

**AGREEMENT FOR CONSERVATION EASEMENT
STATE OF MINNESOTA BOARD OF WATER & SOIL RESOURCES AND
U.S.D.A. CONSERVATION RESERVE ENHANCEMENT PROGRAM**

THIS IS A LEGALLY BINDING DOCUMENT, PLEASE READ THIS AGREEMENT CAREFULLY BEFORE SIGNING.

This conservation easement agreement, hereinafter referred to as "Agreement," is made by and between:

herein collectively referred to as "Grantor," and the STATE OF MINNESOTA, acting by and through the Board of Water and Soil Resources, herein referred to as "State."

WHEREAS, the State is authorized by the REINVEST IN MINNESOTA RESOURCES ACT (RIM), Minn. Stat. Sec. 103F.501 et. seq. and 84.95, and by Minnesota Rules parts 8400.3000 et. seq. to enter into agreements to acquire conservation easements on eligible lands, and to establish conservation practices on the easement area to protect soil and water quality and to enhance fish and wildlife habitat, where an eligible Grantor desires to convey a conservation easement to the State; and

WHEREAS, the State and the United States Department of Agriculture have entered into an agreement to implement the Minnesota River Watershed Conservation Reserve Enhancement Program (CREP) which provides an opportunity for the State to address environmentally sensitive areas within the Minnesota River watershed in concert with Federal and local authorities; and

WHEREAS, the State seeks to provide more enduring conservation benefits than normally achieved through the Conservation Reserve Program (CRP) by enabling landowners who participate in the CREP to participate in the State's conservation easement program for the Minnesota River Watershed.

NOW, THEREFORE, in accordance with the applicable Statutes and Rules referenced above, and in consideration of the mutual promises and obligations contained in this Agreement, the Grantor and State agree as follows:

1. This Agreement is subject to the terms and requirements of all relevant laws, rules and amendments thereto. Copies of the above named statutes and rules are available from the State upon request.
2. Grantor acknowledges and fully understands that the RIM easement is part of a partnership with the United States Department of Agriculture Conservation Reserve Enhancement Program. Grantor also acknowledges that to be eligible for a RIM easement under this partnership program, Grantor must enter into a companion 15-year CRP contract with the federal government for all or part of the same land and, in so doing, will be subject to certain obligations in the CRP contract.
3. The Grantor shall convey and warrant to the State, a Perpetual RIM conservation easement. Said conservation easement shall be over and upon the land situated in Lincoln County, Minnesota, described to-wit:

THE LEGAL DESCRIPTION EXHIBIT IS ATTACHED HERETO AND INCORPORATED HEREIN

Said easement area may cover only a portion of the parcel described above. The specific easement area is identified as the "EASEMENT AREA" on Exhibit A, attached hereto and incorporated herein. Said easement area consists of a total of 133.5 acres, of which 14.6 acres are donated to the State. The legal description, easement boundary, acres and payment may be refined, expanded or reduced as a result of examination of the abstract or title insurance documents, or as the result of other legal or technical requirements. The Grantor will be responsible for obtaining all necessary signatures to convey the conservation easement to the State.

4. **Terms of the Easement Payment:** The total obligation of the State for its portion of the total conservation easement payment to the Grantor under this Agreement, shall not exceed a total payment of \$ _____. The total payment for acquiring the conservation easement shall be made by the State to the Grantor and any designated co-payee(s) listed below upon recording and final acceptance of the conservation easement by the State.

Note: The IRS requires the State to issue a 1099S form for the total conservation easement payment in the year the initial conservation payment is made.

Name and Address of Payee _____

Co-payee(s) _____

N/A

5. **Terms of the Conservation Plan Payment:** A total payment of up to \$ _____ for installing conservation practices as described in the Conservation Plan shall be paid to the designated individual and any assigned co-payee(s) listed below after final acceptance of the conservation easement by the State. Payments for installing conservation practices shall be made upon receipt of a cost-share voucher from the local soil and water conservation district (SWCD) approving the costs incurred and certifying satisfactory completion of practice installation. If the conservation easement is not accepted by the State, the State is not obligated to pay for any associated conservation practice costs.

Name and Address of Payee _____

Co-payee(s) _____

SAME

N/A

6. **Conservation Plan:** Upon recording and acceptance of the conservation easement by the State, the Grantor shall install and maintain the conservation practices on the easement area as described in the conservation plan on file at the local SWCD, USDA, and at the State. **Land Title:** The Grantor shall deliver to the SWCD an abstract of title or registered property abstract certified to date for the easement area and access route thereto within 30 days from the date the Grantor receives a written request for same. The Grantor is responsible for providing

good and insurable title to the easement area that is not subject to prior encumbrance.

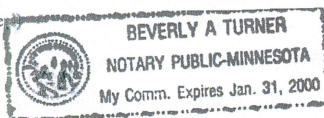
8. Interim Land Uses: Cropping, grazing and other land uses that would not adversely affect the use of the area for a conservation easement are permitted on the easement area during the easement processing period and may continue until the earlier of the following dates: the end of the current cropping or grazing season; or, until a date established by the USDA in consultation with the landowner. Such interim land uses must comply with all CRP requirements.
9. Conversion to Cropland or Pasture Land Prohibited: The Grantor shall not convert to agricultural crop production or pasture any other land owned or leased as part of the same farm operation at the time the Grantor signed the application for the conservation easement if said land supports natural vegetation or has not been used in agricultural crop production.
10. Notices to Grantor: All notices regarding this Agreement shall be sent by U.S. Mail to the Grantor at the address identified in subparagraph 3. Such notices shall be binding upon all parties herein collectively referred to as "Grantor".
11. Disclosure of Well Location and Land Use Activities: The Grantor shall disclose the location of all operating and nonoperating wells located on the easement area, and shall be responsible for lawfully sealing all nonoperating wells at Grantor's expense, as required by Minnesota Statute Section 103I.311. Grantor shall provide information as requested by the State regarding current and past land use activities that may have an environmental impact. Grantor shall comply with these requirements prior to executing the conservation easement.
12. Wetland Cannot be Used to Mitigate Other Wetland Losses: The Grantor shall not use any wetlands restored under the RIM Reserve programs to mitigate other wetland losses.
13. State Cancellation of Agreement for Conservation Easement: The State may, at any time, cancel this Agreement without liability if:
 - a) the Grantor has not fully complied with the terms and conditions of this Agreement; or
 - b) the State has reason to believe that there may be contaminants, pollutants or toxic or hazardous substances on the easement area and/or adjacent lands; or
 - c) the State and USDA are unable to acquire all needed land rights, such as a flowage easement, from the Grantor(s) or adjacent property owners; or
 - d) the State and USDA determine that the conservation plan is not practical to implement.
14. Grantor Cancellation of Agreement for Conservation Easement: The Grantor may cancel the Agreement, without liability, before the State has signed and acknowledged the Agreement. Cancellation after that time may subject the Grantor to penalties by the State under this Agreement and/or by the USDA under Grantor's CRP contract.
15. Effective Dates: The effective date of this Agreement shall be the date it is executed by the Commissioner of Administration. This Agreement shall terminate upon the recording of a valid conservation easement by the State, or upon notice of cancellation of this Agreement by the State in accordance with paragraph 13 above.
16. Other Provisions: None.

IN WITNESS WHEREOF, the Grantor and the State have caused this Agreement to be duly executed.

GRANTOR(S) SIGNATURE(S) AND ACKNOWLEDGMENT

STATE OF Minnesota
COUNTY OF Lincoln

by —
(Notary Stamp or Seal)



The foregoing instrument was acknowledged before me this

_____ day of December, 1999

Notary Signature

Beverly A. Turner

Commission expires on _____

STATE SIGNATURE AND ACKNOWLEDGMENT

By: [Signature]
Board of Water & Soil Resources

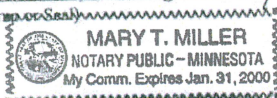
Dated 12/16/99

The foregoing instrument was acknowledged before me this

16th day of December, 1999

STATE OF Minnesota
COUNTY OF Ramsey

by Allan M. Kcan, Chief Engineer
(Notary Stamp or Seal)



Notary Signature

Mary T. Miller

Commission expires on 1-31-00

(for state use only -- no notary required)
Attorney General

[Signature]
Date 12/20/99

Commissioner of Administration

[Signature]
Date 12/21/99

INSTRUMENT DRAFTED BY: Board of Water and Soil Resources
One West Water Street, Suite 200
St. Paul, Minnesota 55107

Easement Number 41-07-99-01

STATE OF MINNESOTA
BOARD OF WATER AND SOIL RESOURCES
CONSERVATION EASEMENT
LEGAL DESCRIPTION

That part of the NW1/4 of Section 18, T.110 N., R.45 W., lying southerly of County Road #131 right-of-way and easterly of County Road #104 right-of-way, and shown as the "Easement Area" on Exhibit "A" attached to and made a part of this Conservation Easement and described as follows:

Part of the NW1/4 of said NW1/4;

Part of the south 360 feet of the west 480 feet of the NE1/4 of said NW1/4;

Part of the SE1/4 of said NW1/4;

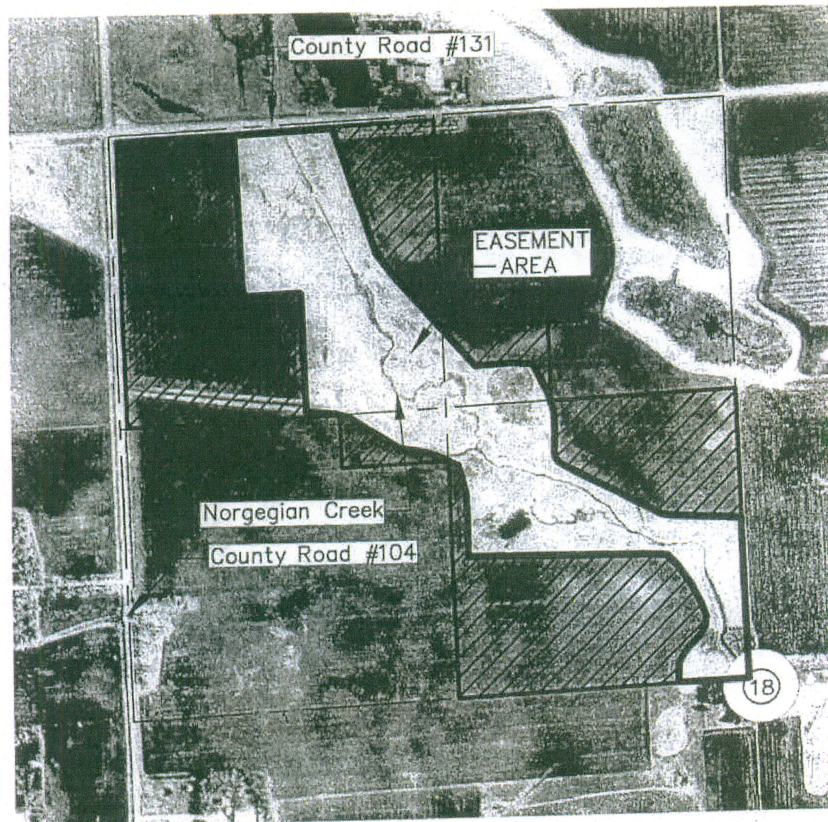
Part of the north 245 feet of the east 485 feet of the SW1/4 of said NW1/4.

Easement I.D. No: 41-07-99-01
Map 1 of 1

STATE OF MINNESOTA
BOARD OF WATER AND SOIL RESOURCES
CONSERVATION EASEMENT
EXHIBIT 'A'

This map delineates the easement area(s) referred to in the attached easement conveyance.

Section 18 T. 110 N., R. 45 W., Lincoln County



0 660'
Scale

Prepared By:

Board of Water and Soil Resources

Dated:

August 11, 1999

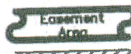
LEGEND



Center of Section



Boundary of Described Lands



Lands Included in Easement



Lands Not Included in Easement

Section/Quarter/Sixteenth Line



Reinvest In Minnesota Reserve

Helping Minnesota's local governments manage and conserve our water and soil resources.

www.bwsr.state.mn.us/easements

Background

In 1986, the Reinvest in Minnesota Resources Act was enacted to restore certain marginal and environmental sensitive agricultural land to protect soil and water quality and support fish and wildlife habitat. To-date over \$200 million state dollars has resulted in over 6,000 easements covering more than 250,000 acres (fig. 1). The program currently focuses on permanent wetland restoration (fig. 2), adjacent native grassland wildlife habitat complexes and permanent riparian buffers (fig. 3).

Program information

BWSR's Reinvest in Minnesota (RIM) Reserve program is a critical component of the state's efforts to improve water quality by reducing soil erosion, and phosphorus and nitrogen loading, and improving wildlife habitat and flood attenuation on private lands. RIM Reserve is implemented in cooperation with county SWCDs. The RIM Reserve program compensates landowners for granting conservation easements and establishing native vegetation habitat on economically marginal, flood-prone, environmentally sensitive or highly erodible lands. The program protects the state's water and soil resources by permanently restoring wetlands, adjacent native grassland wildlife habitat complexes and permanent riparian buffers.

How it works

The Minnesota Board of Water and Soil Resources (BWSR) acquires, on behalf of the state, conservation easements to permanently protect, restore and manage critical natural resources without owning the land outright. The land remains in private ownership and the landowner retains responsibility for maintenance and paying applicable real estate taxes and assessments. BWSR provides statewide program coordination and administration and implementation at the local level is done by county Soil & Water Conservation Districts (SWCDs).

Who is involved

The RIM Reserve program is the primary land acquisition program for state-held conservation easements and restoration of wetlands and native grasslands on privately owned land in Minnesota. This program partners with public and private landowners, state, federal and local government entities, non-profit organization and the citizens of Minnesota. Since 2000, the RIM Reserve program has successfully partnered with the United States Department of Agriculture's (USDA) programs that are compatible with the RIM Reserve program. Partnerships with the USDA's Farm Service Agency (FSA) and the Natural Resources Conservation Service (NRCS) has resulted in over \$260 million federal dollars leveraged into the State of Minnesota via the RIM Reserve program.

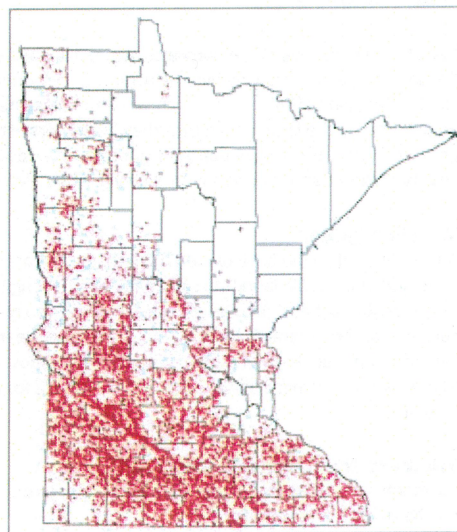


Fig. 1: Statewide conservation easements



Fig. 2: Wetland restoration



Fig. 3: Riparian buffer



RIM Reserve Conservation Easements

Improving water quality, reducing soil erosion and establishing wildlife habitat on privately owned lands

www.bwsr.state.mn.us/easements

What are conservation easements, and how do they work?

Conservation easements involve the acquisition of limited rights in land for conservation purposes. Landowners who offer the state a conservation easement receive a payment to stop cropping and/or grazing the land, and in turn the landowners establish conservation practices such as native grass and forbs, trees or wetland restorations. The easement is recorded on the land title with the county recorder and transfers with the land when the parcel is sold.

Who is eligible?

Any individual(s) who have owned the land for at least one year and can provide evidence of a good and marketable land title can apply to enroll eligible land. Landowners must update their property abstract at their own expense. All liens and mortgages must be paid off, or releases or consents to the easement must be obtained from the mortgage or lien holder before the easement can be completed. Partnerships and corporations must be certified as a farm corporation with the Minnesota Department of Agriculture to be eligible for the Reinvest In Minnesota (RIM) Reserve program.

What are the financial incentives?

Payments vary by township and land use history (cropped or non-cropped) and provide a fair value for the rights being purchased.

How long do conservation easements last?

Most easements purchased by the state are perpetual (forever). Some eligible lands may be enrolled under limited duration easements (not less than 20 years), depending on programs available.

What rights do landowners convey to the state?

Landowners retain ownership and control of the property they enroll into the easement but the easement prohibits the following: 1) Cropping and grazing unless specifically approved by the BWSR for habitat management purposes. 2) Timber harvest, unless approved by the BWSR for forest management purposes. 3) Building or placing structures on the easement. 4) Mining activities. 5) Placement of wells and sewage disposal systems. 6) Grading and excavating or any activity that would alter the cover that has been established on the easement.

Who controls access to the easement acres?

All access to the land is controlled by the landowner. No public access is allowed unless granted by the landowner.

How are easement areas managed?

Landowners receive financial assistance for the costs of establishing the conservation practices (vegetation or wetlands), as outlined in a conservation plan developed by the SWCD in cooperation with the landowner. The landowner is responsible for maintaining the practices as well as controlling noxious weeds. Easements are inspected annually by the SWCD for the first five years and every third year thereafter. A copy of the inspection is provided to the landowner and to BWSR. If necessary, the SWCD provides direction to the landowner to assure compliance.

Who pays the property taxes on the easement area?

The landowner is responsible for paying all taxes and any other levies and assessments that may be assessed on the enrolled land. Assessed values vary from county to county.



For more information about RIM Reserve conservation easements, please contact your local Soil and Water Conservation District or visit BWSR's web site: www.bwsr.state.mn.us/easements



Reinvest in Minnesota (RIM)

Grassland Management

Haying and Grazing

Spring 2014

The RIM Reserve program is Minnesota's premier private land protection program for riparian buffers, restoration of wetlands and native grasslands. This program partners with state, federal and local government entities, non-profit organizations and the citizens of Minnesota. To ensure that the quality of these easements is maintained, ongoing management is required. Within the grassland component of a RIM easement, management is needed to enhance stand vigor through periodic disturbance of a portion of the site. This benefits native species diversity, stand density, and reduces invasive or woody species and other unwanted vegetation. Other RIM practices including wetlands, tree plantings, and food plots require different management techniques.

A Conservation Plan exists for each easement that identifies the type of desired cover to be maintained on the site. Techniques such as prescribed burning, mechanical haying, or grazing can be used to achieve results and benefit ground nesting birds and pollinators as well as other wildlife species. Typically, these types of activities may occur once every 3-5 years on portions of any given easement. The conservation plan in place for RIM easements is signed by the landowner, and approved by both the local SWCD and the BWSR. Emergency declarations to open lands for haying and grazing do not apply to RIM lands.

Haying of Conservation Lands

As many RIM easements were once crop fields, mechanical harvest can be a very efficient method to enhance the grassland stand. Mechanical harvest through haying can be used to remove invasive species, weeds and duff layer to allow native grass species to increase in density. Haying can also be used to help maintain diversity levels and manipulate growth stages of habitat. When using haying as a management strategy it is important to consider potential influences on bird nesting, soil disturbance, soil nutrients, and long-term diversity levels. Typically less than 1/3 of any given site will undergo management in a single year. Haying is not allowed during the nesting season from May 15 – August 1.



Grazing of Conservation Lands

Temporary and limited use of livestock may also be a way to manage health and vigor of permanent vegetative cover when done in accordance with a management plan. Conservation grazing on easement lands requires regular monitoring to assure the site is not impacted in a negative way.

When managing grasslands through conservation grazing, typical goals include removing grass cover, which promotes forb species diversity, and increasing the structural heterogeneity of plant



communities to improve wildlife habitat for a variety of species. An additional goal may be to create conditions that are favorable for insect populations that are food for grassland birds. Grazing may not be recommended for high-functioning plant communities or plant communities that contain grazing-sensitive species or are connected to sensitive water resources.

The grazing plan will specify animal numbers and timeline to achieve adequate vegetation removal. Grazing plans must be approved by the local SWCD and BWSR. Grazing will generally be conducted outside the nesting season of May 15-August 1st. Only temporary fencing and water sources are allowed and must be removed when the activity is complete. As with haying, grazing may only affect 1/3 of any given site in one year.



To Learn More

The BWSR website has many helpful resources for managing RIM grasslands with haying and grazing. The governing policy and worksheet required can be found at:

<http://www.bwsr.state.mn.us/easements/index.html>

Questions about haying and grazing on RIM easements can be directed to the following BWSR staff :

Tabor Hoek, BWSR Private Lands Coordinator

Marshall office

507-537-7260

tabor.hoek@mail.state.mn.us

John Voz, Working Lands Specialist

Detroit Lakes office

218-849-1603

john.voz@state.mn.us

Local SWCD offices will also be able to provide information for landowners to get started.