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Exempted from recordation tax under the
Code of Virginia (1950), as amended,
Section 58.1-811(D)

THIS DEED OF GIFT EASEMENT, made this 10th day of December, 2001, between FAIRFAX HUNT ASSOCIATES, L.L.C., a Virginia limited liability company, herein called the Grantor, the VIRGINIA OUTDOORS FOUNDATION, an Agency of the Commonwealth of Virginia, herein called the Grantee, whose address is 203 Governor Street, Suite 317, Richmond, VA 23219 and FARM CREDIT OF THE VIRGINIAS, ACA, (formerly known as Blue Ridge Farm Credit) herein called the Bank.

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Tax Map #:

EXPLANATORY STATEMENT

WHEREAS the Grantor is the owner in fee simple of a certain parcel of real property (described and referred to as the "Property"), consisting of 288.158 acres, more or less, situated on the south side of Virginia Route No. 630 and to the west of Virginia Route No. 746 in the Goose Creek Watershed in Mercer District, Loudoun County, Virginia, being the same property acquired by Grantor by virtue of a deed dated March 31, 2000 from William Y. Smith, Trustee and Maurice De Picciotto, Trustee, recorded in Deed Book 1768 at Page 652 among the land records of Loudoun County, Virginia;

WHEREAS, the Property has frontage on North Fork, South Fork and Beaverdam Creek;

WHEREAS, the Grantee is a "qualified organization" and an "eligible donee" under Section 170(h)(3) of the Internal Revenue Code and Treas. Reg. §1.170A-14(c)(1);

WHEREAS the conveyance of a Conservation Easement on the Property by this Deed is in furtherance of and will serve clearly delineated federal, regional, state, and local conservation policies, to wit:

(i) The Farmland Protection Policy Act, P.L. 97-98, 7 U.S.C.A. Sub. Section 4201, the purpose of which is to "minimize the extent to which Federal Programs and policies contribute to the unnecessary and irreversible conversion of farmland to nonagricultural uses and to assure that Federal Programs are administered in a manner that, to the extent practicable, will be compatible with State, unit of local government and private programs and policies to protect farmland"; and

(ii) The Commonwealth of Virginia has clearly delineated its conservation policy by the following actions:

a. enactment of legislation (§10.1-1800 *et seq.* of the Code of Virginia) which declares it to be the public policy of the Commonwealth to encourage the preservation of open space land and authorizes the Grantee to hold real property or any estate or interest therein for the purpose of preserving the natural, scenic, historical, scientific, open-space and recreational lands of the Commonwealth;

Verne L. Hosta
7 South Liberty Street
P.O. Box 165
Middleburg, VA 20118
540-887-6357
540-887-5011 (fax)

b. enactment of the Virginia Land Conservation Incentives Act of 1999 (§§58.1-510 *et seq.* of the Code of Virginia) which provides an income tax credit for individuals, estates, trusts and corporations that donate land or an interest in land for conservation and preservation purposes;

c. enactment of the Virginia Conservation Easement Act (§§10.1-1009 *et seq.* of the Code of Virginia);

d. enactment of the Open Space Land Act (§§10.1-1700 *et seq.* of the Code of Virginia) which declares that open space land serves a public purpose by promoting the health and welfare of the citizens of the Commonwealth by curbing urban sprawl and encouraging more desirable and economical development of natural resources and authorizes the use of conservation easements to maintain the character of open-space land;

e. enactment of legislation that provides for and promotes special tax assessments for real estate devoted to agricultural, forestal, horticultural and open space use (§§58.1-3229 *et seq.* of the Code of Virginia);

f. enactment of legislation known as the Agricultural and Forestal District Act (§§15.1-1506 *et seq.* of the Code of Virginia);

g. enactment of legislation that establishes an Open Space Land Preservation Trust Fund enabling a foundation and regional advisory boards to provide grants to assist persons conveying conservation easements (§§10.1-1801.1 *et seq.* of the Code of Virginia);

h. designation of the Goose Creek Watershed as an area planned for special environmental protection under the Critical Environmental Areas Report by the Division of State Planning and Community Affairs for the General Assembly; and

i. enactment of legislation that designates Goose Creek, a public water supply, as a scenic river under the Scenic Rivers Act (§§10.1-400 *et seq.* Of the Code of Virginia) which provides for the administration of the scenic river "to preserve and protect its nature, beauty . . . and to encourage the continuance of existing agricultural, horticultural, forestry and open space land and water uses."

(iii) The County of Loudoun has clearly delineated its conservation policy by the implementation of programs authorized for counties by State legislative acts pertaining to the conservation of its natural resources by holding conservation easements that restrict development of land to more intense use and extending preferential tax treatments for lands devoted to agricultural, forestry and open space which have been placed under conservation plans and permanent conservation easements.

WHEREAS, the open space use proposed herein would be consistent with and would further the protection of Goose Creek as a scenic river, the protection of lands included in, or related to, the Loudoun County Comprehensive Plan, and would also be consistent with existing conservation

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programs in the area as evidenced by other land adjacent to the Property protected by easement by organizations referred to in Treas. Reg. §1.170A-14(c)(1), in close proximity to the Property;

WHEREAS, the Grantor and Grantee agree that the development of the Property would lead to or contribute to degradation of the scenic, natural and open-space character of the area in which the Property is located; and

WHEREAS, the special conservation values of the Property are documented in a report to be kept on file at the offices of the Grantee and incorporated herein which documentation, the parties agree, contains an accurate representation of the condition of the Property as of the date hereof and which is intended to serve as an objective information baseline for monitoring compliance with the terms of this Conservation Easement,

NOW, THEREFORE, in recognition of the foregoing and in consideration of the mutual covenants herein, the Explanatory Statement incorporated herein by reference, and the acceptance hereof by the Grantee, and pursuant to Section 170(h) of the Code and the laws of the Commonwealth of Virginia, in particular the Virginia Open Space Land Act of 1966, the Grantor does hereby grant and convey to the Grantee an open space easement in gross of the nature and character and to the extent hereinafter set forth (the "Conservation Easement") over, and the right in perpetuity to restrict the use of, the Property;

AND SUBJECT, HOWEVER, to the restriction that the Grantee or its successors and assigns may not transfer or convey the open space easement herein conveyed to the Grantee unless the Grantee conditions such transfer or conveyance on the requirement that (1) all restrictions and conservation purposes set forth in the conveyance accomplished by this deed are to be continued in perpetuity; and (2) the transferee is an organization then qualifying as an "eligible donee" as defined by Section 170(h)(3) of the Internal Revenue Code of 1986, as amended, and Treas. Reg. §1.170A-14(c)(1).

ARTICLE I - PROHIBITED AND RESTRICTED ACTIVITIES

Restrictions are hereby imposed on uses of the Property pursuant to the public policies set forth above. The acts which the Grantor, its successors, personal representatives and assigns, covenant to do and not to do upon the Property, and the restrictions which the Grantee is hereby entitled to enforce are and shall be as follows:

1. **Trash** - Accumulation or dumping of trash, refuse, or junk is not permitted on the Property. This restriction shall not prevent generally accepted agricultural or wildlife management practices, such as creation of brush piles, composting, or the storage of farm machinery, organic matter, agricultural products or agricultural byproducts on the Property, as long as such practices are conducted in accordance with applicable governmental laws and regulations.
2. **Signs** - Display of billboards, signs, or other advertisements is not permitted on or over the Property except to state the name and/or address of the owners, to advertise the sale or lease of the Property, to advertise the sale of goods or services produced incidentally to a permitted use of the

of the Property and for giving directions to visitors. No such sign shall exceed nine (9) square feet in size.

3. **Subdivision** - Division or subdivision of the Property into more than three (3) parcels is prohibited. Boundary line adjustments with adjoining parcels of land shall not be considered subdivision of the Property, provided that the Grantee is notified in writing prior to the completion of any boundary line adjustment and one of the following conditions is met:

- A. The entire adjacent parcel is subject to an open space easement to the Grantee; or
- B. The proposed boundary line adjustment is reviewed and approved by the Board of the Trustees of the Grantee.

4. **Riparian Buffer** - A vegetative buffer on that part of the Property that lies within 100 feet of the banks of North Fork, South Fork and Beaverdam Creek shall be maintained. This buffer shall be protected from degradation by livestock. Selective harvest of some individual trees is permitted, provided that the ability of the buffer to protect water quality is not impaired.

5. **Forest Management** - Management of forest resources, including commercial timber harvest, shall be in accord with a forest stewardship plan approved by the Grantee. All forestry activities shall be carried out so as to preserve the environmental and scenic quality of the area. Best Management Practices, as defined by the Department of Forestry, shall be used to control erosion and protect water quality when any material forestry activity is undertaken. The Grantor or its successors and assigns shall notify the Grantee no later than thirty (30) days prior to the start of any such activity as well as within seven (7) days of its completion.

6. **Changes in Topography** - Grading, blasting or earth removal shall not materially alter the topography of the Property except for dam construction to create private ponds or lakes or as required in the construction of permitted buildings, connecting private roads and utilities described in paragraph 7 below. Generally accepted agricultural activities shall not constitute any such material alteration. Best Management Practices, in accordance with the Virginia Erosion and Sediment Control Law, shall be used to control erosion and protect water quality in the construction of permitted private roads. Notwithstanding the foregoing, no grading, blasting, or earth removal is permitted on the Property if it will materially diminish or impair the conservation values protected by this Easement. Mining on the Property is prohibited.

7. **Structures** -

A. No permanent or temporary building or structure shall be built or maintained on the Property other than (i) a single family dwelling and structures and nonresidential outbuildings commonly and appropriately incidental thereto; (ii) one (1) guest house, not to exceed 1,000 square feet of living space without Grantee's approval; (iii) one (1) secondary dwelling and non-residential outbuildings commonly and appropriately incidental thereto; (iv) farm buildings or structures, and (v) connecting private roads. No farm building or structure which exceeds 4,500 square feet in ground area may be constructed on the Property without the prior written approval of the Grantee. Grantee's approval shall be limited to consideration of the impact of the size, height and siting of

ground area may be constructed on the Property without the prior written approval of the Grantee. Grantee's approval shall be limited to consideration of the impact of the size, height and siting of the proposed structure on the conservation values of the Property. Private roads and utilities that serve permitted buildings or structures may be constructed. In the event of subdivision of the Property as provided in section 3 above, permitted buildings or structures and connecting private roads and utilities may be constructed on each parcel.

B. No building of any nature may be constructed or maintained on the Property (i) within five hundred (500) feet of the centerline of Virginia Route 630, (ii) within one hundred (100) feet from the edge of the vegetative buffer referred to in section 4 above along North Fork, and (iii) within four hundred (400) feet from the edge of the vegetative buffer along South Fork and Beaverdam Creek (collectively the "Prohibited Areas"). This prohibition shall not apply to the construction or maintenance within the Prohibited Areas of (i) fencing, (ii) livestock watering and feeding troughs, (iii) sheds, not to exceed 400 square feet without Grantee's approval, (iv) mail boxes and gate posts and (v) private roads.

C. Neither the limitations set forth in section 7.A. nor the prohibitions of section 7.B. shall apply to (i) the improvement, maintenance, repair, reconstruction or refurbishment of any structures or buildings, whether or not on the Property on the date of this Deed of Gift Easement and (ii) the reasonable enlargement of any structure or building, whether or not on the Property on the date of this Deed of Gift Easement, except that in no event may the square footage limitation set forth in sections 7.A. and 7.B. be exceeded without the prior approval of the Grantee. The Grantor and the Grantee hereby acknowledge that some structures presently existing on the Property may not be in conformance with all the limitations of section 7.A. and the prohibitions of section 7.B.

8. **Industrial and Commercial Activities** - Industrial or commercial activities other than the following are prohibited: (i) agriculture, aquaculture, silviculture, viticulture or horticulture and equine activities, (ii) temporary or seasonal outdoor activities which do not permanently alter the physical appearance of the Property and which are consistent with the conservation values herein protected, (iii) activities which can be and in fact are conducted within permitted buildings without material alteration to the external appearance thereof. Temporary outdoor activities, involving 100 people or more, shall not exceed seven days in duration without prior written approval of the Grantee. Notwithstanding any other provision of this easement, no commercial recreational use (except for *de minimis* commercial recreational uses) shall be allowed on the Property.

ARTICLE II - GENERAL PURPOSE, INTENT AND DURATION

1. **Purpose and Intent** - It is the purpose of this Easement to ensure that the Property, through the restrictions contained here, will be retained forever predominantly in its scenic and open-space condition for conservation purposes in the public interest and to prevent, through the enforcement powers granted to the Grantee, any use of the property that will significantly impair or interfere with the conservation value of the Property and the Property's natural resources and associated ecosystems. The Grantor and Grantee intend that grant of such restrictions and powers qualify as a "qualified conservation contribution" as that term is defined in Section 170(h)(1) of the Internal Revenue Code and Treas. Reg. §1.170A-14.

incorporeal interest in the Property, enforceable by Grantee against Grantor and its successors and assigns.

ARTICLE III - RIGHTS OF GRANTEE

1. **Right of Entry** - Representatives of the Grantee may enter the Property from time to time for purposes of inspection and enforcement of the terms of this easement after permission from or reasonable notice to the owner or the owner's representative. "Reasonable notice" for non-emergencies shall be considered as ten (10) days.
2. **Enforcement** - The Grantee shall have the right to enforce the restrictions set forth herein by appropriate legal proceedings, including, but not limited to, the right to require the restoration of the Property to its condition at the time of the acceptance of this easement by the Grantee.

ARTICLE IV - PUBLIC ACCESS

Although this easement in gross will benefit the public as described above, nothing herein shall be construed to convey to the public a right of access to or use with respect to the Property. Grantor, its successors and assigns hereby retain exclusive right to such access and use, subject to the terms hereof.

ARTICLE V - SUBORDINATION

Farm Credit of the Virginias, ACA, herein the Bank, is the lender under a certain Deed of Trust dated March 29, 2000 and a certain Deed of Trust dated March 29, 2000 recorded in Deed Book 1768 at Page 657 and in Deed Book 1768 at Page 666, respectively, in the Clerk's Office of the Circuit Court of Loudoun County, Virginia. The Bank and the Trustee(s) under said Deeds of Trust hereby consent to the terms and interest of this Conservation Easement and agree that the liens represented by said Deeds of Trust shall be subject to this Deed of Gift Easement.

ARTICLE VI - MISCELLANEOUS

1. **Acceptance/Assignment** - Acceptance of this conveyance by the Grantee is authorized by Section 10.1-1801 of the Code of Virginia and is evidenced by the signature of its Director of the Northern Virginia Office hereto. Assignment of this Conservation Easement is governed by Section 10.1-1801 of the Code of Virginia.
2. **Inclusion of Terms in Subsequent Deeds** - The Grantor agrees that the terms, conditions, restrictions and purposes of this Deed of Easement will be inserted by it in any subsequent deed or other legal instrument by which the Grantor divests itself of any interest in the Property. This Conservation Easement will be binding on the Grantor and Grantee (and their successors and assigns) even if the Grantor fails to insert the terms, conditions, restrictions and purposes of this Deed of Easement in any subsequent deed or other legal instrument. Grantor, its successors and assigns shall notify Grantee in writing within sixty (60) days of any transfer or sale of the Property or part thereof; but, failure to give such notice shall not affect the validity of the sale or transfer, and a buyer or transferee shall be under no duty to ascertain whether such notice was validly given. In

assigns shall notify Grantee in writing within sixty (60) days of any transfer or sale of the Property or part thereof; but, failure to give such notice shall not affect the validity of the sale or transfer, and a buyer or transferee shall be under no duty to ascertain whether such notice was validly given. In any deed conveying all or part of the Property, this Conservation Easement shall be referenced by Deed Book and Page Number in the deed of conveyance.

3. **Construction and Severability** - It is the intention of the parties hereto that this Deed of Easement, which is by nature and character negative in that the Grantor has restricted and limited its right to use the Property rather than granted any affirmative rights to the Grantee except as otherwise set forth herein, be construed at all times and by all parties to effectuate its terms, conditions and purposes. If any provision of this Deed of Easement or the application thereof to any person or circumstance is found to be invalid, the remainder of the provisions of the Deed of 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.

4. **Entire Agreement** - This instrument sets forth the entire agreement of the parties with respect to the Conservation Easement and supersedes all prior discussions, negotiations, understandings, or agreements relating to the Conservation Easement.

5. **Binding Nature of Terms and Conditions** - The covenants agreed to and the terms, conditions, restrictions, privileges, and purposes imposed and created by this Deed of Easement shall be binding on not only the Grantor and Grantee, but also their respective agents, successors to their interests and assigns.

6. **Recording** - The Grantee shall record this instrument in timely fashion in the official records office of Loudoun County, Virginia, and may re-record it at any time as may be required to preserve its rights under this Conservation Easement.

7. **Notice** - Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other shall be in writing and either served personally or sent by first class mail, postage prepaid, addressed as follows:

To Grantor:
FAIRFAX HUNT ASSOCIATES, L.L.C.
2101 Connecticut Avenue, N.W., #83
Washington, D.C. 20008

To Grantee:
VIRGINIA OUTDOORS FOUNDATION
203 Governor Street, Suite 317
Richmond, VA 23219-2010

or to such other address as any of the above parties from time to time shall designate by written notice to the others.

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WITNESS the following signatures and seals.

GRANTOR:

FAIRFAX HUNT ASSOCIATES, L.L.C., a Virginia limited liability company

By: John Chapman Chester (SEAL)
John Chapman Chester, Manager/Sole Manager

Accepted:
GRANTEE:
VIRGINIA OUTDOORS FOUNDATION

By: Leslie H. Grayson (SEAL)
Leslie H. Grayson, Director, Northern Virginia Office

BANK:
FARM CREDIT OF THE VIRGINIAS, ACA

By: Bernice M. [Signature] (SEAL)

TRUSTEE:

By: John S. Day (SEAL)
John S. Day

STATE OF Virginia,
COUNTY OF Arlington, to-wit:

I, Kenneth S. King Notary Public for the aforesaid jurisdiction, hereby certify that John Chapman Chester, Manager of and on behalf of Fairfax Hunt Associates, L.L.C., Grantor, personally appeared before me this 12th day of December, 2001 and acknowledged the foregoing instrument.

My Commission Expires:

My Commission Expires February 23, 2003

Kenneth S. King
Notary Public [SEAL.]

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COMMONWEALTH OF VIRGINIA,
CITY/COUNTY OF LOUDOUN, to-wit:

I, Andrea W. Brown, a Notary Public for the Commonwealth aforesaid, hereby certify that Leslie H. Grayson, Director, Northern Virginia Office, of and on behalf of the VIRGINIA OUTDOORS FOUNDATION, personally appeared before me this 21 day of December, 2001 and acknowledged the foregoing instrument.

My Commission Expires:
May 31, 2002

Andrea W. Brown
Notary Public [SEAL]

COMMONWEALTH OF VIRGINIA,
CITY/COUNTY OF Loudoun, to-wit:

I, Pamela S. Lewis, a Notary Public for the Commonwealth aforesaid, hereby certify that Curt's Car Mill, Loupcock of and on behalf of the FARM CREDIT OF THE VAS, ACA, personally appeared before me this 19 day of December, 2001 and acknowledged the foregoing instrument.

My Commission Expires:
Sept 30, 2005

Pamela S. Lewis
Notary Public

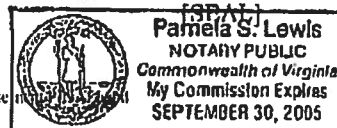


COMMONWEALTH OF VIRGINIA,
CITY/COUNTY OF Loudoun, to-wit:

I, Pamela S. Lewis, a Notary Public for the Commonwealth aforesaid, hereby certify that John S. Day, Trustee, personally appeared before me this 19 day of December, 2001 and acknowledged the foregoing instrument.

My Commission Expires:
Sept 30, 2005

Pamela S. Lewis
Notary Public



F:\Clerk\Office7\WP\Win7\REAL ESTATE\CHESTER - Land Use-Cons. Est\1\Deed of Gift Lease

RECORDED/W/CERT ANNEXED

2001 DEC 27 AM 9:48

LOUDOUN CO. VA
CLERK
TESTE: Erin M. [Signature]

