County Board has shown a remarkable commitment to land conservation over the decade despite significant budgetary constraints. Their ongoing commitment to adopting a comprehensive land conservation vision, maintaining a dedicated staff, reorganizing existing departments and staff to more effectively achieve its land conservation goals; and approving current and future capital improvement program budgets upon completion of the \$20M bond referendum proceeds and the creation of a dedicated stewardship fund is further evidence that Dakota County has the interest, capacity and commitment to sustain this work into the future.

Activity Details:

Will there be planting of corn or any crop on OHF land purchased or restored in this program - **Not Listed**

Will local government approval be sought prior to acquisition - **No**

The County attempts to align all of its land conservation work with existing plans by other local governments.

The County's current practice is notify other local governments of easement projects, but they have been explicit that the landowner should have the right to place an easement on their property if they so wish even if the local government objected. However, there has not been a single objection by a local government to this approach since 2003.

In the event of any proposed fee acquisition by the County, approval by any affected local government will be sought.

Is the land you plan to acquire free of any other permanent protection - **Yes**

Is this land open for hunting and fishing - **Yes**

With regard to easements, most of the landowners do not allow public access and thereby would not allow public hunting. Many allow family, fiends and others to hunt. We anticipate that several easements will have fishing access either from the channel or adjacent land.

Any land acquired in fee title would be open to hunting and fishing.

Will the eased land be open for public use - **Yes**

Not Listed

Is the land you plan to acquire free of any other permanent protection - **Yes**

Is the activity on permanently protected land per 97A.056, subd 13(f) and/or public waters per MS 103G.005, Subd. 15 - **Yes (WMA, AMA, Private Land, County/Municipal, Public Waters, no)**

Accomplishment Timeline:

Activity	Approximate Date Completed
Acquisition of fee title	June 30, 2016 June 30, 2017
Acquisition of easements	June 30, 2016 June 30, 2017
Restoration/Enhancement	June 20, 2018

Date of Final Report Submission: 11/1/2018

Federal Funding:

Do you anticipate federal funds as a match for this program - **No**

Outcomes:

Programs in metropolitan urbanizing region:

- A network of natural land and riparian habitats will connect corridors for wildlife and species in greatest conservation need
- Core areas protected with highly biologically diverse wetlands and plant communities, including native prairie, Big Woods, and oak savanna
- Improved aquatic habitat indicators

Programs in southeast forest region:

- Rivers, streams, and surrounding vegetation provide corridors of habitat
- Stream to bluff habitat restoration and enhancement will keep water on the land to slow runoff and degradation of aquatic habitat

Programs in prairie region:

- Not Listed

Budget Spreadsheet

Budget reallocations up to 10% do not require an amendment to the Accomplishment Plan

How will this program accommodate the reduced appropriation recommendation from the original proposed requested amount

Not Listed

Total Amount of Request: \$ 4100000

Budget and Cash Leverage

Budget Name	LSOHC Request	Anticipated Leverage	Leverage Source	Total
Personnel	\$147,000 27,700	\$288,000 40,000	County	\$435,000 67,700
Contracts	\$375,000 236,000	\$50,000	County	\$425,000 286,000
Fee Acquisition w/ PILT	\$1,122,000 563,500	\$350,000 198,000	County	\$1,472,000 761,500
Fee Acquisition w/o PILT	\$0	\$0	County	\$0
Easement Acquisition	\$2,288,000 3,144,800	\$752,000 1,192,000	County	\$3,040,000 4,336,800
Easement Stewardship	\$60,000 20,000	\$60,000 20,000	County	\$120,000 40,000
Travel	\$0	\$0		\$0
Professional Services	\$50,000	\$0		\$50,000
Direct Support Services	\$0	\$0		\$0
DNR Land Acquisition Costs	\$8,000	\$0		\$8,000
Capital Equipment	\$0	\$0		\$0
Other Equipment/Tools	\$0	\$0		\$0
Supplies/Materials	\$50,000	\$0		\$50,000
DNR IDP	\$0	\$0		\$0
Total	\$4,100,000	\$1,500,000		\$5,600,000

Personnel

Position	FTE	Over # of years	LSOHC Request	Anticipated Leverage	Leverage Source	Total
County Staff	0.70	3.00	\$147,000 27,700	\$288,000 40,000	County	\$435,000 67,700
Total	0.70	3.00	\$147,000 27,700	\$288,000 40,000		\$435,000 67,700

Output Tables

Table 1a. Acres by Resource Type

Type	Wetlands	Prairies	Forest	Habitats	Total
Restore	0	0	0	144	144
Protect in Fee with State PILT Liability	0	0	235,218	19,0	254,218
Protect in Fee W/O State PILT Liability	0	0	0	0	0
Protect in Easement	0	0	0	772,286	772,286
Enhance	0	0	0	0	0
Total	0	0	235,218	935,430	1,170,648

Table 2. Total Requested Funding by Resource Type

Type	Wetlands	Prairies	Forest	Habitats	Total
Restore	\$0	\$0	\$0	\$45,000	\$45,000
Protect in Fee with State PILT Liability	\$0	\$0	\$932,000,845,000	\$190,000,0	\$1,122,000,845,000
Protect in Fee W/O State PILT Liability	\$0	\$0	\$0	\$0	\$0
Protect in Easement	\$0	\$0	\$50,000,0	\$2,883,000,3,210,000	\$2,933,000,3,210,000
Enhance	\$0	\$0	\$0	\$0	\$0
Total	\$0	\$0	\$982,000,845,000	\$3,118,000,3,255,000	\$4,100,000

Table 3. Acres within each Ecological Section

Type	Metro Urban	ForestPrairie	SE Forest	Prairie	N Forest	Total
Restore	144	0	0	0	0	144
Protect in Fee with State PILT Liability	19,0	0	235,218	0	0	254,218
Protect in Fee W/O State PILT Liability	0	0	0	0	0	0
Protect in Easement	772,286	0	0	0	0	772,286
Enhance	0	0	0	0	0	0
Total	935,430	0	235,218	0	0	1,170,648

Table 4. Total Requested Funding within each Ecological Section

Type	Metro Urban	ForestPrairie	SE Forest	Prairie	N Forest	Total
Restore	\$45,000	\$0	\$0	\$0	\$0	\$45,000
Protect in Fee with State PILT Liability	\$190,000,0	\$0	\$932,000,845,000	\$0	\$0	\$1,122,000,845,000
Protect in Fee W/O State PILT Liability	\$0	\$0	\$0	\$0	\$0	\$0
Protect in Easement	\$2,883,000,3,210,000	\$0	\$50,000,0	\$0	\$0	\$2,933,000,3,210,000
Enhance	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$3,118,000,3,255,000	\$0	\$982,000,845,000	\$0	\$0	\$4,100,000

Target Lake/Stream/River Feet or Miles

Parcel List

For restoration and enhancement programs ONLY: Managers may add, delete, and substitute projects on this parcel list based upon need, readiness, cost, opportunity, and/or urgency so long as the substitute parcel/project forwards the constitutional objectives of this program in the Project Scope table of this accomplishment plan. The final accomplishment plan report will include the final parcel list.

Section 1 - Restore / Enhance Parcel List

Dakota

Name	TRDS	Acres	Est Cost	Existing Protection?
Cannon River	11219215	18	\$5,000	No
Chub, Dutch, and Mud Creeks	11219217	20	\$5,000	No
Chub Lake	11320233	26	\$5,000	No
Pine and Darden Creeks	11218201	10	\$5,000	No
Trout Brook	11317226	10	\$5,000	No
Vermillion River - Headwaters	11320209	15	\$5,000	No
Vermillion River Main Stem	11319201	15	\$5,000	No
Vermillion River - South Branch	11418215	15	\$5,000	No
Vermillion River South, Middle and North Creek	11419229	15	\$5,000	No

Section 2 - Protect Parcel List

Dakota

Name	TRDS	Acres	Est Cost	Existing Protection?	Hunting?	Fishing?
Burke-Hampton Woods	11319201	5	\$20,000	No	No	No
Cannon River	11219215	98	\$350,000	No	No	No
Chub, Dutch, and Mud	11219217	80	\$126,000	No	No	No
Chub Lake	11320233	30	\$45,000	No	No	No
Gilomen	11219218	2	\$10,000	No	No	No
Nicolai Sec 1-Hampton Woods	11319201	18	\$50,000	No	No	No
Pine and Darden Creeks	11218201	30	\$50,000	No	No	No
Trout Brook	11317226	30	\$65,000	No	No	No
Vermillion River-Headwaters	11320209	30	\$65,000	No	No	No
Vermillion River Main Stem	11319201	30	\$65,000	No	No	No
Vermillion River-South Branch	11418215	30	\$65,000	No	No	No
Vermillion River South, Middle and North Creek	11419229	80	\$200,000	No	No	No
Virblas Vermillion River Main	11418220	13	\$40,000	No	No	No
Augustine-Cannon River	11218218	13	\$50,000 46,500	No	No	No
Bucheger-Chub Lake	11320233	30 1	\$50,000 4,500	No	No	No
Callister	11317231	8 7	\$20,000	No	No	No
Dove Creek Co. LLC	11319201	7	\$30,000 10,000	No	No	No
Gallagher/Johnson-Cannon River	11219221	1	\$2,000	No	No	No
Grannis-Sec 16-Marcott Lakes	02722216	10	\$130,000 145,000	No	Limited	Limited
Grannis - Sec 20-Marcott Lakes	02722220	60 54	\$800,000 2,000,000	No	Limited	Limited
Grannis - Sec 21-Marcott Lakes	02722221	50 44	\$670,000 770,000	No	Limited	Limited
Kuhns-Chub Lake	11320234	35	\$30,000	No	No	No
Kuntz-Sec 1-Hampton Woods	11319201	37	\$200,000 175,000	No	No	No
Kuntz - Sec 6-Hampton Woods	11318206	131 130	\$580,000	No	No	No
Luedke-Hampton Woods	11319201	10	\$30,000 10,000	No	No	No
Olson	11420212	1	\$2,000	No	No	No
Peterson-Vermillion River-South Branch	11420220	23	\$45,000 70,000	No	No	No
Sipe/Schumacher-Forest	11318228	44	\$55,000	No	No	No
Stoffel, D-Vermillion River-Main	11418215	56 54	\$100,000 55,000	No	No	No
Toohey-Hampton Woods	11319201	10	\$30,000 10,000	No	No	No
Uselmann-Hampton Woods	11319201	24	\$80,000 60,000	No	No	No

Section 2a - Protect Parcel with Bldgs

No parcels with an activity type protect and has buildings.

Section 3 - Other Parcel Activity

No parcels with an other activity type.

Completed Parcel: Sipe/Schumacher-Forest

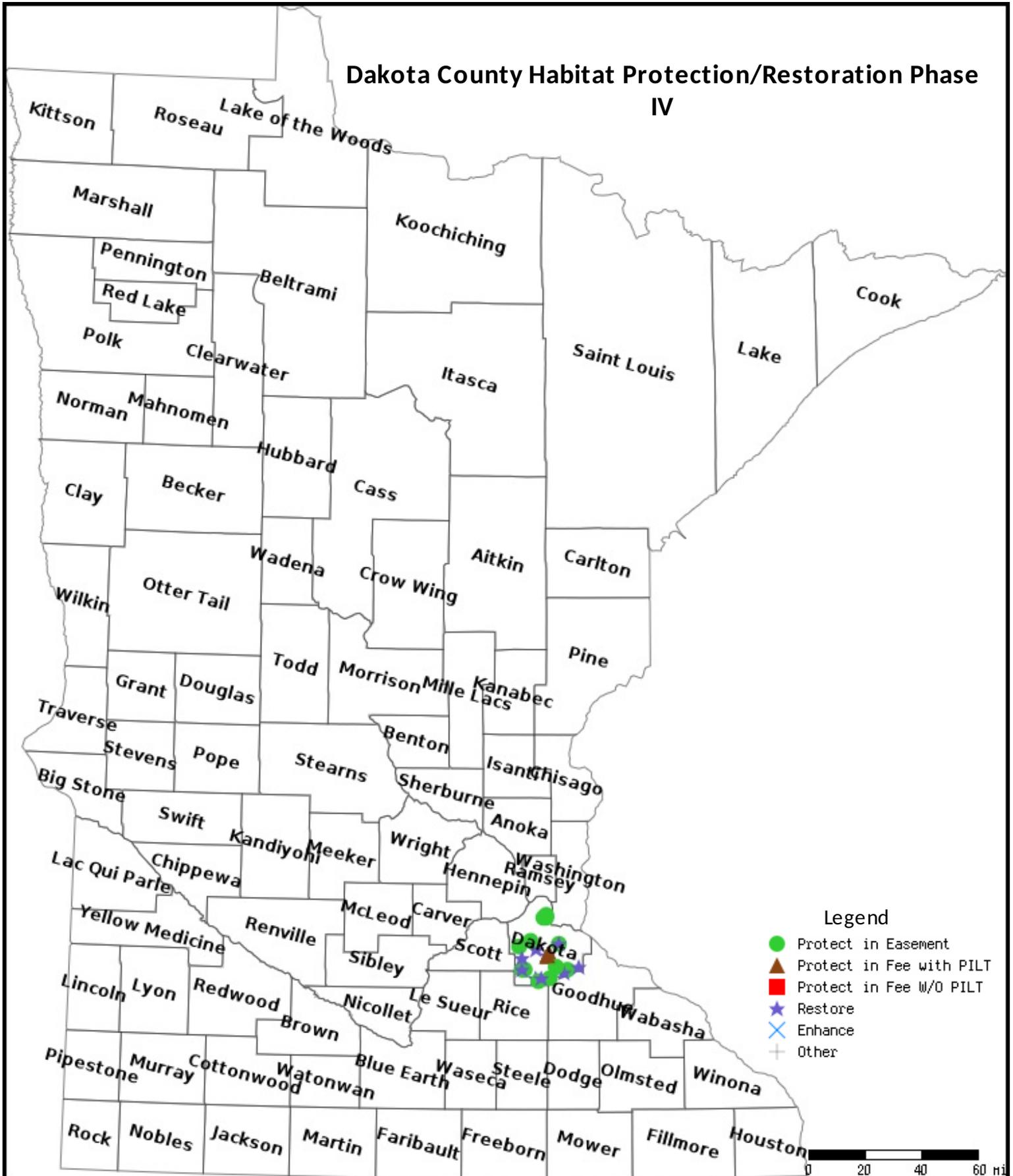
# of Total Acres:	44
County:	Dakota
Township:	113
Range:	18
Direction:	2
Section:	28
# of Acres: Wetlands/Upland:	
# of Acres: Forest:	42.2
# of Acres: Prairie/Grassland:	
Amount of Shoreline:	0 (Linear Feet)
Name of Adjacent Body of Water (if applicable):	
Has there been signage erected at the site:	Yes
Total cost of Restoration/Enhancement:	\$55,000
Annual Reporting Organization Name:	Dakota County
Annual Reporting Manager Name:	Lisa West
Annual Reporting Address:	14955 Galaxie Avenue
Annual Reporting City:	Apple Valley
Annual Reporting State:	MN
Annual Reporting Zip:	55124
Annual Reporting Email:	Lisa.west@co.dakota.mn.us
Annual Reporting Phone:	952-891-7018
Purchase Date:	December 17, 2015
Purchase Price:	\$124,000
Appraised Value:	\$124,000
Professional Service Costs:	\$14,000
Assessed Value:	\$315,600
Total Project Cost:	\$97,840
Donations:	\$24,800
Easement Holder Organization Name:	Dakota County
Easement Holder Manager Name:	Lisa West
Easement Holder Address:	14955 Galaxie Avenue
Easement Holder City:	Apple Valley
Easement Holder State:	MN
Easement Holder Zip:	55124
Easement Holder Email:	lisa.west@co.dakota.mn.us
Easement Holder Phone:	952-891-7018
Responsible Organization Name:	Dakota County
Responsible Manager Name:	Lisa West
Responsible Address:	14955 Galaxie Avenue
Responsible City:	Apple Valley
Responsible State:	MN
Responsible Zip:	55124
Responsible Email:	lisa.west@co.dakota.mn.us
Responsible Phone:	952-891-7018
Underlying Fee Owner:	James Sipe & Nancy Schumacher

Completed Parcel: Uselmann-Hampton Woods

# of Total Acres:	24
County:	Dakota
Township:	113
Range:	19
Direction:	2
Section:	01
# of Acres: Wetlands/Upland:	
# of Acres: Forest:	24
# of Acres: Prairie/Grassland:	
Amount of Shoreline:	(Linear Feet)
Name of Adjacent Body of Water (if applicable):	
Has there been signage erected at the site:	No - Property does not front any roads and will be conveyed to the DNR for a WMA.
Total cost of Restoration/Enhancement:	\$60,000
Annual Reporting Organization Name:	Dakota County
Annual Reporting Manager Name:	Lisa West
Annual Reporting Address:	14955 Galaxie Avenue
Annual Reporting City:	Apple Valley
Annual Reporting State:	MN
Annual Reporting Zip:	55124
Annual Reporting Email:	lisa.west@co.dakota.mn.us
Annual Reporting Phone:	952-891-7018
Purchase Date:	April 14, 2016
Purchase Price:	\$72,000
Appraised Value:	\$72,000
Professional Service Costs:	\$2,139
Assessed Value:	\$40,200
Property Managed By:	DNR - Wildlife Management Area -

Parcel Map

Dakota County Habitat Protection/Restoration Phase IV



Final DRAFT 6-23-16

**PERMANENT NATURAL AREA CONSERVATION EASEMENT BETWEEN
THE COUNTY OF DAKOTA, MINNESOTA AND VANCE B. GRANNIS JR.
AND DARLENE R. GRANNIS; DAVID L. GRANNIS III (AKA DAVID L.
GRANNIS) AND JOYCE GRANNIS; AND SUSAN O'BRIEN**

TRACT No. 401

This grant of a permanent Natural Area Conservation Easement (hereinafter referred to as the "Easement") is made and entered this ____ day of _____, 2016, by Vance B. Grannis, Jr., and Darlene R. Grannis, husband and wife, having an address at 9249 Barnes Avenue East, Inver Grove Heights, MN 55077; David L. Grannis III (AKA David L. Grannis) and Joyce Grannis, husband and wife, having an address at 306 15th Avenue South, South St. Paul, MN 55075; and Susan O'Brien, a single person, having an address at 253 16th Avenue South, South St. Paul, MN 55075 (hereinafter collectively referred to as the "Grantor"), at and the County of Dakota (hereinafter referred to as the "Grantee"), a political subdivision of the State of Minnesota, having a mailing address at 1590 Highway 55, Hastings, Minnesota 55033, as set forth herein.

1.0 RECITALS.

1.1. Land Ownership. Grantor is the fee simple owner of approximately 134.2 acres, more or less, of real property (hereinafter referred to as the "Property") located in Dakota County, Minnesota. Vance B. Grannis Jr. and Darlene R. Grannis have a 100 percent in 61.6 acres; and Vance B. Grannis, Jr., and Darlene R. Grannis have fifty percent (50%) interest; David L. Grannis and Joyce Grannis have a 25 percent interest and Susan O'Brien has 25% interest in 72.6 acres.

1.2. Qualified Organization. Grantee is a qualified political subdivision under the laws of the State of Minnesota and is authorized by Minnesota Statute §375.18, subd.12 to acquire development rights in the form of a conservation easement under Minnesota Statute Chapter 84C; and is an organization qualified under Section 170(h) of the Internal Revenue Code, as that section may be amended from time to time, and in the regulations promulgated there under, to receive qualified conservation contributions.

1.3. Protected Property. Grantor is willing to grant an Easement on approximately 108.7 acres of the Property, legally described in the attached **Exhibit A**, and generally depicted in the attached **Exhibit A-1** attached hereto (hereinafter referred to as the "Protected Property").

- a. The Protected Property is adjacent to existing 16.8-acre and 103.0-acre permanent natural area conservation easements.
- b. The Protected Property consists of: high-quality wooded upland; shoreland along 18-acre Marcott Lake; small, shallow ponds/wetlands; grasslands, former pasture areas and cropland.
- c. Existing improvements on the Protected Property include unpaved hiking trails, and a 1,500-square foot building used seasonally for outdoor skills and environmental education with an access road.
- d. The Protected Property is currently used for: outdoor skills and environmental education; bow hunting deer and wild turkey, birdwatching; Boy Scout camping; growing a limited amount of organic crops; wildlife habitat and compatible recreation as authorized by this Easement.
- e. The Protected Property is a component of/consistent with: the regional Metro Conservation Corridors Focus Area, Minnesota Department of Natural Resources (DNR) regional land protection plan and the Dakota County Farmland and Natural Area Protection Plan.

- f. The scenic attributes of the Protected Property include: a high water quality, spring-fed, 18-acre lake; high-quality oak woods; prairie forbs; and abundant wildlife, which are visible from the existing, permanent conservation easements, adjacent properties, and partially from Barnes Avenue East.
- g. Dakota County has legal, physical access to monitor the Protected Property.
- h. The public has access to the Protected Property through programs, classes and activities offered at the onsite Darvan Acres Outdoor Skills and Environmental Education Center (hereinafter referred to as the "Education Center"), and also including DNR Gun Safety Classes and approved Boy Scout troop camp outings.
- i. The Protected Property is one of the last remaining large, highly desirable, open lands located in southeastern Metropolitan region in an area experiencing increased residential land development.
- j. The Protected Property is also important, because it provides a unique, close-to-home opportunity for people in the region to experience the natural environment through outdoor skills and environmental education classes in a location less than a half-hour from downtown St. Paul.

The Protected Property and this Easement are subject to the following encumbrances:

- a. Building and zoning laws, ordinances, State and Federal Regulations
- b. Utility, drainage and other easements and documents of record

1.4. Conservation Values. The Protected Property, as outlined above, has significant natural, scenic, aesthetic, scientific, and educational values (individually and collectively, referred to as the "Conservation Values"), that provides "relatively natural habitat of fish, wildlife, or plants or similar ecosystem," as that phrase is used in Section 170(h) (4) (A) (ii) of the Internal Revenue Code and in the regulations promulgated thereunder. These Conservation Values have not been and are not likely to be significantly impaired by the continued use of the Protected Property as described above or as authorized in this Easement; or by the use, maintenance of any structures and improvements that presently exist on the Protected Property; or that are authorized below. Preservation and protection of these Conservation Values will provide significant benefit to the public. Grantor and Grantee are committed to protecting and preserving the Conservation Values of the Protected Property in perpetuity for the benefit of this and future generations. Accordingly, it is their intent to create and implement a conservation easement that is binding upon the current landowner and all future owners of the Protected Property.

1.5. Conservation Policy. Protection of the Conservation Values of the Protected Property is consistent with and will further governmental policies, including those established by the following:

- A. Article XI, Section 15 of the Minnesota Constitution established the Outdoor Heritage Fund (hereinafter referred to as the "OHF"), dedicated for the benefit of Minnesotans, to restore, protect, and enhance wetlands, prairies, forests, and habitat for fish, game, and wildlife. Minnesota Statutes Section 97A.056 governs the OHF.
- B. Minnesota Statutes Chapter 103A, which promotes protection of the state's waters and their adjacent lands and Section.103A.206, in particular, which recognizes the economic and environmental importance of maintaining and enhancing the soil and water resources of the state and the role of private lands in these conservation efforts, to among other reasons, preserve natural resources, protect water quality, preserve wildlife, and protect public lands and waters.
- C. Minnesota Statutes Section 103A.201, which specifically promotes the protection of wetlands and Minnesota Statutes Section 103A.202, which specifically declares that it is in the public interest to preserve wetlands of the state in order to conserve surface waters, maintain and improve water quality, preserve wildlife habitat, reduce runoff, provide for floodwater retention, reduce stream sedimentation, contribute to improved sub-surface soil moisture and enhance the natural beauty of the landscape.
- D. Minnesota Statutes Chapter 84C, which recognizes the importance of private conservation efforts by authorizing conservation easements for the protection of natural, scenic, or open space values of real property, assuring its availability for agriculture, forest, recreational or

open space use, protecting natural resources and maintaining or enhancing air or water quality.

- E. Dakota County has adopted a comprehensive and long-term land conservation vision and implementation programs to protect and improve natural areas; productive farmland; shoreland along all rivers, streams and undeveloped lakeshore; regional parks; and multi-purpose regional greenways throughout the County.

1.6. Conservation Intent. Grantor and Grantee are committed to protecting and preserving the Conservation Values of the Protected Property in perpetuity for the benefit of this and future generations. Accordingly, it is their intent to create and implement a conservation easement that is binding upon the current landowner and all future owners of the Protected Property.

1.7 State Funding. Funding for this Easement has been provided by the Outdoor Heritage Fund (hereinafter referred to as "OHF"), as recommended by the Lessard-Sams Outdoor Heritage Council (hereinafter referred to as the "LSOHC"). Specifically, for this Easement, funding was included in M.L. 2013, Chap. 137, Article 1, Sec. 2, Subd. 5(b), under grant number 3-42995, for the purposes of Habitat Protection in Dakota County. Grantee is required to record a "Notice of Funding Restriction" that references the initial state funding agreement and Minnesota Statute Section 97A.056.

2.0 GRANT OF CONSERVATION EASEMENT.

For and in consideration of the facts recited above, the mutual covenants, terms, conditions, and restrictions herein contained, and pursuant to the laws of the State of Minnesota, in particular Minn. Stat. Chapter 84C, and in consideration of the payment of Three Million Nine Hundred Thousand Dollars (\$3,900,000.00) to Grantor, Grantor hereby grants and conveys unto Grantee, and its successors and assigns forever an Easement in perpetuity that runs with the Protected Property consisting of specific terms and conditions as set forth herein.

3.0 EASEMENT PURPOSE.

It is the purpose of this Easement to ensure that the Protected Property will be retained forever substantially unchanged from its present condition as natural open space, to protect water quality and to prevent any use that will significantly impair or interfere with the Conservation Values of the Protected Property. Grantor intends that this Easement will confine the use of the Protected Property to activities that are consistent with the purpose of this Easement. However, more restrictive applicable Federal, State or local laws shall prevail in determining permitted uses of the Protected Property.

4.0 COVENANTS AND RESTRICTIONS.

All activities on or uses of the Protected Property must be consistent with the purpose of this Easement. The following activities and uses are expressly prohibited, except as provided in each of the respective sub-sections of this Easement:

4.1. Industrial Use and Development. No industrial use, development or right of ingress or egress across or upon the Protected Property for industrial use is allowed.

4.2. Commercial Use and Development. No commercial use, development or right of ingress or egress across or upon the Protected Property for commercial use is allowed except for forest management, minimal recreational, and/or home business use described and allowed in the Natural Resource Management Plan described in Section 4.5 of this Easement or other use specifically permitted in Sections 4 and 5 of this Easement, or except as incidental to other uses or activities specifically permitted in this Easement.

4.3. Agricultural Use. There shall be no plowing, construction of agricultural wells or new drainage ditches, new tiling for cultivating commercial crops, or pasturing commercial livestock on the Protected Property. Conservation grazing and small managed areas for demonstration and educational

purposes, as specifically allowed in the Natural Resource Management Plan (hereinafter referred to as the "NRMP") described in Section 4.5 of this Easement, are permitted. Use of the Protected Property for specialty plantings shall be allowed as described in the NRMP and as approved by the Grantee. Use of systemic insecticides, neonicotinoids, and seeds coated with neonicotinoids or other agricultural inputs that would negatively affect water quality and wildlife, including pollinators, is not permitted as referenced in Section 4.12.

4.4. Residential Use and Development. No residential use, development or right of ingress or egress across or upon the Protected Property for residential use is allowed.

- A. Grantor shall not divide, subdivide, or partition, either legally or physically, the Protected Property. The Protected Property may be conveyed only in its entirety as a single ownership (joint or undivided) regardless of whether it now consists of separate parcels, was acquired as separate parcels, or is treated as separate parcels for property tax or other purposes.

This general provision described above does not prohibit the following:

1. Division of the Protected Property when a portion of the Protected Property is being conveyed to a conservation entity described in Section 7.4 of this Easement.
 2. Future legal division of the Protected Property into separate parcels or lots as described in Section 5.2 of this Easement.
 3. Boundary line adjustments in the case of technical errors made in the survey or legal description. Any correction or adjustment to the Protected Property boundary must be reviewed and approved by the Grantee.
- B. There are development rights at a density of one unit per 2.5 acres on the Protected Property currently allowed by local ordinance. Grantor has conveyed all development rights to Grantee, and Grantor has retained no existing development rights. Development rights conveyed to Grantee by Grantor shall not be transferred by Grantor to any location outside the Protected Property, whether pursuant to a cluster development plan or any other agreement or plan for transferable development.
- C. No portion of the Protected Property shall be used to satisfy land area requirements for other property not subject to this Easement for purposes of calculating building density, transferring development rights, lot coverage, or open space under otherwise applicable laws, regulations, or ordinances controlling land use.

4.5. Natural Resource Management Plan (NRMP). All natural resource management practices on the Protected Property shall be in accordance with a jointly developed and approved preliminary and final NRMP. A preliminary NRMP that describes the current and preferred natural resource conditions, goals and activities for the Protected Property, dated _____, 2016, has been completed and approved by Grantee and Grantor prior to conveying this Easement. The final NRMP which, along with the Agreement, as defined in Section 4.6 of this Easement, must be completed and approved by Grantee and Grantor within six months of the date of closing. Grantee and Grantor agree to consult with one another periodically with respect to updating the NRMP, and further agree that the NRMP may be revised or modified as necessary to reflect changed conditions or circumstances, so as to assure that the original intent and purpose of this Easement are carried out in perpetuity. Grantee shall be responsible for any modifications to the NRMP, which shall not contradict the terms of this Easement, and which shall take effect only upon written agreement by both Grantee and Grantor. Grantee and Grantor will each retain an updated copy of the NRMP.

4.6. NRMP Implementation. Implementation of the NRMP shall be in accordance with a Natural Resource Landowner Agreement (hereinafter referred to as the "Agreement") developed and approved by the Grantor and Grantee. The Agreement shall include an eight-year work plan, commencing at the time of final NRMP approval, which describes the priority management activities, responsibilities, estimated

costs, and schedule for implementing the NRMP during a defined time period. Grantor agrees to contribute a minimum of Fifty Thousand Dollars (\$50,000) in cash or in-kind services (not to exceed comparable contractor rates for purposes of valuing such services), over an eight-year period commencing at the time of the final NRMP, to implement the NRMP on the Protected Property (hereinafter referred to as the "Contribution"). Except for the Contribution, Grantor shall not be required to contribute any additional funding or in-kind services for implementing or complying with the NRMP or the Agreement.

Grantor agrees to work cooperatively with partners mutually agreed upon by Grantor and Grantee, to implement the NRMP if partners provide materials and services at no additional cost to Grantor and all activities will follow the NRMP and are approved by the Grantor and Grantee. Grantee and Grantor agree to consult with one another to modify the Agreement as necessary and for developing and approving any subsequent Agreements to assure that the original intent and purpose of this Easement are carried out in perpetuity. Grantee and Grantor shall be responsible for any modifications to the original Agreement and any subsequent Agreement, which shall not contradict the terms of this Easement. The Agreement shall take effect only upon written agreement by both Grantee and Grantor no later than six (6) months after the closing. Grantee and Grantor will each retain an updated copy of the Agreement.

4.7. Buildings, Structures and Improvements. There shall be no temporary or permanent buildings, or permanent structures of any kind placed or constructed on the Protected Property, except as set forth below or specifically provided for in the NRMP.

- A. Outdoor Skills and Environmental Education Building – Maintenance, repair, replacement, removal, and relocation of the existing, 1,500-square foot structure referenced in Section 1.3(c), and associated amenities, such as a parking lot, access road. A new well, septic tank, geothermal heating, solar panels, and wind turbines, are permitted within the specified, 3.6-acre location area legally described in the attached **Exhibit B**, and generally depicted in the attached **Exhibit A-1** attached hereto. The building and associated amenities may only be used as an outdoor skills classroom and environmental education/nature center. A new education building and amenities may also be constructed within this designated area. No other residential, commercial or industrial uses or structures are permitted on the Protected Property as described in Sections 4.1, 4.2 and 4.4.
- B. Utility Services and Septic Systems – Maintenance, repair, replacement, removal, and relocation of existing electric, gas, and water facilities, sewer lines and/or other public or private utilities, including telephone or other communication services over or under the Protected Property for the purpose of providing electrical, gas, water, sewer, or other utilities to serve improvements outside of the Protected Property for such purposes, is permitted. Grantor shall not permit or grant easements for new utility transmission or distribution facilities or systems without the written consent of Grantee. Maintenance, repair or improvement of a septic system(s) or other underground sanitary system that exists on the Protected Property at the time of this Easement, or the construction of a new septic, other underground sanitary system or other utility, for the benefit of an existing residence and any improvements permitted herein, is permitted. Notification and written approval by Grantee is required for any excavation. All other utilities are prohibited on the Protected Property. Following installation and construction, the surface and vegetation shall be restored to a condition consistent with the conservation purposes of this Easement in a timely and appropriate manner.
- C. Roads, Parking Areas, Paths, and Trails – There shall be no building of new roads or other rights-of-way, except for paths and trails, consistent with the preservation of the Protected Property. Existing roads, parking areas, paths and trails may be maintained or improved, but may not be widened or relocated without the prior written approval of Grantee. Removing buckthorn along existing roads/trails shall not be considered widening. New paths or trails may be established on the Protected Property for non-motorized, recreational uses only in accordance with the current or a revised NRMP. A new access road from Barnes Avenue East can be constructed along the existing driveway located within the Homestead property

exception area, if a wider access to the Protected Property is required that would cause the removal of mature oak trees immediately south of the existing driveway, with prior written approval by Grantee. No other roads or other rights-of-way may be established or constructed on the Protected Property without the prior written approval of Grantee. In order to prevent erosion and soil loss, Grantor may relocate existing trails or roads on the Protected Property, provided the total number and cumulative length and width does not increase and the disturbance to soils is minimized. Existing roads/trails are identified in the Property Report described in Section 7.2 of this Easement. Abandoned roads/trails shall be returned to native vegetative cover, either by letting natural succession occur or by replanting with appropriate native species (based on soil type) using local seed, if possible.

- D. Fences – Grantor may, but shall not be obligated to maintain, repair, replace, improve or remove any fence located on the Protected Property, except as required by the NRMP, or to prevent current or future livestock from harming the Conservation Values of the Protected Property. Grantor may construct, install, maintain, repair, replace, improve or remove additional fencing on the Protected Property as Grantor deems necessary to secure the Protected Property, and as required for wildlife management purposes.
- E. Small Structures – Grantor, may, but shall not be obligated to maintain, repair, replace, improve or remove any existing small structures such as deer stands, wildlife blinds, trail shelters, bee hives, kiosks, benches, boardwalks, docks or bridges on the Protected Property at the time this Easement is conveyed. Requests by Grantor to install small structures such as deer stands, wildlife blinds, wildlife rehabilitation structures, bird feeders, bat nesting boxes/houses, bee hives, composting toilets, trail shelters, kiosks, benches, boardwalks, docks or bridges on the Protected Property consistent with the NRMP described in Section 4.5 of this Easement, as applicable, must be approved in writing by Grantee prior to implementation, which approvals shall not be unreasonably withheld, delayed or conditioned by Grantee.

Grantor shall ensure that the Protected Property is restored to a condition consistent with the purpose of this Easement in a timely and appropriate manner following any construction, maintenance, repair, replacement, removal, or relocation of any improvements authorized by, or pursuant to, this section.

4.8. Public Access. Although the public benefits from this Easement through the preservation and protection of the Conservation Values of the Protected Property, nothing contained herein shall be construed as a dedication of title to any portion of the Protected Property to the public, or as affording the general public physical access to any portion of the Protected Property, where no such right existed prior to the conveyance of this Easement. Public access shall be allowed, provided that it is in association with programs, classes and activities conducted by or in coordination with the Education Center, as determined by the Education Center.

4.9. Water. No hydrological modifications, including alteration or manipulation of natural rivers, creeks and streams, surface or subsurface springs, and shorelines of lakes, ponds, or wetlands, or other surface or sub-surface water bodies on the Protected Property is allowed. Requests by Grantor to modify the hydrology of the Protected Property to restore or enhance water quality, wildlife habitat, native biological communities or ecological functions, consistent with the NRMP described in Section 4.5 of this Easement, as applicable, must be approved in writing by Grantee prior to implementation, which approvals shall not be unreasonably withheld, delayed or conditioned by Grantee. Increased storm water volumes or flow rates to the Protected Property due to changes in the topography, land use, buildings, or drainage systems on and from adjacent or nearby properties after the date of this Easement is not allowed unless it improves the Conservation Values of the Protected Property and is approved in the NRMP. No activities or uses of the Protected Property that cause soil erosion or are detrimental to water quality are allowed. Grantor is responsible for notifying Grantee if there are new storm water or erosion issues on the Protected Property and is responsible for enforcing this provision.

4.10. Topography and Surface Alteration. There shall be no change of the topography of the Protected Property, including ditching, draining, filling or excavation of soil or other material. Surface alterations incidental to any construction or other activities or uses specifically allowed by this Easement shall be allowed provided there is minimal disturbance to the topography, soils and vegetation and shall

utilize proper erosion control practices. At the conclusion of any allowed activity, the surface shall be restored in a timely manner to a condition consistent with the Conservation Intent of this Easement.

Requests by Grantor to alter the topography and surface of the Protected Property for the purpose of maintaining, restoring or enhancing wildlife habitat, native biological communities, or ecological functions consistent with the NRMP described in Section 4.5 of this Easement, as applicable, must be approved in writing by Grantee prior to implementation, which approvals shall not be unreasonably withheld, delayed or conditioned by Grantee.

4.11. Mining and Extraction. No mining, drilling, exploring for or removal of any minerals, sand, gravel, or rock from the Protected Property is allowed.

4.12. Vegetation Management. Grantor shall maintain the vegetation as permanent vegetative land cover within the Protected Property in compliance with the NRMP as described in Section 4.5 of this Easement. There shall be no removal, destroying, burning, cutting, mowing or altering of trees, shrubs and other vegetation on the Protected Property except as reasonably required to maintain existing improvements, and as provided in the NRMP as described in Section 4.5 of this Easement, or as follows:

- A. Timber Resources and Plant Products - Grantor may selectively harvest timber resources and naturally occurring plant products (i.e., berries, nuts, herbs, seeds, etc.) from the Protected Property for management or revenue-generating purposes. Such selective harvest shall be conducted in a manner that maintains a sustainable growth and reproduction cycle for the harvested plant populations and the surrounding vegetation, is consistent with all terms and conditions of this Easement, and in accordance with the NRMP to minimize harmful impacts to the Conservation Values of the Protected Property as determined by Grantee. Grantor may remove downed or dead timber for firewood or other personal use.
- B. Control of Harmful Insects and Invasive Species - There shall be no plant or animal species knowingly and willfully introduced on the Protected Property except those native and non-invasive species that are appropriate with the Conservation Values of this Easement and consistent with the NRMP. Activities to prevent or control harmful insects, invasive species, noxious weeds, diseases, personal injury, or property damage are permitted, if provided for in the NRMP as described in Section 4.5 of this Easement.
- C. Herbicides and Pesticides - There shall be no application of herbicides or systemic insecticides, neonicotinoids, seeds coated with neonicotinoids or other agricultural inputs that would negatively affect water quality and wildlife, including pollinators, on the Protected Property, except those that are necessary as part of approved practices specified in the NRMP. Herbicide and pesticide use must comply with all applicable Federal and State regulations and Best Management Practices. Labeled and approved herbicides and pesticides may be used by spot applications to control State/County-designated noxious weeds, invasive woody species or pest insect infestations, provided their use is designed to minimize the impact on the Conservation Values of the Protected Property. Broadcast spraying of herbicides or pesticides, including aerial applications, is permitted, if known infestation is determined to be a threat to human, animal and/or plant community health, provided that, at a minimum, the following conditions are met: (a) spot treatment is not practical because of the severity of the infestation; (b) the timing of application is scheduled to minimize damage to non-target species; and (c) the type of herbicide or pesticide used has the least impact on non-target species while still being effective in controlling target species.

4.13. Animals. Livestock such as cattle, horses, goats, sheep, llamas, and alpacas shall not be permitted on the Protected Property unless it is for conservation grazing purposes included in the NRMP as described in Section 4.5 of this Easement. Recreational use of horses by family members, social guests or permitted parties shall be allowed on the Protected Property, so long as the same does not significantly alter or degrade the natural features and ecological functions of the Protected Property, or contradict the provisions of the NRMP, as determined by Grantee. Domestic dogs and other domesticated animals are permitted on the Protected Property in accordance with local ordinances. Native and non-invasive wildlife species may be raised, rehabilitated, and released on the Protected

Property in a manner that does not contradict the purposes of the NRMP or compromise the Conservation Values.

4.14. Motorized and Certain Non-Motorized Vehicles. Trucks, tractors, all-terrain vehicles, snowmobiles, or any other types of motorized vehicles used by family members, social guests, permitted parties or Education Center employees and volunteers shall be allowed on the Protected Property, so long as the vehicle and motorized use does not significantly alter or degrade the natural features, ecological functions and scenic qualities of the Protected Property or contradict the NRMP as described in Section 4.5 of this Easement, as determined by Grantee.

This provision is not intended to otherwise limit the use of motorized vehicles on existing roads, trails or driveways permitted under this Easement or in conjunction with construction or maintenance of existing or permitted buildings, structures, roads, trails, other improvements, and for natural resource management. All other motorized vehicle use, including "dirt" bikes, mountain bikes, and motorized watercraft is prohibited, except for administrative, habitat management, law enforcement, public safety, and emergency purposes.

4.15. Waste Disposal. There shall be no storage, accumulation, processing or disposal of mixed municipal solid waste, demolition debris, industrial waste, unserviceable vehicles, unused equipment, hazardous or toxic substances or other unsightly or offensive material on the Protected Property. Use of the Protected Property for dumping, storing, processing or landfilling solid or hazardous wastes is prohibited, including, without limitation, application of municipal sewage sludge and/or bio-solids.

4.16. Signs. Commercial signs, billboards, and outdoor advertising structures may not be displayed on the Protected Property. Informational signage is permitted and is limited to the following purposes:

- A. Displaying the name of the Protected Property;
- B. Announcing the existence of this Easement;
- C. Providing interpretive and directional information;
- D. Providing the name and address of Grantor, Grantee, project partners, and/or funding sources;
- E. Delineating the boundaries of the Protected Property in order to prohibit trespass or hunting or other non-permitted activities;
- F. Providing information with regard to on-site uses and activities permitted by this Easement, for which approval will not be unreasonably withheld, delayed or conditioned.

For all signs permitted by this section, the location, number, size, and design must not significantly diminish the Conservation Values of the Protected Property. Signs addressing the purposes included in Section 4.16.D. must be approved by Grantor and Grantee.

4.17. Outdoor Lighting. No permanent outdoor lighting is allowed on the Protected Property, except for security purposes associated with the structure referenced in Sections 1.3(c) and 4.7.A., and the homestead property located within the Easement II exception area depicted in the attached **Exhibit A-1**.

5.0 GRANTOR'S RESERVED RIGHTS.

Grantor reserves for itself, its heirs, successors and assigns all rights to use the Protected Property for all purposes that are not expressly restricted or prohibited herein and are not inconsistent with this Easement. Grantor agrees to notify Grantee in writing before exercising any reserved right that may have an adverse

impact on the natural characteristics, and the ecological and aesthetic features of the protected Property. Without limiting the applicability of the foregoing, Grantor reserves the following rights:

5.1. Conveyance. Grantor may sell, give, mortgage, lease, bequeath or otherwise encumber or convey all or a portion of the Protected Property. This right to convey the protected Property is subject to the following provisions:

- A. Any deed, lease or other conveyance or encumbrance of the Protected Property, is subject to this Easement.
- B. Grantor will reference or insert the terms of this Easement in any deed or other document by which Grantor conveys title to or any interest in the Protected Property. Grantor will also specify to what extent any rights included in this Easement have been exercised, if at all, and are no longer available for use by the new owner, and which reserved rights are specifically allocated to the property or interest being conveyed.
- C. Grantor shall notify Grantee of any proposed conveyance of title or encumbrance at least fourteen (14) days before closing. Grantor shall also provide Grantee with the name and address of the new owner of the Protected Property and a copy of the deed transferring title within fourteen (14) days of closing in accordance with Section 7.16.
- D. If the Protected Property is owned by a trust, business entity or any common or jointly held ownership, Grantor shall designate a representative authorized to receive notice on behalf of Grantor and provide Grantee with the new name, address and other contact information. Grantor shall notify Grantee of any change in the designated representative and provide Grantee with the new name, address and other contact information within fourteen (14) days after the change.
- E. Grantor will also notify Grantee of any proposed condemnation, or any claim, legal proceeding, foreclosure or other legal action that might affect the title to the Protected Property or the validity or enforceability of this Easement.

5.2. Division of the Protected Property. The Protected Property may be divided into no more than two, new separately owned parcels. These parcels may be configured only as depicted in the attached **Exhibit C**. Prior to any conveyance, the specific configuration of each parcel or lot must be submitted in writing and approved by Grantee under the provisions of Section 7.17 of this Easement.

Before conveying any parcel or lot, Grantor will allocate reserved rights, such as development rights, to specific parcels or lots as needed. Each parcel or lot will otherwise remain subject to the terms and conditions of this Easement. Grantor will provide Grantee with a copy of any survey or map created documenting the new parcels or lots or other documentation for the allocation of reserved rights.

This reserved right to divide the Protected Property does not include the right to construct any buildings, structures or improvements in addition to those otherwise permitted by this Easement.

5.3. Recreational and Educational Activities. Grantor expressly reserves the right to engage in low impact, recreational and educational activities requiring no significant surface alteration of the land and posing no threat to the Conservation Values set herein, such as hunting, fishing, hiking, cross-country skiing, horseback riding, tent camping, nature observation or study, bird watching, and other non-intensive recreational activities, and to control access of all persons for these purposes; provided that these activities do not impact the protection and conservation of any animal habitat or other Conservation Values of the Protected Property as determined by Grantee. Use of motorized vehicles for educational purposes by Educational Center staff and volunteers or recreational use by family members and social guests shall also be permitted on the Protected Property, so long as the same does not significantly alter or degrade the natural features and ecological functions of the Protected Property or contradict the provisions of the NRMP described in Section 4.5 or use of motorized vehicles included in Section 4.14 of this Easement, as determined by the Grantee.

5.4. Natural Resource Management. The Protected Property may be used to create, maintain, restore or enhance natural resources in accordance with the NRMP described in Section 4.5 of this Easement, as jointly approved by Grantor and Grantee.

5.5. Public Use. Grantor retains the right to permit any public use of the Protected Property consistent with the protection of the Conservation Values of the Protected Property and the terms and restrictions of this Easement, including the restrictions on commercial recreational use described in Section 4.2 of this Easement. Grantor shall allow outdoor skills and environmental/outdoor education programs, classes and related activities sponsored and organized by Grantee to be conducted on the Protected Property with prior approval by Grantor.

6.0. RIGHTS AND REMEDIES OF GRANTEE.

In order to accomplish the conservation purposes of this Easement, Grantee shall have the following rights and remedies:

6.1. Remedies and Enforcement. In the event that Grantee becomes aware that Grantor is not in compliance with this Easement or the NRMP, Grantee shall give notice to Grantor, at Grantor's last known post office address, of such violation via certified mail, return receipt requested, and request corrective action sufficient to abate such violation and restore the Protected Property to its previous condition. Grantor shall work with Grantee to explore and conduct voluntary methods of compliance. Failure by Grantor to cause discontinuance, abatement or such other corrective action as may be requested by Grantee within thirty (30) days after receipt of such notice shall entitle Grantee to enforce by proceedings at law or in equity the provisions of this Easement including, but not limited to, the right to require the restoration of the Protected Property to its condition at the date of this Easement, subject to the reserved rights of Grantor set forth herein. Grantee, or its successors or assigns, shall not waive or forfeit the right to take action as may be necessary to ensure compliance with the terms and conditions of this Easement by any prior failure to act. If Grantee, in its sole 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 this section without prior notice to Grantor or without waiting for the period for cure to expire.

Nothing herein shall be construed to entitle Grantee to institute any enforcement proceeding against Grantor for any changes to the Protected Property due to causes beyond Grantor's control, such as changes caused by fire, flood, storm, infestations, natural deterioration, the acts of third parties legally authorized to act by recorded document or other legally established rights or the unauthorized wrongful acts of third persons; provided, however, that Grantor shall notify Grantee of any occurrence which would adversely affect or interfere with the conservation purpose of this Easement, whether caused by the acts or omissions of Grantor or third parties.

Grantee shall be entitled to seek expedited injunctive relief to enforce its rights with respect to the Protected Property, and Grantor waives any bond requirement otherwise applicable to any petition for such relief. Grantee shall have the right to report to regulatory authorities any environmental conditions or any potential or actual violations of environmental laws, including noxious weed laws, with respect to the Protected Property.

In the event either party becomes involved in legal proceedings against the other to enforce such party's respective rights or interests under this Easement, the prevailing party shall be entitled to receive from the non-prevailing party reasonable attorney's fees incurred in connection with any such proceedings, if the non-prevailing party's position is determined to be frivolous by the court.

Grantor shall notify Grantee of any occurrence which would adversely affect or interfere with the purpose of this Easement, whether caused by the acts or omissions of Grantor or third parties.

6.2. Right of Entry. Grantee, or its designated representative, shall have the right to enter the Protected Property, in a reasonable manner, with advance notice to Grantor and at reasonable times, for the purpose of ensuring that this Easement and the NRMP required pursuant to Section 4.5 of this Easement are being implemented appropriately, and as needed to exercise its contingent rights, for the following purposes:

- A. Inspecting the Protected Property to determine if Grantor or Grantor's heirs, successors or assigns, are complying with the provisions of this Easement;
- B. Obtaining evidence for the purpose of seeking judicial enforcement of this Easement;
- C. With Grantor's approval, making scientific and educational observations and studies and taking samples in such a manner as will not disturb the quiet enjoyment of the Protected Property by Grantor. Grantor shall be allowed to participate in all such observations and studies;
- D. Posting signs for the purpose of promoting provisions of this Easement, with Grantor's approval as to the size and location of signs;
- E. Inspecting the Protected Property to determine if Grantor or Grantor's heirs, successors or assigns, are complying with the provisions of the NRMP and Agreement;
- F. Removing invasive plants or animals, as agreed on by Grantor and Grantee. Such activities by Grantee shall not relieve Grantor of the responsibility of removing and controlling invasive species in accordance with appropriate Federal, State and County laws and regulations.

Grantor hereby grants and conveys to Grantee and its successors and assigns forever a right of entry over non-protected property belonging to Grantor legally described in the attached **Exhibit D** and generally depicted in the attached **Exhibit A-1**, for access to the Protected Property in perpetuity. Grantee will provide advance notice of its need for access and will minimize any damage to Grantor's non-protected property by selecting, at Grantee's sole discretion, appropriate vehicle(s) (if required) and time(s) for obtaining access to the Protected Property. If vegetation is damaged during access by Grantee, Grantee will restore to a condition as nearly equal as possible to that which existed immediately prior to the entry upon that portion of Grantor's non-protected property where the access is located.

All notices to Grantor under this section may be made either in writing or verbally, at the discretion of the party providing the notice.

6.3. Limitation of Grantee's Rights. Nothing contained herein shall give rise, in the absence of a judicial decree, to any right or ability of Grantee to become the owner, manager or operator of the Protected Property.

6.4. Monitoring. Upon written or verbal notice to Grantor, Grantee shall have the right, but not the obligation, to monitor the condition of the Protected Property, plant and animal populations, plant communities, and natural habitats on the Protected Property. A written summary of findings, compiled in a Monitoring Report, shall be provided to Grantor for review and signature within 30 days of the site visit.

6.5. Consent to Otherwise Prohibited Activities. Grantee's consent for activities otherwise prohibited or for any activities requiring Grantee's consent under Sections 4 and 5 of this Easement may be given under the following conditions and circumstances: If, owing to unforeseen or changed circumstances, any of the activities listed in Sections 4 and 5 of this Easement are deemed desirable by Grantor and Grantee, Grantee may, in its sole discretion, give permission for such activities, subject to the limitations herein. Such requests for permission, and requests for permission for activities requiring Grantee's consent under Section 4 and 5 of this Easement, shall be in writing and shall describe the proposed activity in sufficient detail to allow Grantee to judge the consistency of the proposed activity with the purpose of this Easement. Grantee shall make reasonable efforts to respond to such written request within 60 days of receipt by Grantee. Grantee may give its permission only if it determines, in its sole discretion, that such activities: (a) do not violate the purpose of this Easement; and (b) either enhance or do not significantly impair any Conservation Values of the Protected Property. Notwithstanding the foregoing, Grantor and Grantee have no right or power to agree to any activities that would result in the termination of this Easement, that would allow residential, commercial, industrial or other activities not provided for above, or contradicts Minnesota Statute Section 97A.056.

7.0 GENERAL PROVISIONS.

7.1. Perpetual Burden. This Easement shall run with and burden the Protected Property in perpetuity and shall bind Grantor, Grantor's heirs, successors and assigns.

7.2. Easement Documentation. Grantor and Grantee agree that the natural characteristics, the ecological and aesthetic features, the physical condition, the present uses, and the Conservation Values of the Protected Property at the time of this Easement conveyance are documented in the Property Report. The Property Report, including reports, maps, photographs and other documentation prepared by Grantee and signed and acknowledged by Grantor and representative of Grantee, establishes the condition of the Protected Property at the time of this Easement conveyance. The Property Report includes without limitation, the status of existing roads, trails, fences, utility systems, small structures storm water conveyance, points of access, types of motorized vehicle use, other allowable uses that would otherwise be restricted by this Easement, and the planned location of signs (if any). The Property Report is not intended to preclude the use of other information and evidence to document the condition of the Protected Property in the event of any future enforcement issue. A copy of the Property Report shall be maintained at the office of Grantee and may be used by Grantee in any enforcement action.

7.3. Grantor Access. Nothing in this Easement shall be construed to preclude Grantor's own right to access all portions of the Protected Property, provided this access does not significantly alter or degrade the natural features and ecological functions of the Protected Property or contradict the provisions of the NRMP described in Section 4.5 of this Easement.

7.4. Assignment. This Easement is in gross and may be assigned or transferred by Grantee, and such transfer shall be duly recorded. Grantee agrees that, if it transfers or assigns its interest in this Easement, the following requirements shall apply:

- A. Ownership of this Easement transfers to the State of Minnesota, if Grantee or successor fails to comply with the terms and conditions of the state funding grant agreement or work/accomplishment plan, or if restrictions are placed on the Protected Property that preclude its use for the intended purpose as specified in the state funding appropriation, as described in Minnesota Statute Section 97A.056.

Grantee or successor may not convey any interest in the Protected Property acquired with the state funding appropriation without the prior review and approval of the LSOHC or its respective successors, as described in Section 1.7.

An approved transferee or assignee will be required to record a "Notice of Funding Restriction" that references the initial state funding agreement and Minnesota Statute Section 97A.056.

- B. The governmental entity receiving this interest will be a qualified organization as that term is defined in Section 170(h)(3) of the Internal Revenue Code, as that section may be amended from time to time, and in the regulations promulgated thereunder and which is organized and operated primarily for one of the conservation purposes specified in Section 170(h)(4)(A) of the Internal Revenue Code, as that section may be amended from time to time, and in the regulations promulgated thereunder.
- C. An approved transferee or assignee will be required to carry out in perpetuity the purpose that this Easement was originally intended to advance.
- D. Grantee will notify Grantor of any assignment within thirty (30) days of the assignment and will provide the Grantor with the name and address of the new holder.

7.5. Dissolution of Grantee. In the event of the dissolution of Grantee, Grantee's interest will be assigned to a governmental entity qualified to hold and monitor this Easement.

7.6. Subsequent Transfers by Grantor. Unless this Easement is extinguished, as set forth below, Grantor agrees that the terms, conditions, restrictions, and purposes of this Easement will either be incorporated by reference or inserted by Grantor in any subsequent deed or other legal instrument by which Grantor divests itself of any interest in all or part of the Protected Property. Grantor agrees to notify Grantee of such conveyance in writing by certified mail within fifteen (15) days after closing. If ownership

of the Protected Property is transferred from Grantor to another family member or entity due to death, incapacitation or other reason, Grantee shall be notified of any such conveyance in writing by certified mail within thirty (30) days. Upon conveyance of the Protected Property, Grantor is released from all covenants, representations, warranties, and any obligations created by this Easement, save and except liabilities arising solely under Section 7.12 of this Easement herein for actions, conduct or conditions which existed or occurred prior to the date of the conveyance of the Protected Property.

7.7. Amendment. This Easement may be modified or amended by written agreement of the Grantee and Grantor, subject to Minnesota Statute Chapter Section 97A.056 and Grantee's right, in its sole discretion and exclusive judgment, to refuse to agree to any proposed amendment or modification of this Easement, including any amendment in which the following apply:

- A. The amendment is inconsistent with the purpose of this Easement.
- B. The amendment will impair or interfere with the Conservation Values of the Protected Property.
- C. The amendment affects the perpetual duration of this Easement.
- D. The amendment affects the validity of this Easement under Minnesota law or other law.
- E. The amendment creates/results in impermissible private benefit as prohibited by the Internal Revenue Code.
- F. Lienholders of existing liens and mortgages will not agree to subordinate their interests to the amended Easement.

Any amendment or modification of this Easement must be in writing and recorded in the same manner as this Easement.

7.8. Extinguishment. Grantor agrees that this grant of Easement gives rise to a property right, immediately vested in Grantee, with a fair market value that is equal to the proportionate value that this Easement, at the time of this conveyance, bears to the value of the Protected Property as a whole at the time of conveyance. The proportionate value of property rights shall remain a constant fractional share of the unrestricted value of the Protected Property.

If a subsequent unexpected change in the conditions of or surrounding the Protected Property makes the continued use of the Protected Property for the conservation purposes described herein impossible or impractical, and if the restrictions of this Easement are extinguished by judicial proceedings (including, but not limited to, eminent domain proceedings), then upon the sale, exchange or involuntary conversion of the Protected Property, Grantee shall be entitled to a share of the proceeds at least equal to the proportionate value of this Easement described above, as determined by an independent fair market appraisal using the Uniform Standards of Professional Appraisal Practices.

Grantee will use its share of any and all proceeds received for such sale, exchange or involuntary conversion in a manner consistent with the conservation purposes of this Easement or for the protection of a "relatively natural habitat of fish, wildlife, or plants or similar ecosystem," as that phrase is used in Section 170(h) (4) (A) (ii) of the Internal Revenue Code, as that section may be amended from time to time, and in regulations promulgated thereunder.

Funding for this Easement was appropriated from the OHF and Grantee will comply with Minnesota Statute Section 97A.056:

- A. Reimburse the OHF a proportional amount of the proceeds based on the same proportional financial contribution provided by the OHF towards the original acquisition cost, or
- B. Seek approval from the LSOHC to use the proceeds, based on the proportional amount of the proceeds based on the same proportional financial contribution for a reasonable equivalent conservation purpose compared to the interest being replaced.

7.9. Title Warranty. Grantor hereby warrants and represents that Grantor is the fee simple owner of the Protected Property and has good right to grant and convey this Easement, that the Protected Property is free and clear of any and all encumbrances except those of record that have been approved by Grantee, and that Grantee and its successors and assigns shall enjoy all of the benefits derived from and arising out of this Easement. Any present or future mortgage on the Protected Property has been or will be subordinated to this Easement.

7.10. General Indemnification. Grantor shall indemnify and hold harmless Grantee, 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 Grantee may be subject or incur relating to the Protected Property, which may arise from, but is 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 as defined in Section 7.12 of this Easement, provided that if Grantor provides a \$2,000,000 (Two Million Dollars) general liability policy covering the Protected Property, with Grantee named as an additional insured and proof of said insurance is provided to Grantee, Grantor's liability under this Section 7.10 shall be limited to such policy.

7.11. General Liability Insurance. Grantor will name Grantee as an additional insured on any general liability insurance policy carried by Grantor with respect to the Protected Property. If Grantor provides general liability insurance policy covering the Protected Property that is at least equal to the municipal tort liability limits as defined in state statute as of the date of any insurable claim or loss, with Grantee named as an additional insured, and with proof of said insurance provided to Grantee, Grantor's liability under this section shall be limited to such policy for matters covered by the policy. The municipal tort liability limit is currently found in Chapter 466, which sets the limit at \$1,500,000 (One Million Five Hundred Thousand Dollars) and is subject to future increases by the Minnesota Legislature.

7.12. Environmental Condition and Compliance with Environmental Laws. Grantor represents that to the best of its knowledge, no hazardous substance or materials or toxic waste exists or has been generated, treated, stored, used, disposed of, or deposited in or on the Protected Property, and that there are not now any underground storage tanks located on the Protected Property.

Subject to the limitations of Grantor's liability contained in Section 7.10 or Section 7.11 of this Easement, Grantor, and Grantor's heirs, successors and assigns shall indemnify, defend and hold Grantee harmless from any liability related to Grantor's representations and warranties in this paragraph or related to the use, deposit or release of any hazardous substance or material or toxic waste on the Protected Property after the date of this Easement.

Grantor represents that to the best of its knowledge, it is in compliance with, and shall remain in compliance with, all applicable Environmental Laws. "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.

Grantor represents that to the best of its knowledge, 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 represents that to the best of its knowledge Grantor did not generate, treat, store, use, dispose of, or deposit in or on the Protected Property any hazardous substance or materials (except for normal household and agricultural products including chemicals for managing invasive plant and animal species) or toxic waste, and that there are not now any underground storage tanks located on the

Protected Property. 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 hereby promises to defend and indemnify Grantee against all litigation, claims, demands, penalties and damages, including reasonable attorneys' fees, arising from or connected with the use, deposit, release or threatened release of any hazardous materials before, on or after the date of this Easement, 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. Grantor's 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.

In the event that the successor or assign of the Grantor is a political subdivision of the state covered by Minnesota Tort Claims Act, Minnesota Statutes, Chapter 466, the provisions of said Chapter, as may be amended, shall apply to the successor or assign.

7.13. Real Estate Taxes. Grantor agrees to pay any and all real estate taxes due and payable for the Protected Property in the year 2015, for all prior years and thereafter so long as the Grantor is the fee owner of the Protected Property and will pay all assessments levied by competent authority on the Protected Property.

7.14. Costs 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 adequate comprehensive general liability insurance coverage. Grantee shall have no duty or responsibility to manage or maintain the Protected Property. If, however, the Protected Property is damaged by causes beyond Grantor's control, such as changes caused by fire, flood, storm, infestations, natural deterioration, the acts of third parties legally authorized to act by recorded document or other legally established rights or the unauthorized wrongful acts of third persons, Grantor and Grantee will meet and seek to arrive at an equitable solution to restore the Protected Property. Grantor shall keep Grantee's interest in the Protected Property free of any liens arising out of any work performed for, materials furnished to or obligations incurred by Grantor.

7.15. Recording. Grantee is authorized to record or file any notices or instruments appropriate to assuring the perpetual enforceability of this Easement. For such purpose, Grantor appoints Grantee as Grantor's attorney-in-fact to execute, acknowledge and deliver any necessary instrument on Grantor's behalf. Without limiting the foregoing, Grantor agrees to execute any such instruments upon request.

7.16. Definitions of Grantor and Grantee. The terms "Grantor" and "Grantee" as used herein shall be deemed to include, respectively, Grantor, Grantor's heirs, successors, and assigns; and Grantee, its successors and assigns.

7.17. Notices. Except as provided below, any notice required by or sent pursuant to this Easement shall be sent by registered or certified mail, return receipt requested, to the following addresses or such addresses as may be specified in writing:

GRANTOR

Vance B. Grannis, Jr. and Darlene R. Grannis
9249 Barnes Avenue East
Inver Grove Heights, MN 55077
651-457-4448
swanmama@aol.com

GRANTEE

Alan Singer
Land Conservation Manager, or successor
Dakota County
14955 Galaxie Avenue
Apple Valley, MN 55124
952-891-7001
al.singer@co.dakota.mn.us

However, notice provided by Grantee, or Grantee's designated representative, in exercising its right of entry under Section 6.2 of this Easement may be made to the Grantor either in writing or verbally, at the discretion of Grantee. Grantor shall provide notice of any subsequent transfer in accordance with the provisions of Section 7.6 of this Easement.

7.18. Severability. Each provision of this Easement is severable from any other provision of this Easement. 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 and the application of such provisions to persons or circumstances other than those as to which it is found to be invalid shall not be affected thereby.

7.19. Liberal Construction. Any general rule of construction to the contrary notwithstanding, this Easement shall be liberally construed in favor of the grant to affect the purpose of this Easement and the policy and purpose of Minnesota Statutes Chapter 84C and Section 97A.056. 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.

7.20. Future Economic Condition. A change in the potential economic value of any use that is prohibited by or inconsistent with this Easement, or any change in any current or future uses of adjacent or nearby properties, shall not constitute a change in the conditions that make it impossible or impractical for preserving and protecting the Conservation Values of the Protected Property and fulfilling the intent of this Easement, and shall not constitute grounds for extinguishing this Easement.

7.21. Entire Agreement. This instrument sets forth the entire agreement of the parties with respect to this Easement and supersedes all prior discussion, negotiations, understandings, or agreements relating to this Easement, all of which are merged herein. The Grantor agrees to execute or provide any additional documents reasonably needed by Grantee to carry out in perpetuity the provisions and the intent of this Easement, including but not limited to any documents needed to correct any error or mutual mistake, legal description or title matter or to comply with any Federal, State, or local law, rule or regulation.

7.22. Opportunity to Review with Legal Counsel. Grantor has had an opportunity to review the terms of this Easement with Grantor's own legal counsel, whether Grantor has elected to consult with counsel or not. Grantor has read and understands the terms of this Easement and agrees to be bound by its terms.

7.23. Termination of Rights and Obligations. A party's rights and obligations under this Easement terminate upon transfer of the party's interest in this Easement or Protected Property, except that liability for acts or omissions prior to transfer shall survive transfer.

7.24. No Merger. Should Grantee acquire fee title to the Protected Property, no merger shall occur and this Easement and the fee shall continue to be managed as separate estates.

7.25. Counterparts. This Easement may be executed in one or more counterparts and will become effective when one or more of the counterparts have been signed by each of Grantees and Grantors.

7.26. Consolidation. It is the intention of Grantor and Grantee to consolidate the separate conservation easements on Protected Property owned by Grantor.

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TO HAVE AND TO HOLD the above-described Easement to the use, benefit and behalf of Grantee, its successors and assigns forever.

IN WITNESS WHEREOF, Grantor and Grantee have executed this Permanent Natural Area Conservation Easement this _____ day of _____, 2016.

GRANTOR

Vance B. Grannis, Jr.

Darlene R. Grannis,

STATE OF MINNESOTA)
)SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2016, by Vance B. Grannis, Jr., and Darlene R. Grannis, husband and wife, who being duly sworn, represent and warrants that they are authorized by law to execute this Easement, intending to be legally bound thereon.

Notary Public

David L. Grannis III
(AKA David L. Grannis)

Joyce Grannis,

STATE OF MINNESOTA)
)SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2016, by David L. Grannis III (AKA David L. Grannis) and Joyce Grannis, husband and wife, who being duly sworn, represent and warrants that they are authorized by law to execute this Easement, intending to be legally bound thereon.

Notary Public

Susan O'Brien

STATE OF MINNESOTA)
)SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2016, by, Susan O'Brien, a single person, who being duly sworn, represent and warrants that she is authorized by law to execute this Easement, intending to be legally bound thereon.

Notary Public

Dakota County Land Conservation Program

Legal Description of Conservation Easement II on the Vance B. Grannis Jr., Darlene R. Grannis, David L. Grannis III (AKA David L. Grannis), Joyce Grannis and Susan O'Brien Property

A permanent natural area conservation easement over and across the following described property:

The South one-half (1/2) of the South one-half (1/2) of the Southwest ¼ of the Southwest ¼ and that part of the Southwest ¼ of the Southeast ¼ of the Southwest ¼ lying Westerly of the centerline of the German Road (now known as Barnes Avenue East) all in Section 16, Township 27, Range 22; also described as The South one-half (1/2) of Lots 11 and 12 and that part of Lot 15 lying Westerly of the centerline of the German Road (now known as Barnes Avenue East), all in the Southwest ¼ of Section 16, Township 27, Range 22. EXCEPTING therefrom the easterly 75.00 feet for public road purpose.

AND

The Northwest Quarter of the Northwest Quarter of Section 21, Township 27 North, Range 22 West, Dakota County, Minnesota, EXCEPT the West 700 feet of the South 100 feet thereof and also EXCEPTING that part of said Northwest Quarter of the Northwest Quarter lying east of the following described line: Beginning at a point on the north line of said Section 21, distant 987.75 feet east of the northwest corner of said Section 21, thence sight east along said north line and deflect to the right 90 degrees 50 minutes a distance of 1309.52 feet to the south line of said Northwest Quarter of the Northwest Quarter and said line there terminating.

AND

The Northeast ¼ of the Northeast ¼ of Section 20, Township 27, Range 22 EXCEPT that part of the NE ¼ of the NE ¼ of Section 20, Township 27N, Range 22W, Dakota County, Minnesota, lying Northerly, Northeasterly and Northwesterly of the following described line:

Commencing at the Northwest corner of said E ½ of the NE ¼; thence southerly, along the west line of said E ½, a distance of 600.00 feet to the point of beginning of the line to be described; thence easterly, parallel with the north line of said E 1/2, a distance of 300.00 feet; thence southeasterly 550 feet, more or less, to a point which is 750.00 feet east of the west line of said E ½ (measured parallel with said north line) and 1025.00 feet south of said north line (measured at a right angle to said north line); thence northeasterly 900.00 feet, more or less, to a point on the east line of said E 1/2, which point is 300.00 feet south of the NE corner of said E ½ (measured along said east line) and there terminating.

And EXCEPT the South 100 feet of the East 565 feet of the North ½ of the Northeast ¼ of Section 20, Township 27, Range 22;

And EXCEPT Five acres in the southwest corner of the Northeast Quarter of the Northeast Quarter of said Section 20, the west and south lines of which are the west and south line of said Northeast Quarter of the Northeast Quarter respectively and which five acre parcel forms a parallelogram having four equal sides.

AND

Together with that part of the Southeast Quarter of the Northeast Quarter of Section 20, Township 27 North, Range 22 West, Dakota County, Minnesota lying south of the north 950.00 feet thereof and easterly of the following described line: Commencing at the southwest corner of said Southeast Quarter of the Northeast Quarter; thence easterly to the southeast corner of the West Half of said Southeast Quarter of the Northeast Quarter, said point being the point of beginning of the line to be described; thence northerly at a right angle 110.00 feet; thence North 36 degrees 42 minutes 10 seconds East

(assuming the west line of said Southeast Quarter of the Northeast Quarter has a bearing of North 00 degrees 11 minutes 35 seconds East) to the south line of the north 990.00 feet of said Southeast Quarter of the Northeast Quarter; thence northerly at a right angle to said south line of the north 990.00 feet, to the south line of the north 950.00 feet of said Southeast Quarter of the Northeast Quarter and there terminating.

AND

The East 565.00 feet of the South 100.00 feet of the North Half of the Northeast Quarter of Section 20, Township 27 North, Range 22 West, Dakota County, Minnesota and the East 565.00 feet of the North 950.00 feet of the South Half of the Northeast Quarter of Section 20, Township 27 North, Range 22 West, Dakota County, Minnesota EXCEPTING therefrom the following described parcel:

Beginning at the northeast corner of said South Half of the Northeast Quarter of Section 20; thence North 89 degrees 48 minutes 48 seconds West on an assumed bearing along the north line of said South Half of the Northeast Quarter, a distance of 116.48 feet; thence South 00 degrees 11 minutes 18 seconds East a distance of 261.97 feet; thence South 39 degrees 36 minutes 04 seconds West a distance of 208.63 feet; thence South 00 degrees 11 minutes 18 seconds East a distance of 176.86 feet; thence South 89 degrees 48 minutes 48 seconds East a distance of 250.01 feet to the east line of said South Half of the Northeast Quarter of Section 20; thence North 00 degrees 11 minutes 18 seconds West a distance of 600.01 feet to the point of beginning.

AND

That part of the E $\frac{1}{2}$ of the NE $\frac{1}{4}$ of Section 20, Township 27N, Range 22W, Dakota County, Minnesota, lying Northerly, Northeasterly and Northwesterly of the following described line:

Commencing at the Northwest corner of said E $\frac{1}{2}$ of the NE $\frac{1}{4}$; thence southerly, along the west line of said E $\frac{1}{2}$, a distance of 600.00 feet to the point of beginning of the line to be described; thence easterly, parallel with the north line of said E $\frac{1}{2}$, a distance of 300.00 feet; thence southeasterly 550 feet, more or less, to a point which is 750.00 feet east of the west line of said E $\frac{1}{2}$ (measured parallel with said north line); and 1025.00 feet south of said north line (measured at a right angle to said north line); thence northeasterly 900.00 feet, more or less, to a point on the east line of said E $\frac{1}{2}$, which point is 300.00 feet south of the NE corner of said E $\frac{1}{2}$ (measured along said east line) and there terminating.

AND

That part of the South Half of the Northwest Quarter of Section 21, Township 27 North, Range 22 West, Dakota County, Minnesota described as follows:

Beginning at a point on the west line of the Northwest Quarter of said Section 21, distant 356.18 feet northerly of the southwest corner thereof; thence North 00 degrees 32 minutes 38 seconds West on an assumed bearing along the west line of said Northwest Quarter, a distance of 950.05 feet to the northwest corner of the South Half of the Northwest Quarter of said Section 21; thence North 88 degrees 52 minutes 14 seconds East along the north line of the South Half of said Northwest Quarter, a distance of 1603.00 feet to the centerline of C.S.A.H. No. 73 (Barnes Avenue); thence South 16 degrees 10 minutes 07 seconds West along said centerline, a distance of 617.58 feet; thence South 88 degrees 52 minutes 14 seconds West a distance of 485.98 feet; thence South 46 degrees 22 minutes 00 seconds West a distance of 176.19 feet; thence South 88 degrees 52 minutes 14 seconds West a distance of 310.77 feet; thence South 29 degrees 54 minutes 00 seconds West a distance of 132.36 feet; thence South 45 degrees 24 minutes 00 seconds West a distance of 185.89 feet; thence South 88 degrees 52 minutes 14 seconds West a distance of 299.30 feet to the point of beginning EXCEPTING therefrom the easterly 75.00 feet for public road purposes and also EXCEPTING therefrom that part lying northerly of the following described line: Commencing at the southwest corner of said Northwest Quarter of Section 21; thence North 00 degrees 32 minutes 38 seconds West on an assumed bearing along the west line of said Northwest Quarter, a distance of 873.13 feet to the point of beginning of the line to be described; thence North 39 degrees 14 minutes 44 seconds East a distance of 227.18 feet; thence North 88 degrees 52 minutes 14 seconds East a distance of 154.62 feet; thence North 47 degrees 04 minutes 30 seconds

East a distance of 277.58 feet; thence North 88 degrees 52 minutes 14 seconds East a distance of 1075.34 feet to said centerline of C.S.A.H. No. 73 (Barnes Avenue) and said line there terminating.

Together with the west 700.00 feet of the south 100.00 feet of the North Half of the Northwest Quarter of Section 21, Township 27, Range 22, Dakota County, Minnesota.

Easement Area = 108.7 acres

Legal Description of the Portion of Conservation Easement II Jointly Owned by Vance B. Grannis Jr. and Darlene R. Grannis; David L. Grannis III (AKA David L. Grannis) and Joyce Grannis; and Susan O'Brien

The South one-half (1/2) of the South one-half (1/2) of the Southwest ¼ of the Southwest ¼ and that part of the Southwest ¼ of the Southeast ¼ of the Southwest ¼ lying Westerly of the centerline of the German Road (now known as Barnes Avenue East) all in Section 16, Township 27, Range 22; also described as The South one-half (1/2) of Lots 11 and 12 and that part of Lot 15 lying Westerly of the centerline of the German Road (now known as Barnes Avenue East), all in the Southwest ¼ of Section 16, Township 27, Range 22. EXCEPTING therefrom the easterly 75.00 feet for public road purpose.

AND

The Northwest Quarter of the Northwest Quarter of Section 21, Township 27 North, Range 22 West, Dakota County, Minnesota, EXCEPT the West 700 feet of the South 100 feet thereof and also EXCEPTING that part of said Northwest Quarter of the Northwest Quarter lying east of the following described line: Beginning at a point on the north line of said Section 21, distant 987.75 feet east of the northwest corner of said Section 21, thence sight east along said north line and deflect to the right 90 degrees 50 minutes a distance of 1309.52 feet to the south line of said Northwest Quarter of the Northwest Quarter and said line there terminating.

AND

The Northeast ¼ of the Northeast ¼ of Section 20, Township 27, Range 22 EXCEPT that part of the NE ¼ of the NE ¼ of Section 20, Township 27N, Range 22W, Dakota County, Minnesota, lying Northerly, Northeasterly and Northwesterly of the following described line:

Commencing at the Northwest corner of said E ½ of the NE ¼; thence southerly, along the west line of said E ½, a distance of 600.00 feet to the point of beginning of the line to be described; thence easterly, parallel with the north line of said E 1/2, a distance of 300.00 feet; thence southeasterly 550 feet, more or less, to a point which is 750.00 feet east of the west line of said E ½ (measured parallel with said north line) and 1025.00 feet south of said north line (measured at a right angle to said north line); thence northeasterly 900.00 feet, more or less, to a point on the east line of said E 1/2, which point is 300.00 feet south of the NE corner of said E ½ (measured along said east line) and there terminating.

And EXCEPT the South 100 feet of the East 565 feet of the North ½ of the Northeast ¼ of Section 20, Township 27, Range 22;

And EXCEPT Five acres in the southwest corner of the Northeast Quarter of the Northeast Quarter of said Section 20, the west and south lines of which are the west and south line of said Northeast Quarter of the Northeast Quarter respectively and which five acre parcel forms a parallelogram having four equal sides.

AND

Together with that part of the Southeast Quarter of the Northeast Quarter of Section 20, Township 27 North, Range 22 West, Dakota County, Minnesota lying south of the north 950.00 feet thereof and easterly of the following described line: Commencing at the southwest corner of said Southeast Quarter

of the Northeast Quarter; thence easterly to the southeast corner of the West Half of said Southeast Quarter of the Northeast Quarter, said point being the point of beginning of the line to be described; thence northerly at a right angle 110.00 feet; thence North 36 degrees 42 minutes 10 seconds East (assuming the west line of said Southeast Quarter of the Northeast Quarter has a bearing of North 00 degrees 11 minutes 35 seconds East) to the south line of the north 990.00 feet of said Southeast Quarter of the Northeast Quarter; thence northerly at a right angle to said south line of the north 990.00 feet, to the south line of the north 950.00 feet of said Southeast Quarter of the Northeast Quarter and there terminating.

Area = 55.2 acres

Legal Description of the Portion of Conservation Easement II Owned by Vance B Grannis Jr. and Darlene R. Grannis

The East 565.00 feet of the South 100.00 feet of the North Half of the Northeast Quarter of Section 20, Township 27 North, Range 22 West, Dakota County, Minnesota and the East 565.00 feet of the North 950.00 feet of the South Half of the Northeast Quarter of Section 20, Township 27 North, Range 22 West, Dakota County, Minnesota EXCEPTING therefrom the following described parcel:

Beginning at the northeast corner of said South Half of the Northeast Quarter of Section 20; thence North 89 degrees 48 minutes 48 seconds West on an assumed bearing along the north line of said South Half of the Northeast Quarter, a distance of 116.48 feet; thence South 00 degrees 11 minutes 18 seconds East a distance of 261.97 feet; thence South 39 degrees 36 minutes 04 seconds West a distance of 208.63 feet; thence South 00 degrees 11 minutes 18 seconds East a distance of 176.86 feet; thence South 89 degrees 48 minutes 48 seconds East a distance of 250.01 feet to the east line of said South Half of the Northeast Quarter of Section 20; thence North 00 degrees 11 minutes 18 seconds West a distance of 600.01 feet to the point of beginning.

AND

That part of the E $\frac{1}{2}$ of the NE $\frac{1}{4}$ of Section 20, Township 27N, Range 22W, Dakota County, Minnesota, lying Northerly, Northeasterly and Northwesterly of the following described line:

Commencing at the Northwest corner of said E $\frac{1}{2}$ of the NE $\frac{1}{4}$; thence southerly, along the west line of said E $\frac{1}{2}$, a distance of 600.00 feet to the point of beginning of the line to be described; thence easterly, parallel with the north line of said E $\frac{1}{2}$, a distance of 300.00 feet; thence southeasterly 550 feet, more or less, to a point which is 750.00 feet east of the west line of said E $\frac{1}{2}$ (measured parallel with said north line); and 1025.00 feet south of said north line (measured at a right angle to said north line); thence northeasterly 900.00 feet, more or less, to a point on the east line of said E $\frac{1}{2}$, which point is 300.00 feet south of the NE corner of said E $\frac{1}{2}$ (measured along said east line) and there terminating.

AND

That part of the South Half of the Northwest Quarter of Section 21, Township 27 North, Range 22 West, Dakota County, Minnesota described as follows:

Beginning at a point on the west line of the Northwest Quarter of said Section 21, distant 356.18 feet northerly of the southwest corner thereof; thence North 00 degrees 32 minutes 38 seconds West on an assumed bearing along the west line of said Northwest Quarter, a distance of 950.05 feet to the northwest corner of the South Half of the Northwest Quarter of said Section 21; thence North 88 degrees 52 minutes 14 seconds East along the north line of the South Half of said Northwest Quarter, a distance of 1603.00 feet to the centerline of C.S.A.H. No. 73 (Barnes Avenue); thence South 16 degrees 10 minutes 07 seconds West along said centerline, a distance of 617.58 feet; thence South 88 degrees 52 minutes 14 seconds West a distance of 485.98 feet; thence South 46 degrees 22 minutes 00 seconds West a distance of 176.19 feet; thence South 88 degrees 52 minutes 14 seconds West a distance of 310.77 feet; thence South 29 degrees 54 minutes 00 seconds West a distance of 132.36 feet; thence

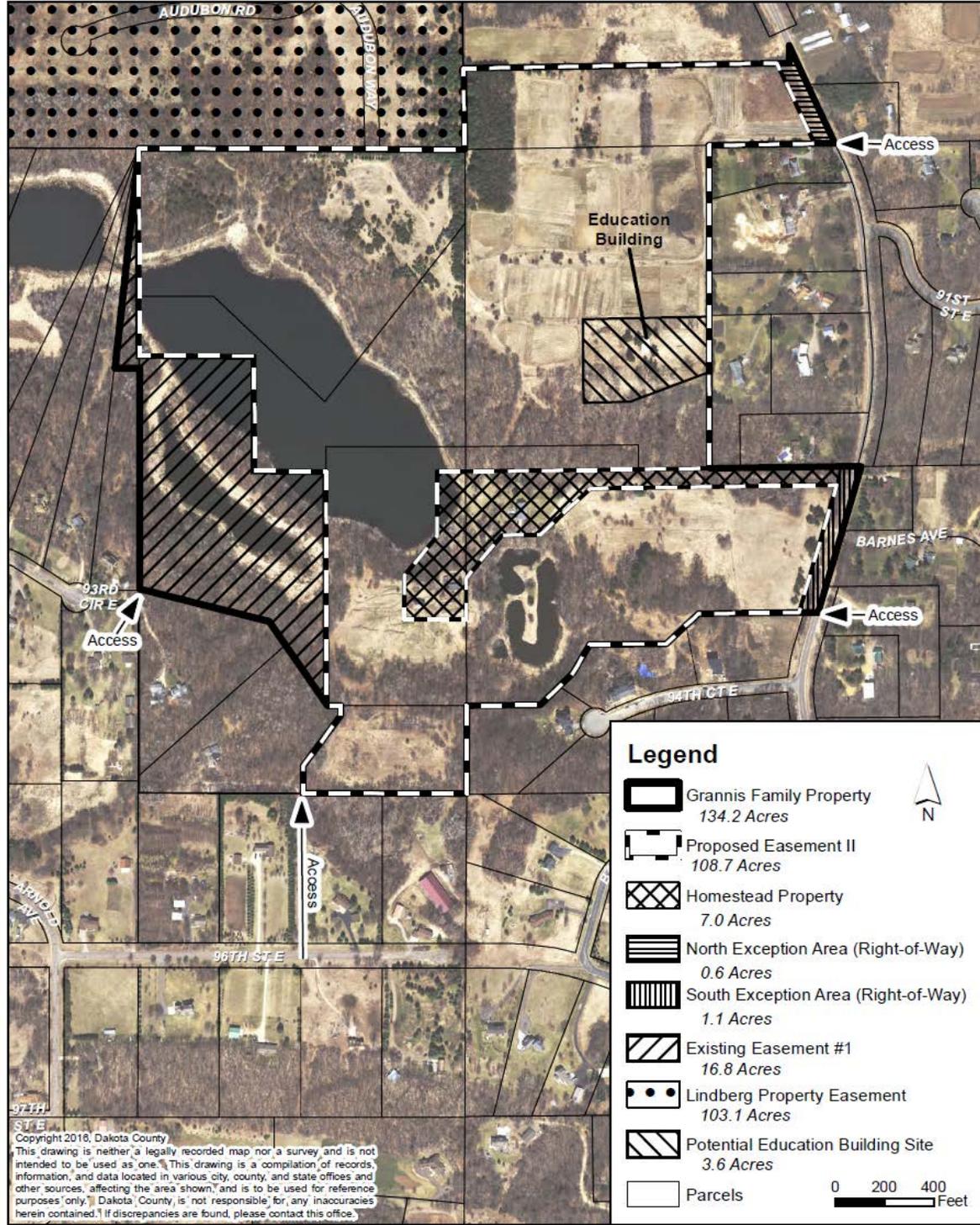
South 45 degrees 24 minutes 00 seconds West a distance of 185.89 feet; thence South 88 degrees 52 minutes 14 seconds West a distance of 299.30 feet to the point of beginning EXCEPTING therefrom the easterly 75.00 feet for public road purposes and also EXCEPTING therefrom that part lying northerly of the following described line: Commencing at the southwest corner of said Northwest Quarter of Section 21; thence North 00 degrees 32 minutes 38 seconds West on an assumed bearing along the west line of said Northwest Quarter, a distance of 873.13 feet to the point of beginning of the line to be described; thence North 39 degrees 14 minutes 44 seconds East a distance of 227.18 feet; thence North 88 degrees 52 minutes 14 seconds East a distance of 154.62 feet; thence North 47 degrees 04 minutes 30 seconds East a distance of 277.58 feet; thence North 88 degrees 52 minutes 14 seconds East a distance of 1075.34 feet to said centerline of C.S.A.H. No. 73 (Barnes Avenue) and said line there terminating.

Together with the west 700.00 feet of the south 100.00 feet of the North Half of the Northwest Quarter of Section 21, Township 27, Range 22, Dakota County, Minnesota.

Area = 53.5 acres

Dakota County Land Conservation Program

General Depiction of Conservation Easement II and Access on the Vance B. Grannis Jr., Darlene R. Grannis, David L. Grannis III (AKA David L. Grannis), Joyce Grannis and Susan O'Brien Property



Dakota County Land Conservation Program

Legal Description of the Existing Education Building, Parking Lot and Potential Future Educational Facility Within Conservation Easement II on the Vance B. Grannis Jr., Darlene R. Grannis, David L. Grannis III (AKA David L. Grannis), Joyce Grannis and Susan O'Brien Property

Part of the Northwest Quarter of the Northwest Quarter of Section 21, Township 27 North, Range 22 West, Dakota County, Minnesota described as follows:

Commencing at a point on the north line of said Section 21, distant 987.75 feet east of the northwest corner of said Section 21, thence sight east along said north line and deflect to the right 90 degrees 50 minutes a distance of 695.07 feet to the point of beginning of the parcel to be described:

thence continuing on said previous described line a distance of 225.02 feet;

thence South 69 degrees 22 minutes 01 seconds West a distance of 341.66 feet;

thence South 89 degrees 02 minutes 10 seconds West a distance of 190.00 feet;

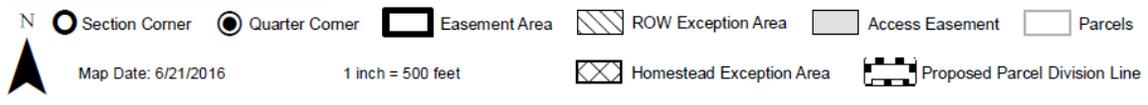
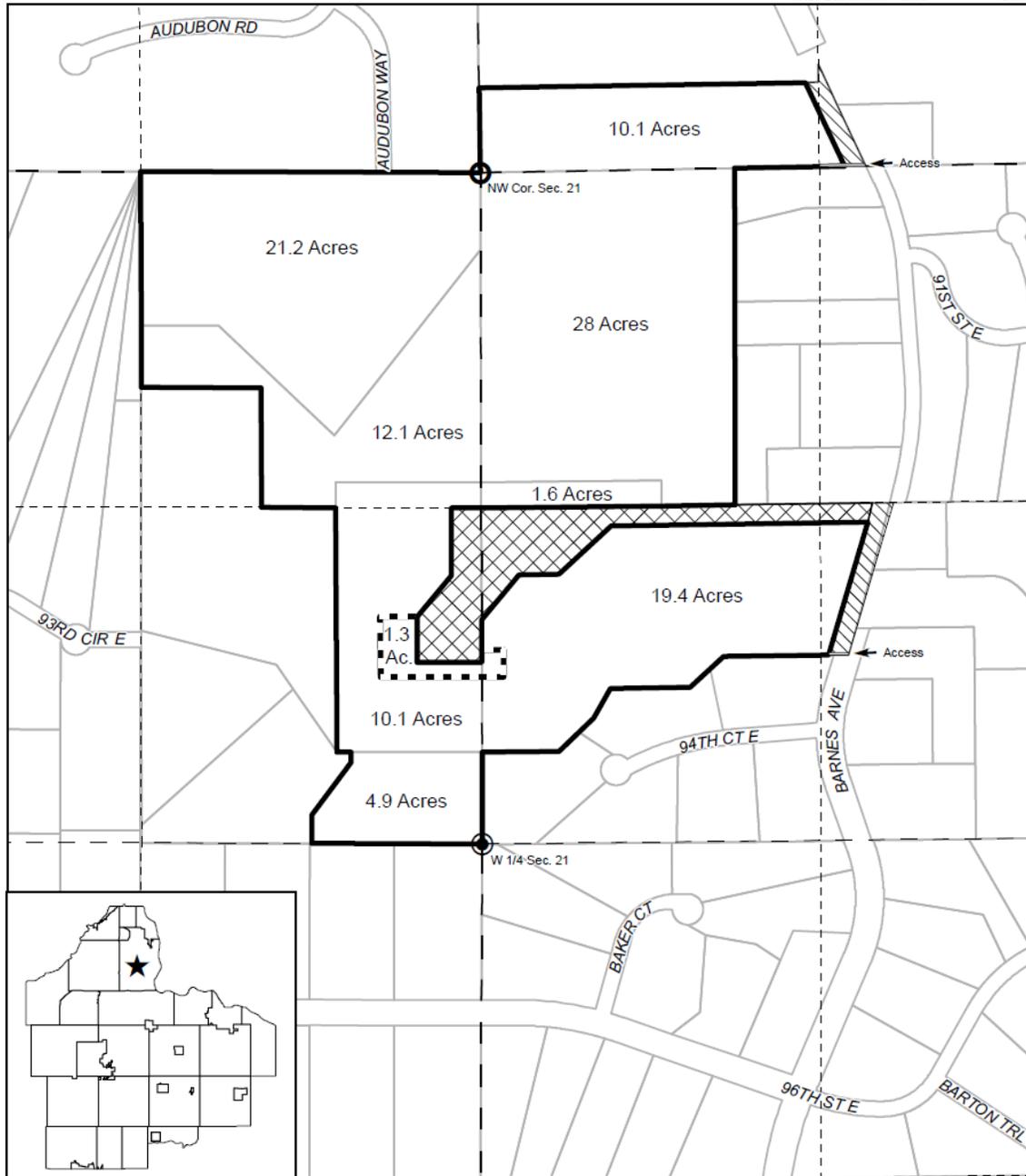
thence North 00 degrees 07 minutes 50 seconds West a distance of 340.04 feet;

thence North 89 degrees 02 minutes 10 seconds East a distance of 510.05 feet to the point of beginning.

Dakota County Land Conservation Program

General Depiction of the Planned Subdivision of Conservation Easement II on the Vance B. Grannis Jr., Darlene R. Grannis, David L. Grannis III (AKA David L. Grannis), Joyce Grannis and Susan O'Brien Property

PLS Section 16, 20 & 21, 027-22
Total Easement Acres 108.7



Dakota County Land Conservation Program

**Legal Description of the Access to the Portion of Conservation Easement II
Jointly Owned by Vance B. Grannis Jr., Darlene R. Grannis, David L. Grannis III
(AKA David L. Grannis), Joyce Grannis and Susan O'Brien**

A permanent easement for access purposes over and across the south 10.00 feet of the Southeast Quarter of the Southwest Quarter of Section 16, Township 27 North, Range 22 West Dakota County, Minnesota lying westerly of the centerline of C.S.A.H. No. 73 (Barnes Avenue).

Area = 0.6 Acres

**Legal Description of the Access to the Portion of Conservation Easement II
Owned by Vance B. Grannis Jr., Darlene R. Grannis**

A permanent easement for access purposes over and across part of the Northwest Quarter of Section 21, Township 27 North, Range 22 West Dakota County, Minnesota described as follows:

A 10.00 foot wide strip of land in said Northwest Quarter lying northerly of and contiguous to the plat of Shamrock Oaks, according the recorded plat thereof, Dakota County, Minnesota, and lying westerly of the centerline of C.S.A.H. No. 73 (Barnes Avenue) and lying easterly of a line 75.00 feet westerly of and parallel to said centerline of C.S.A.H. No. 73 (Barnes Avenue).

Area = 1.1 Acres

Summary of Grannis Family Property Acquisition

June 23, 2016

Purchase Agreement

- Acquisition of a 108.7-acre permanent natural area conservation easement which includes:
 - An existing 1,500-square foot educational building for seasonal use.
 - A 3.6-acre designated area that includes the educational building small parking lot and allows the construction of a future educational facility
- Acquisition cost is \$3.9M based on an appraisal completed by the County and the Grannis Family with an effective date of September 15, 2016. Based on that appraisal and a subsequent appraisal with a more contemporary effective date completed by the Grannis Family the acquisition cost reflects a significant landowner donation.
- The County pays no more than \$1M plus an estimated \$15K in closing costs
- The Purchase Agreement is contingent on two additional requirements:
 - ✓ DNR needs to approve that the value of the easement is at least \$3.9M. The most recent discussions with the appraiser and the DNR review appraiser are that the revisions will be completed within the next few days and there should not be any issues.
 - ✓ The funding for the acquisition will be provided by a combination of state Outdoor Heritage (OH) funds and the County. There is currently \$1.6M approved by the LSOHC. The County has now submitted all of the required materials to the LSOHC to reallocate an additional \$1.3M of OH funds for this project which will be considered at the June 29, 2016, LSOHC meeting.
- Option for the County to acquire fee title to the land covered by the 108.7-acre easement and the previously acquired 16.8-acre easement property, within eight years of easement acquisition date.
 - ✓ County ownership provisional upon an opinion from the County Attorney's Office or legislative revision to state statute currently limiting the County from owning non-park conservation lands
 - ✓ Cost of fee acquisition would be based on the appraised value of the existing educational building less any donated improvements.
 - ✓ County pays all closing costs
 - ✓ County pays for any "Green Acres" deferred taxes estimated to be \$50K if fee title is acquired within three years.
- Restrictions on the 7.0-acre Homestead property not included in the easement:
 - ✓ Owners will follow the general the same general Easement restrictions on the property.
 - ✓ Allows Vance and Darlene Grannis, their daughter and granddaughter to own and occupy the Homestead Property until 2076 or until they are no longer able or interested in residing there.
 - ✓ Current house cannot be enlarged by more than ten percent, excluding a new garage
 - ✓ If family members are no longer using the Homestead Property, a non-profit nature center organization can own the homestead and use it for educational purposes as restricted by the Easement terms.
- Option for the County to acquire the Homestead Property at such time as the other requirements are no longer viable, with the cost determined by an appraisal of the property prepared by an appraiser mutually agreeable to both parties. Said appraisal will not include the surrounding protected land for the purposes of determining value.

Conservation Easement

- Specifically allows public entry onto land for education and passive recreational purposes that do not contradict the conservation intent of the Easement or the NRMP
- Landowner commits to providing up to \$50,000 in cash or in-kind services to implement the NRMP
- If the County acquires fee title the easement remains as a separate estate from fee title to ensure County compliance with the terms of the Easement
- Other standard easement terms

Operating Agreement

- Allow Vance and Darlene Grannis and Darvan Acres Outdoor Skills and Environmental Education Center to provide environmental education programming on the Easement land
- Will cooperate with the County in facilitating County environmental and education outdoor programs on the property
- Mutual insurance and indemnification terms
- County membership in a future Board of Advisors
- Provides a process for periodically amending the NRMP
- The NRMP will address the relationship between the County and any environmental education entity operating on the Easement land
- Allows , but does not require the County to assist with the provision of materials such as wood chips , composts gravel to assist with public use
- Allows Bees Knees to teach bee and hive maintenance education classes on the Easement land for five years
- Allows Wildlife Rehabilitation Center of Minnesota to release wildlife on the easement land for up to five years
- Allows "Black Jack" to be pastured on a designated area on the Easement property
- Allows SE Asian farmers to continue to use ~16 designated acres for agricultural purposes through November 2016 according to current annual leases which would not be renewed

Schedule

- DNR Appraisal Review Approval
- June 29, 2016, LSOHC meeting and decision on budget amendment request
- The closing has been scheduled for June 30, 2016, and we continue to be on track to complete all of the necessary documents including:
 - 1) Contingent Purchase Agreement
 - 2) Conservation Easement Deed
 - 3) Funding Restriction (OH requirement)
 - 4) Option to Purchase Agreement
 - 5) Operating Agreement
 - 6) Property Report
 - 7) Environmental Assessment
 - 8) Preliminary NRMP
 - 9) Memo to Record Option Agreement