

The terms of the easement are summarized from the Baseline Agreement provided to the appraiser by the Landmark Conservancy.

The Purpose of this Easement is to preserve the Protected Property in perpetuity in its predominantly natural and open space condition, and to prevent any use of the Protected Property that will adversely impact or interfere with its Conservation Values. The Landowner intends that this Easement will confine the use of the Protected Property to activities that are consistent with the Purpose of the Easement.

It is furthermore specifically the purpose of this Conservation Easement to:

- 1.1 Protect relatively natural habitat for fish, wildlife, and flora;**
- 1.2 Restrict development of the Protected Property, which will help protect the habitat of the Eau Galle River watershed;**
- 1.3 Conserve and manage certain agricultural lands on the Protected Property in such manner that it creates surrogate wildlife habitat and compliments adjacent natural habitat.**
- 1.4 Allow for traditional agricultural use in suitable areas.**

The terms and conditions of the easement, including the permitted and prohibited uses, are more fully described in the conservation easement that is included in its entirety in the addendum of the report.

To analyze the property in the After Condition as encumbered by the easement, an analysis of the entire property is made subject to the rights remaining in the property after the easement is in place.

The restrictions of the easement are defined in Section 2 of the easement.

Restrictions, Prohibited Uses and Certain Reserved Rights of the Landowner.

Any activity on or use of the Protected Property inconsistent with the Purpose of this Easement is prohibited. Landowner will follow applicable local, county, state, and federal laws as well as Best Management Practices when exercising reserved rights below. Without limiting the generality of the foregoing, the following provisions identify activities and uses that are expressly prohibited and some rights that are expressly reserved to the Landowner:

2.1 Animals and Animal Management. There shall be no intentional introduction, removal, or collection of any wild animals without the written approval of the Easement Holder, except that Landowner and his/her guests may take species thereon as allowed under state law. The Protected Property may not be used as a game farm, shooting preserve, fur farm or deer farm, licensed under Chapter 169 of the Wisconsin Statutes, as that Chapter may be amended from time to time.

Poultry, cattle, horses and other livestock shall not be allowed on the Property for any purpose, (except as provided below).

Livestock. All grazing of livestock must be conducted in accordance with generally accepted agricultural practices and sound husbandry principles within the Agricultural Zone and within non-forested and non-wetland areas of the Conservation Zone on the Protected Property, and in accordance with a Grazing Plan that has been approved by

the Easement Holder. Livestock are only permitted on the Protected Property following Landowner's receipt of written approval from the Easement Holder. No livestock shall be permitted to graze in substantially forested areas of the Conservation Zone on the Protected Property, except as may be permitted by the Easement Holder following receipt, review and approval of a Grazing Plan. No livestock shall be permitted to graze in the Resource Protection Zone.

Evidence of overgrazing, noncompliance or inadequacies in the Grazing Plan would include adverse impacts to the Conservation Values of the Protected Property and may include erosion, inability of forage to recover over large areas, and confinement areas impacting sensitive natural resources such as steep slopes, springs or wetlands.

Equestrian Use. Equestrian use of the Protected Property is permitted, provided that there are no adverse impacts to the Conservation Values. Adverse impacts may include deep ruts, heavy erosion or manure management issues. Horses may be kept or stored on the Protected Property consistent with the provision in paragraph 2.1(a), **Livestock.**

For the purposes of this Easement, livestock means farm animals that are kept for human use or raised for sale or profit, including, but not limited to, bovine animals, sheep, goats, swine, poultry, llamas, ostriches, emus and equine animals. Livestock does not include small domestic pets, such as dogs and cats that are customarily permitted by local ordinance.

2.2 Buildings, Structures and Other Improvements. No temporary or permanent buildings may be placed, installed, or constructed on the Protected Property except as set forth below. Additionally, notice is hereby given that the Landowner has the obligation, in addition to local ordinances, permitting and previously recorded easements of record, to comply with current state erosion control and storm water regulations pertaining to the placement, installation, construction and maintenance of buildings, structures and other improvements on the Protected Property.

Fences. Fencing may be constructed to mark boundaries and secure the Protected Property, or as needed to carry out activities permitted in this Easement.

Signs. No billboards or other signs may be placed or erected on the Protected Property except for small, unlighted signs.

- a. **Trails.** Trails and their associated infrastructure may be established and maintained on the Protected Property, provided there are no adverse impacts to the Conservation Values of the Protected Property. Some indications of adverse impacts are erosion, rutting, washouts, stream bank and wetland damage, siltation in water bodies, and/or disturbance and/or destruction of a natural community. All trails shall have a pervious surface of natural materials.
- b. **Roads and Driveways.** No improved roads or driveways may be constructed or established on the Protected Property. For the purpose of this Easement, improved roads are considered corridors of variable width, which are routinely used and accessed by vehicular traffic and contain surface improvements such as pavement or concrete. Unimproved roads to facilitate agriculture or timber harvest may be permitted, provided all other Easement terms apply.
- c. **Buildings.** The following buildings are permitted on the Protected Property.
 - (i) **Rustic cabin.** A rustic cabin is permitted in the NW $\frac{1}{4}$ of the NW $\frac{1}{4}$ of Section 33. The rustic cabin shall contain no plumbing, septic, or utilities, and is not intended for year-round use or residency.

- (ii) Temporary agricultural structures. Temporary agricultural structures necessary and incidental to permitted agricultural use within agricultural areas of the Protected Property are permitted. Such structures may include but are not limited to livestock feeders and watering structures. For the purpose of this Easement, temporary refers to minimal structures which have the ability to be moved or removed from the Protected Property with minimal effort, and without impact to the Conservation Values of the Protected Property.
 - d. Minor structures. Minor structures such as but not limited to benches, bat and birdhouses, and observation blinds for wildlife observation and hunting are permitted, provided they do not contain foundations or permanent amenities and are considered temporary in that they can be easily moved or removed from the Protected Property with minimal difficulty.
 - e. Bridges and boardwalks. Bridges, boardwalks, culverts and similar structures to facilitate the use of permitted roads and trails crossing low-lying areas on the Protected Property are permitted, provided they meet all local, county and state requirements, and do not compromise or degrade water resources.
 - f. Ponds and wetland scrapes. Ponds and wetland scrapes or enhancements are permitted in the Agricultural Zone and within limited areas of the Conservation Zone with the written permission of the Easement Holder. Land management / improvements which adds, enhances or protects the ecological and/or wildlife habitat to the Property will generally permitted. These improvements may include, but are not limited to storm water management improvements, wetland scrapes, shallow ponds, erosion control structures, water impoundment, and associated maintenance.
- 2.3 Commercial, Residential and Industrial Uses. Use of the Protected Property for commercial, residential or industrial purposes is prohibited, except as specifically permitted in paragraph 2.1a, Livestock, 2.8c(i), Timber Harvest, 2.8e, Agricultural Operations, and paragraph 3.3, Cottage Industries.
- 2.4 Dumping. There shall be no dumping or storage on or under the Protected Property of any trash, garbage, construction materials, sewage, ashes, manure, trees, hazardous or toxic materials, discarded or salvageable materials such as junk cars, or other unsightly or offensive material. There shall also be no dumping or stockpiling of any soil, sawdust, gravel, or sand. This is not intended to prohibit composting excess brush or other plant material generated on the Protected Property by activities permitted in this Easement.
- 2.5 Mining. There shall be no mining, drilling, exploring for, excavation or removal of any metallic or non-metallic minerals, silt, sand, peat, gravel, aggregate, petroleum, fossil fuels or any similar materials on or from the Protected Property.
- 2.6 Topography and Surface Alteration. There shall be no alteration of the surface of the Protected Property, including, without limitation, ditching, draining, diking, tiling, filling, or leveling, except as incidental to activities or uses specifically permitted in this Easement. If soil or other material is moved or removed for such permitted uses, disturbed areas shall be localized and limited, and shall not be irretrievably destructive of Conservation Values. Disturbed areas shall be promptly re-vegetated and remediated in a timely manner.
- 2.7 Subdivision, Extinguishment of Development Rights, and Density.
- a. The Protected Property shall not be subdivided into smaller parcels, whether through legal or de facto subdivision, including division

through the creation of condominiums, site leases or other means, except as specifically described below.

Notwithstanding, the Protected Property may be divided and conveyed in four (4) Tracts as depicted on the Tract Map in Exhibit B-2, attached to this Easement and incorporated by this reference. Each of the four (4) tracts shall not be further divided. Two or more tracts can be conveyed simultaneously to the same entity. Each of the four (4) tracts are described as follows:

Tract 1: All that part of the Protected Property located in Section 30, as depicted in Exhibit B-2.

Tract 2: All that part of the Protected Property located in Section 29, EXCEPT the SE ¼ of the SE ¼ of Section 29, as depicted in Exhibit B-2.

Tract 3: All that part of the Protected Property located in Section 32, as depicted in Exhibit B-2.

Tract 4: All that part of the Protected Property located in Sections 28 and 33, AND the SE ¼ of the SE ¼ of Section 29, as depicted in Exhibit B-2.

- b. The intent of this Paragraph is to require that the entire Protected Property be conveyed in no greater than four (4) separate tracts (identified above), and managed for the Purposes of this Easement, and to prohibit the conveyance of any further part of each of the four (4) tracts except as a whole.
- c. All rights to develop or use the Protected Property that are prohibited by or inconsistent with this Easement are extinguished, and cannot be used to transfer development rights to other land owned by the Landowner or any other party, or to permit increased development density or increased natural resource use or extraction on other land, or to achieve other regulatory mitigation credits on land not subject to this Easement.

2.8 Vegetation and Property Management. Vegetation shall be managed in a manner that preserves the Conservation Values of the Protected Property. More specifically, the Landowner may undertake the following management activities on the Protected Property:

- a. **Invasive Species.** Invasive species shall not be intentionally introduced on the Protected Property. Removing and/or controlling invasive species using recommended Best Management Practices is allowed.
- b. Trees and other vegetation may be cut for fire control, along the edges of fields, and along permitted roads and trails for the purpose of maintaining the integrity of such fields, roads, and trails.
- c. Live trees may also be harvested under the following conditions:
 - i. **Timber Harvest.** Timber harvest may be conducted in accordance with a Forest Management Plan approved by the Easement Holder and the Landowner. All timber harvest proposed in the Resource Protection Zone must improve the overall ecological condition of the forest community as its primary goal. Improving the overall condition is defined as using management treatments to steer the forest community towards an uneven-aged stand(s), an abundance

of large diameter trees, high floristic quality, and no adverse impacts to water quality.

- ii. Firewood. Cutting and removal of firewood for personal use is permitted provided that said removal is minimal in scope and scale so that cumulative impact of firewood harvest does not impact the Conservation Values of the Protected Property.
- d. Habitat Management. Habitat on the Protected Property may be maintained, restored or enhanced for fish, wildlife and native ecological communities. Large-scale restoration or enhancement projects outside of the Agricultural Zone require written approval from the Easement Holder prior to implementation. All actions must protect the Conservation Values of the Protected Property.
- e. Agricultural Operations. Conducting agricultural operations on the Protected Property is permitted within the Agricultural Zone. Agricultural practices may be permitted within the Conservation Zone provided that those practices are limited to permanent grass cover and forage crops outside of existing forested areas. All agricultural operations must be in accordance with a Soil and Water Conservation Plan that has been approved by the Easement Holder and/or a Grazing Plan as described in Paragraph 2.1(a), Livestock.
Agricultural conservation practices included in an acceptable Soil and Water Conservation Plan must include contour strips, particularly where row crop production is permitted.
The Easement Holder acknowledges that the Landowner may offer the Agricultural Zones of the Property for enrollment into agricultural conservation programs overseen by the United States Department of Agriculture, including but not limited to the Conservation Reserve Program (CRP) and/or the Conservation Reserve Enhancement Program (CREP). Within the Agricultural Zones on the Property, agricultural practices may be conducted for the specific purpose of producing agricultural commodities and as such, enrollment into CRP/CREP or similar programs are consistent with the purposes of this Easement.
- f. Ponds and wetland scrapes. Ponds and wetland scrapes or enhancements are permitted in the Agricultural Zone and within limited areas of the Conservation Zone with the written permission of the Easement Holder as further described in Paragraph 2.2(h), Ponds and wetland scrapes.
- g. Wildlife Food Plots. Cultivating and planting land for wildlife food plots on the Protected Property is permitted within the Agricultural Zone. Wildlife food plots are also permitted within the Conservation Zone provided that individual food plot in Tracts 1, 2 and 3 do not exceed one half (1/2) acre in size, and cumulatively do not exceed two (2) acres per Tract. Wildlife food plots are not permitted in the Resource Protection Zone.

2.9 Rights-of-Way. No right of way shall be granted across the Protected Property for the benefit of, or in furtherance of any industrial or commercial use or residential development of other land not protected by this Easement.

2.10 Vehicles. Operation of motorized vehicles on the Protected Property is permitted

only to carry out activities specifically permitted under this Easement, or for limited recreational use that does not adversely impact the Conservation Values of the Protected Property. Some indications of adverse impacts are erosion, rutting, washouts, stream bank and wetland damage, siltation in water bodies, and/or disturbance of a natural community.

2.11 Water. There shall be no manipulation or alteration of any water body on or adjacent to the Protected Property except to restore or enhance wildlife habitat or native ecological communities, or to improve or enhance the biotic integrity of existing wetlands, or as incidental to activities or uses specifically permitted in this Easement. Ponds, dikes, or other hydrologic manipulation may not be constructed or occur without prior the prior written approval of the Easement Holder. Any proposed action to impact water resources must be approved by the Landowner and Easement Holder in writing, must protect the Conservation Values of the Protected Property, and must follow local, state, and federal laws. For the purpose of this Easement, a water body means a creek, stream, intermittent stream, drainage way, river, pond, lake, surface or subsurface spring, wetland or other body of water.

3. Additional Reserved Rights of the Landowner. In addition to rights reserved by the Landowner pursuant to Paragraph 2 above, the Landowner retains all rights associated with ownership of the Protected Property, including the right to use the Protected Property, and invite others to use the Protected Property, in a manner that is not expressly restricted or prohibited by the Easement or inconsistent with the Purpose of the Easement. The Landowner may not, however, exercise these rights in a manner that would adversely impact the Conservation Values of the Property. The Landowner reserves:

3.1 The right to sell, give, bequeath, mortgage, lease or otherwise encumber or convey the Protected Property, provided that:

- a. Such encumbrance or conveyance is subject to the terms of this Easement.
- b. The landowner incorporates the terms of this Easement by reference in any subsequent deed or other legal instrument by which the Landowner transfers any interest in all or part of the Protected Property.
- c. The Landowner notifies the Easement Holder of any conveyance in writing within fifteen (15) days after the conveyance, and provides the Easement Holder with the name and address of the recipient of the conveyance and a copy of the legal instrument transferring rights.
- d. Failure of the Landowner to perform any act required in Subparagraphs 3.1 b. and 3.1 c. shall not impair the validity of this Easement or limit its enforceability in any way.

3.2 Recreational Use. The Protected Property may be used for hiking, cross-country skiing, temporary camping, nature observation, hunting, fishing and other similar low impact recreational activities in accordance with local, state, and federal laws. The Protected Property may not be used for more than minimal commercial recreational purposes.

3.3 Cottage Industries. The Landowner may establish and carry out cottage industries provided said activities are compatible with the rural character of the Protected Property and comply with all other Easement terms.

4. Public Access. Nothing in this Easement gives the general public a right to enter upon or use the Protected Property where no such right existed prior to the conveyance of this Easement. However, the general public may enjoy scenic views of the Protected

Property from adjacent public roads

DESCRIPTION OF THE SUBJECT PROPERTY – AFTER CONDITION

Property Size and Shape

The total area and water frontage for the property does not change in the After Condition.

Access

The property access does not change from the Before Condition.

Topography

The easement has no impact on the property topography.

Cover Types

No change in the cover types will be enacted due to the easement imposition. Future clearing or cutting of forestation is restricted and controlled by the easement.

Soils

The soils are not impacted by the easement.

Water Frontage

The subject property's water amenities are not changed in the After Condition.

Mineral Rights and Deposits

The mineral rights and deposits are the same in the Before and After Conditions. The easement would prevent any mining of minerals if any were present.

Utilities

The utilities present do not change in the After Condition.

Designated Flood Hazard Area

The Flood Hazard areas are not impacted by the easement imposition.

Zoning and Conformance

The property zoning is not changed by the easement imposition. The zoning is not as restrictive as the conservation easement and the easement takes precedence over the zoning regulations.

Deed/Other Use Restrictions

The conservation easement restrictions are the major change in the restricted use of the property in the After Condition. The easement does allow the sale of the property into four individual parcels, all of which are development restricted. The easement language regarding subdivision reads as:

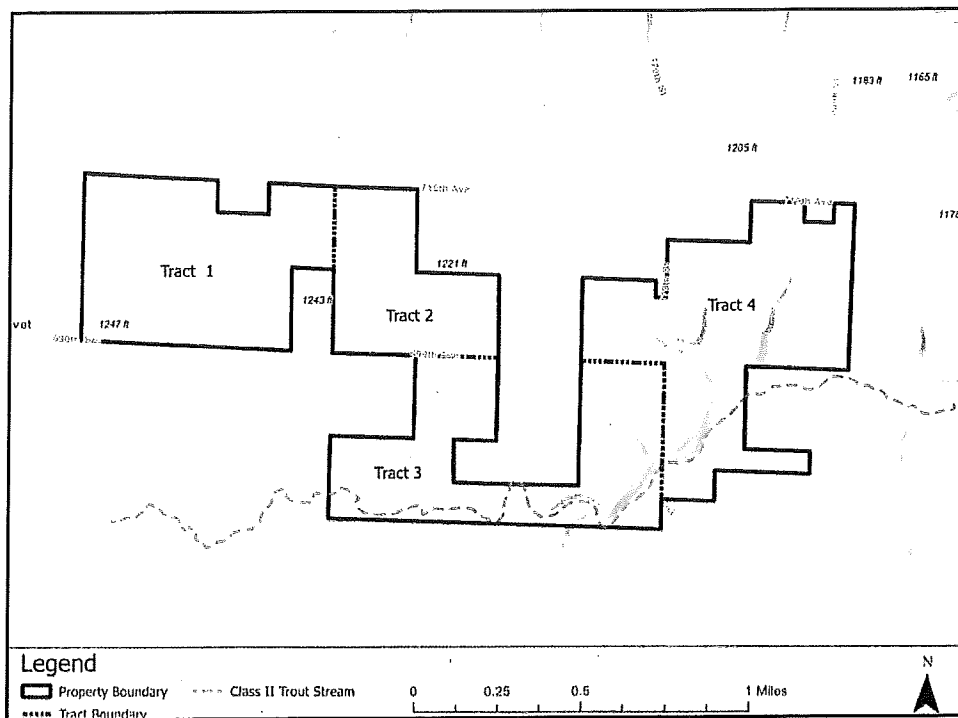
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Environmental Hazards

There is no change in the environmental hazard evaluation due to the presence of the proposed easement.

HIGHEST AND BEST USE ANALYSIS – AFTER CONDITION

The highest and best use is impacted by the imposition of the conservation easement. An analysis of each of the uses available to the subject produces a reconciled highest and best use in the After Condition.

Possible Use

The size and location for the property are not impacted by the imposition of the easement. The conservation easement imposes total restrictions on development of the property which prohibits building improvement and development and allows only maintenance of the existing primitive cabin located on the property. No single-family residential development is allowed.

Permissible Use

Legal restrictions, as they apply to the subject, are the public restrictions of zoning. These have not changed from the Before Condition. The conservation easement imposes constraints on the property that are more restrictive than the agriculture zoning in place.

Feasible Use

With the easement in place, all potential development is prohibited, with the exception for maintenance of the primitive cabin. The primary land use in the area is recreational and rural residential. The property would not be available for recreational and rural residential development. It could be utilized for agriculture of the tillable acreages and for recreational hunting, hiking, and recreating for all of the acreage. There is demand, although limited, for property with such restricted uses.

Highest and Best Use – After Condition

In the final analysis the only use of the land is for agriculture farming of the productive areas, hunting of the varied acreage types, hiking, temporary camping, and general recreation. The harvesting of downed trees for firewood is allowed but no removal of forestation or alteration to topography. The property can be sold as four parcels, or one parcel. There can be no further division of the four allowed parcels and all development is prohibited on the acreage. The highest and best use, as encumbered by the conservation easement, would be for sale to adjacent land-owners, potentially to agriculture operations for the productive farmland acreage and to parties for hunting and recreation use. All sales would be with the acknowledged prohibition of all future development as defined in the easement.

MARKET VALUE ESTIMATION – AFTER CONDITION

The subject property in the After Condition has a highest and best use for agriculture, and or, recreational use subject to the reservations of the conservation easement. To