

Peninsula Township  
Purchase of Development Rights  
Selection Committee Special Meeting  
April 24, 2025, 4:30 p.m.  
Lola Jackson Recording Secretary

# PENINSULA TOWNSHIP

13235 Center Road, Traverse City MI 49686  
www.peninsulatownship.com

## Purchase of Development Rights Selection Committee Special Meeting

April 24, 2025, 4:30 p.m.

Township Hall

### MINUTES

1. **Call to Order** Wunsch called the meeting to order at 4:37 p.m.
2. **Pledge**
3. **Roll Call** Aroca, Tarczon, Manty, Wunsch, Dreier. Absent: Couch
4. **Brief Citizen Comments (for agenda items only)** None
5. **Approve Agenda** Drier moved to approve the agenda as presented with a second by Wunsch. Approved by Consensus
6. **Conflict of Interest** None
7. **Consent Agenda** None  
Wunsch added minutes from the February 27, 2025, meeting to the consent agenda.  
Wunsch moved to approve the minutes from February 27, 2025, with a second by Tarczon. Approved by Consensus
8. **Business:**
  - A. Review of round 2 applications and scoring  
The committee reviewed and scored 12 properties from round 2 applications.  
The criteria used for initial scoring is acreage, scenic view, and location (adjacent). (See next page)
9. **Citizen Comments** None
10. **Board Comments** None
11. **Adjournment** Aroca moved to adjourn the meeting with a second by Tarczon. Approved by Consensus

Meeting adjourned at 5:25 p.m.



Peninsula Township PDR ROUND 5: Application 2

Properties										
Name	Parcel Number(s)	Acreage	Scenic View (10 pts)	Adjacent (Spts)	Match?	Final Score	Notes			
Beiser	11-227-016-00	11	10	5	0	26				
Croft 1 (Chestnut Orchard)	11-019-013-05	10	0	5	0	15				
Croft 2 (Swaney Road)	11-227-009-00, 11-227-019-00, 11-227-020-00	51	10	5	0	56				
Derthick	11-122-011-00	23	0	5	TBD	28				
Fulmer	11-018-008-55	35	0	5	TBD	40				
Hawthorne	11-018-006-01, 11-018-008-00, 11-017-036-00, 11-018-006-20	85	0	5	TBD	91				
Mende	11-133-011-00	25	10	5	TBD	40				
Monson	11-127-009-55, 11-127-009-10	20	0	5	0	25				
Nyblad	11-228-002-00	60	0	5	TBD	65				
Peace	11-128-017-50	12	0	5	TBD	17				
Ultima Thule	11-226-007-02, 11-226-007-03, 11-226-007-04, 11-226-007-05, 11-226-007-06, 11-226-007-07, 11-226-007-18	49	0		0	49	While the property is adjacent to State-owned park land and a GTBLC owned Sanctuary, technically these properties do not have existing CEs. The parcel ID on application is out of date. The new parcel is 11-103-004-57.			
Weatherholt	*11-103-004-57	14	10	5	TBD	29				
<b>Total</b>		<b>395</b>								

Retained Development Rights	
Name	Offered Development Rights Acreage

**EXHIBIT A**

05/21/2026 12:05 PM  
 User: Katie  
 DB: Peninsula Townsh

BALANCE SHEET FOR PENINSULA TOWNSHIP  
 Period Ending 05/31/2026

Page: 1/1

Fund 397 Purchase of Development Rights

GL Number	Description	Current Year Beg. Balance	Balance
<b>*** Assets ***</b>			
397-000-001.PDR	Cash PDR A/C #8589 POOLED ACCOUNT	7,852,060.70	7,873,388.76
397-000-019.000	Property Taxes Receivable	78,802.83	78,802.83
397-000-040.000	PDR Accts. Receivable	0.00	0.00
397-000-084.101	Due from General Fund	0.00	0.00
397-000-084.704	Due from Payroll Clearing	0.00	0.00
397-210-001.PDR	Cash ADMIN-PDR (POOLED A/C)	13,905.17	13,343.41
397-220-001.PDR	CASH PDR-MONITORING (POOLED A/C)	44,516.83	44,637.70
397-230-001.PDR	Cash PDR-ENFORCEMENT (POOLED A/C)	322,959.52	318,239.14
397-250-001.PDR	Cash PDR-PURCHASES (POOLED A/C)	216,373.16	216,960.75
<b>Total Assets</b>		<b>8,528,618.21</b>	<b>8,545,372.59</b>
<b>*** Liabilities ***</b>			
397-000-202.000	Accounts Payable	0.00	0.00
397-000-202.100	Accrued Expenitures	0.00	0.00
397-000-214.101	Due to General Fund	0.00	0.00
397-000-214.704	PDR-Due to Payroll Clearing	0.00	0.00
<b>Total Liabilities</b>		<b>0.00</b>	<b>0.00</b>
<b>*** Fund Balance ***</b>			
397-000-390.000	PDR-Fund Balance	6,295,975.31	6,295,975.31
397-000-393.000	PDR-Fund Balance Designated	0.00	0.00
<b>Total Fund Balance</b>		<b>6,295,975.31</b>	<b>6,295,975.31</b>
<b>Beginning Fund Balance - 25-26</b>			<b>6,295,975.31</b>
<b>Net of Revenues VS Expenditures - 25-26</b>			
<b>*25-26 End FB/26-27 Beg FB</b>		<b>8,528,618.21</b>	<b>2,232,642.90</b>
<b>Net of Revenues VS Expenditures - Current Year</b>			<b>16,754.38</b>
<b>Ending Fund Balance</b>			<b>8,545,372.59</b>
<b>Total Liabilities And Fund Balance</b>			<b>8,545,372.59</b>

\* Year Not Closed

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**EXHIBIT B**

**AGRICULTURAL CONSERVATION EASEMENT**

**PENINSULA TOWNSHIP AGRICULTURAL  
PURCHASE OF DEVELOPMENT RIGHTS PROGRAM**

- DATE:** This Agricultural Conservation Easement ("Conservation Easement") is dated [REDACTED].
- GRANTOR:** Mark Kelly, whose address is 11253 Center Road, Traverse City, Michigan 49686, the Grantor and all subsequent owners of the Protected Property (collectively, "Grantor").
- GRANTEE:** Peninsula Township, a municipal corporation, of Grand Traverse County, Michigan, having an address of 13235 Center Road, Traverse City, Michigan 49686 ("Grantee").
- PROPERTY:** See legal description attached as **Exhibit A** and survey attached as **Exhibit B** to this Conservation Easement. For purposes of this Conservation Easement, "Protected Property" means all or any part or portion of this land.
- CONVEYANCE:** This Conservation Easement is conveyed in consideration for \$ [REDACTED], paid to the Grantor by the Grantee, the receipt of which is acknowledged by the Grantor.

The Grantor conveys and warrants to the Grantee a perpetual agricultural conservation easement over the Protected Property. The scope and terms of the agricultural conservation easement are set forth in this Conservation Easement.

**THE GRANTOR AND THE GRANTEE AGREE TO THE FOLLOWING:**

- 1. CONSERVATION PURPOSES OF THIS CONSERVATION EASEMENT AND COMMITMENTS OF THE GRANTOR AND GRANTEE.**
  - A. This Conservation Easement preserves open space and will yield a significant public benefit (i) for the scenic enjoyment of the general public; and (ii) pursuant to a clearly delineated local governmental conservation policy as further defined in Section 2.
  - B. This Conservation Easement assures that the Protected Property will be perpetually preserved in its agricultural, scenic, natural, and open space condition. The purposes of this Conservation Easement further include protecting the Property's potential for productive farming and forestry; providing open space; maintaining public scenic views; and protecting the Property's natural resource values. The purposes described in this paragraph and in paragraph 1.A, above, are referred to as the "Purposes" in this Conservation Easement.

C. The Township Board has made findings of fact regarding the importance of protecting the conservation values of certain lands within Peninsula Township and the citizens of Peninsula Township, through their Township Board, have established Peninsula Township's Purchase of Development Rights Ordinance No. 23 ("Ordinance") to acquire, through voluntary contracting by landowners, interests in the real property for the protection of conservation values. The Protected Property has been identified as Farmland and/or Open Space Land as defined in the Ordinance. The Grantor is willing to grant and convey to the Grantee the Development Rights in the Protected Property as such rights are defined in the Ordinance (said rights being the interest in and the right to use and subdivide land for any and all residential, commercial, and industrial purposes and activities which are not agricultural and open space uses as set forth in this Conservation Easement) on the terms and conditions and for the purposes hereinafter set forth.

2. **CONSERVATION VALUES.** The Protected Property possesses agricultural, scenic, and open space values of prominent importance to the Grantor, the Grantee, and the public. These values are referred to as the "Conservation Values" in this Conservation Easement and are further described in the Baseline Documentation Report. Certain Conservation Values may have relevance to more than one Purpose, even though they are listed only once. The Conservation Values include the following:

A. The Protected Property is located within Peninsula Township, a community with an agricultural-based economy in an area presently experiencing rapid development, including the subdivision and development of prime farmland.

B. Maintaining the scenic and rural beauty of the area along with preserving the agricultural industry of Peninsula Township is an important planning goal of Peninsula Township and area residents, as supported by the 2024 Peninsula Township Master Plan and the Ordinance.

C. The Protected Property is a part of a large block of protected land, which contributes to the long-term sustainability of agriculture in the region by providing a buffer from residential development and other incompatible uses that could impair the ability to conduct agricultural practices over time.

D. The Protected Property is desirable for substantial residential development because of its size, location, and orientation and in the absence of this Conservation Easement the Property could be developed in a manner that would destroy the Conservation Values.

E. The Protected Property is located in the West Michigan Fruitbelt Region, an area with a unique capacity to grow stone fruit and other fruit such as apples, grapes and berries. This Region is recognized by the American Farmland Trust as one of the 20 most threatened agricultural resources in the United States.

F. The Protected Property is a part of an area which has a long history of productive farming and with good management is capable of sustaining productive farming into the future.

G. The Protected Property adjoins natural land that provides habitat for native plant and animal species, and preservation of the Protected Property provides a buffer

from residential development and other incompatible uses that may otherwise impair this habitat over time.

- H. The Protected Property offers broad scenic views with minimal development in an area prominently visible to the public.
- I. The Protected Property serves as a groundwater recharge area for the Grand Traverse Bay Watershed.
- J. The Protected Property includes “prime, unique and locally important farmland” as documented by United States Department of Agriculture and Rural Development.
- K. The Protected Property is preserved consistent with federal, state, or local policy and yields a significant public benefit. The following legislation, regulations, and policy statements reflect relevant public policy:
  - 1. The State of Michigan has recognized the importance of protecting natural resources as delineated in the 1963 Michigan Constitution, Article IV, Section 52: “The conservation and development of the natural resources of the state are hereby declared to be of paramount public concern in the interest of the health, safety, and general welfare of the people. The legislature shall provide for the protection of the air, water, and other natural resources of the state from pollution, impairment, and destruction.”
  - 2. Conservation and Historic Preservation Easement, Subpart 11 of Part 21 of the Michigan Natural Resources and Environmental Protection Act, MCL § 324.2140 *et seq.*
  - 3. Water Pollution Control Act of 1972, 33 USC §§ 1251–1387 (§ 1251 Goals & Policy; § 1344 Wetlands permitting, aka “Section 404” Clean Water Act).
  - 4. Farmland and Open Space Preservation, Part 361 of the Michigan Natural Resources and Environmental Protection Act, MCL § 324.36101 *et seq.*
  - 5. Soil Conservation, Erosion, and Sedimentation Control, Parts 91 & 93 of the Michigan Natural Resources and Environmental Protection Act, MCL §§ 324.9101 *et seq.*; 324.9301 *et seq.*; (Legislative Policy § 324.9302).
  - 6. The Township of Peninsula has designated this area as within the Agricultural Preservation Area in its Master Plan dated 2024, which includes a goal to “continue to implement any policies that reduce build-out potential.”
- 3. **BASELINE DOCUMENTATION.** Specific Conservation Values of the Protected Property have been documented in a natural resource inventory signed by the Grantor and the Grantee and maintained in Township records. This “Baseline Documentation Report,” dated DATE, which is incorporated herein by reference consists of written text, maps, a depiction of all existing human-made modifications, prominent vegetation, identification of flora and fauna, land use history, distinct natural features, and photographs. The parties agree that this Baseline Documentation Report provides an accurate representation of the Protected Property at the time of this Conservation Easement conveyance (“Baseline

Condition”). The Baseline Documentation Report may be updated from time to time, but only upon the mutual consent of the parties to this Conservation Easement or their successors in interest, and only through a written document signed by each. The Township may use the Baseline Documentation Report and any updates in enforcing the provisions of this Conservation Easement but may also use all other available evidence to show a change in conditions. Any characterization of the terms of this Conservation Easement contained in the Baseline Documentation Report shall not be interpreted so as to alter, amend, or otherwise modify this Conservation Easement. In any conflict or inconsistency between the terms of this Conservation Easement and the Baseline Documentation Report, the terms of this Conservation Easement shall prevail.

4. **REPRESENTATIONS.** The Grantor has good and sufficient title to convey this Conservation Easement and is committed to preserving the Conservation Values as stated in this Conservation Easement. The Grantor agrees to confine use of the Protected Property to activities consistent with the Purposes of this Conservation Easement and the preservation of the Conservation Values.

The Grantee protects scenic and farmlands where preservation will yield a significant public benefit. The Grantee is a qualified holder of this Conservation Easement and will preserve the Conservation Values of the Protected Property and uphold the terms of this Conservation Easement. The Grantee is a governmental entity qualified under the Conservation and Historic Preservation Easement, Subpart 11 of Part 21 of Natural Resources and Environmental Protection Act, MCL § 324.2140 *et seq.* to hold a conservation easement. The Grantee is a local government body authorized under the Michigan Zoning Enabling Act, Act 110 of 2006, MCL § 125.3507 *et seq.* to adopt a purchase of development rights ordinance and to create a purchase of development rights program.

5. **PERMITTED USES.** The Grantor retains all ownership rights except those extinguished or limited by this Conservation Easement and except those which are inconsistent with the Purposes or detrimental to the Conservation Values. In particular, the Grantor reserves and retains the following rights:

- A. Right to Convey. The Grantor retains the right to sell, lease, mortgage, bequeath, assign or donate the Protected Property. Any conveyance will remain subject to the terms of this Conservation Easement, and all persons or entities claiming under the Grantor and all successor owners, and those claiming rights under them are bound by all obligations in this Conservation Easement. Grantor shall notify the Grantee by first class mail upon execution of a binding purchase agreement.
- B. Right to Divide. The Grantor retains the right to divide the Protected Property, provided however, that the Protected Property shall not exist as more than four (4) legal parcels. The Protected Property shall not be divided into parcels less than twenty (20) acres in size, unless the land divisions are used to produce parcels that are no larger than fifty (50) feet beyond all sides of the one (1) acre “Residential Building Envelopes,” as shown on **Exhibit B**, Survey, and **Exhibit C**, Baseline Documentation Map. Other than for the specific retained divisions, the Protected Property, in whole or part, shall not otherwise be combined with any other parcel.

All resulting parcels, including any parcel conveyed, will remain and be subject to the terms of this Conservation Easement and all subsequent owners shall be bound by the terms of this Conservation Easement.

Should this Protected Property be divided as permitted in this paragraph 5.B herein, the deed or other instruments utilized to create such a division shall stipulate what additional rights retained herein, if any, shall be distributed to any new parcel resulting from the division.

The Grantor must notify the purchaser or prospective owner of any split parcel of this Conservation Easement in writing and provide a copy of the Conservation Easement to the purchaser or prospective owner prior to such purchaser or prospective owner taking title.

- C. Right to Add Structures within Residential Building Envelopes. Within the areas designated as “Residential Building Envelope A” and “Residential Building Envelope B” on **Exhibit B**, Survey, and **Exhibit C**, Baseline Documentation Map, the Grantor retains the right to place or construct additional structures, including a single-family residence, structures accessory to residential use and agricultural buildings, and to install utilities to serve the Residential Building Envelopes. Each Residential Building Envelope shall contain no more than one (1) single-family residence. Storage of the Grantor’s personal items in accessory structures within the Residential Building Envelopes is permitted. Utilities include, but are not limited to, gas and electric lines; water wells; human waste disposal systems (septic field); propane tanks; and non-commercial solar, wind, geothermal, and other types of renewable energy generation equipment for the purpose of servicing the buildings within the building envelopes. Aboveground Utilities that cannot be physically accommodated within the Residential Building Envelopes may extend outside of the Residential Building Envelope boundaries, upon written approval of the Grantee pursuant to the terms set forth in Section 8 herein.

Prior to beginning any construction or placement of new structures or aboveground Utilities, the Grantor shall provide a written plan to the Grantee for the Grantee’s review and approval pursuant to the terms set forth in Section 8. At least thirty (30) days prior to initiating any proposed construction, the Grantor shall also install stakes identifying the location of the structures and aboveground Utilities to allow the Grantee to confirm their location within the Residential Building Envelopes.

The installation of underground Utilities (including septic systems and wells) necessary to serve permitted residential or agricultural structures shall not be restricted to the Residential Building Envelopes, nor shall they require Grantee approval under Section 8, provided the Grantor submits written notice to the Grantee at least 30 days prior to installation, any topsoil removed from the disturbed area is restored with a minimum of four (4) inches of topsoil, and such restoration is completed within a reasonable time.

- D. Right to Maintain and Replace Existing and Future Structures. The Grantor retains the right to maintain, renovate, and replace the existing structures noted in the Baseline Documentation Report. The Grantor also retains the right to maintain, renovate, and replace any future structures which are permitted under this Conservation Easement. Prior to beginning renovation or replacement of a

structure as permitted in this paragraph 5.D herein, the Grantor shall provide a written plan to the Grantee for the Grantee's review and approval pursuant to the terms set forth in Section 8 herein.

- E. Right to Construct Agricultural Structures. Within the area designated as "Agricultural Building Envelope 1," shown on **Exhibit B**, Survey, and **Exhibit C**, Baseline Documentation Map, and at any other location on the Protected Property (except as expressly prohibited or limited by this Conservation Easement), the Grantor retains the right to construct and install buildings, farm stands and other structures, roads, driveways, parking areas, utilities, and other improvements for agricultural uses described in paragraph 5.F, including but not limited to new buildings such as greenhouses, horse stables, hoop houses, barns, and other structures and improvements, to be used solely for agricultural purposes. No buildings or structures of any kind shall be located within the area designated as "No Build Area" on **Exhibit B**, Survey, and **Exhibit C**, Baseline Documentation Map. However, fencing, driveways, and utilities are allowable inside the "No Building Area."

Prior to beginning any construction or placement of new structures or aboveground Utilities, the Grantor shall provide a written plan to the Grantee for the Grantee's review and approval pursuant to the terms set forth in Section 8 herein. Also, at least thirty (30) days prior to initiating any proposed construction, the Grantor must install stakes identifying the location of the structures or Utilities to allow the Grantee to confirm their location.

The installation of underground Utilities necessary to serve permitted agricultural structures shall not require Grantee approval under Section 8, provided the Grantor submits written notice to the Grantee at least 30 days prior to installation, any topsoil removed from the disturbed area is restored with a minimum of four (4) inches of topsoil, and such restoration is completed within a reasonable time.

- F. Right to Agricultural Uses. The Grantor retains the right to conduct agricultural uses on the Protected Property, which comply with the provisions of this Conservation Easement and all local, state or federal laws. For purposes of this Conservation Easement, "Agricultural Use" means substantially undeveloped land devoted to the production of plants and animals useful to humans, including forages and sod crops; grains, feed crops, and field crops; dairy and dairy products; poultry and poultry products; livestock, including breeding and grazing of cattle, horses, swine, captive cervidae, and similar animals; berries; herbs; flowers; seeds; grasses; nursery stock; fruits; vegetables; Christmas trees; all forms of sap collection, sugaring, and syrup production; and other similar Agricultural Uses.

Agricultural Use specifically includes, but is not limited to, the following:

- 1) Planting trees or other vegetation to improve agricultural use of the Protected Property, such as wind breaks.
- 2) Removing trees (including fruit trees) or other vegetation to improve agricultural use, such as air drainage, or to make additional land available for farming or to replace existing trees or other crops.
- 3) Composting plants, animal manure, or other natural materials generated by

agricultural uses.

- 4) Lying fallow or nonuse of the Protected Property.
- 5) The use of a state-licensed agricultural labor camp or agricultural labor camp including the construction, maintenance, and use of housing for agricultural workers employed in a Farm Operation conducted on the Protected Property. Such housing may be occupied by farm laborers on a seasonal basis, whose primary source of income is derived from work on the Protected Property or other farm properties which are part of the grantor's Farm Operation.

Agricultural labor camp is defined as housing owned by the Grantor that is not occupied by the Grantor and is provided either rent-free or as part of the employment compensation to seasonal agricultural workers whose primary source of income is derived from work on the Protected Property or other farm properties which are part of the grantor's Farm Operation. This definition will be interpreted consistent with applicable state and local law.

Farm Operation means a person, partnership, corporation, cooperative, or other legal entity that conducts commercial agricultural production on the Protected Property.

The establishment of an agricultural labor camp shall comply with all applicable state or local licensing or permitting requirements.

- 6) Storage of agricultural machinery, equipment and agricultural materials, including but not limited to chemicals and fertilizers, solely for use on the Grantor's Farm Operation.
- 7) Storage, retail or wholesale marketing or processing of agricultural products if more than 50% of the stored, processed, or merchandised products are produced by the farm operator for at least three (3) of the immediately preceding five (5) years.
- 8) A Farm Stand structure or display area where marketing and transactions between farm operators and their customers take place. Such farm stand shall only be operated in conjunction with the Farm Operation on the Protected Property or other farm properties which are part of the Grantor's Farm Operation.
- 9) Other agricultural practices that in the future the Township recognizes through an amendment to the Ordinance or by resolution of the Township Board as common in the region and that are not otherwise specifically prohibited in Section 6 herein, or inconsistent with the Purposes of this Conservation Easement, or detrimental to the Conservation Values.

- G. Right to Manage Vegetation and Conduct Forestry Activities. The Grantor retains the right to cut vegetation and conduct forestry activities on the Protected Property as follows:

Forest Management: Forest management for the growth and harvest of trees (including fruit trees) including the production of forest products for use or commercial sale is permitted on the Protected Property in accordance with the following criteria: Forest management and timber harvesting shall be carried out, to the extent practicable, in accordance with current, generally accepted best management practices for the sites, soils, and terrain of the Protected Property. In addition, if 40 acres or more of contiguous forest is being managed for the

production of timber on the Protected Property, timber harvesting shall be performed in accordance with a written forest management plan prepared by a professional resource manager and provided to the Grantee.

A forest management plan will not be required for the following noncommercial activities:

- 1) Cutting of trees for the construction of any roads, utilities, buildings, and structures on the Protected Property.
- 2) Cutting of trees for trail clearing or cutting of trees for domestic use as firewood or for other domestic uses by Grantor.
- 3) Removal of trees posing an imminent hazard to the health or safety of persons, livestock, crops or structures.
- 4) Removal of invasive species.
- 5) Removing trees or other vegetation to improve agricultural use, such as air drainage, or to make additional land available for farming, as specified in paragraph 5.F.2.

All forest management activities on the Protected Property shall be conducted in a manner that does not adversely impact the Conservation Values protected by this Conservation Easement.

- H. Right to Construct and Maintain Wildlife Hunting and Viewing Blinds. The Grantor retains the right to construct and place blinds on the Protected Property for the purpose of hunting and viewing wildlife. Blinds shall not have a foundation constructed with concrete or other permanent materials. The Grantor may affix permanent tree stands that are constructed from wood or fasten tree stands that are portable and non-permanent made from any material that is common or standard for these devices.
- I. Right to Limited Use of Onsite Topsoil, Sand and Gravel. The Grantor retains the right to utilize reasonable amounts of topsoil, sand, and gravel from the Protected Property for the purpose of maintaining farm lanes, for use in the Farming Operation, or for making land surface alterations consistent with existing agricultural practices. The total and combined surface area converted to sand and/or gravel extraction shall not exceed one (1) acre in size, without approval of the Grantee pursuant to the terms set forth in Section 8 herein. Grantee shall not approve a land surface alteration in excess of one (1) acre of combined surface area unless the proposed land modification is consistent with the preservation of the Protected Property for agricultural uses. Temporarily disrupted soils shall be restored in a manner consistent with agricultural uses including replacement of a minimum of four (4) inches of topsoil and seeding within a reasonable period of time after such disruption.
- J. Right to Raise or Graze Animals. The Grantor retains the right to raise or graze animals on the Protected Property, provided the Grantor erects and maintains adequate fencing or takes other measures to prevent degradation of Conservation Values.
- K. Right to Construct and Maintain Driveways. The Grantor shall have the right to construct and maintain new driveways to access (i) each of the Residential Building Envelopes and (ii) any new or existing buildings constructed on the

Protected Property as permitted under paragraph 5.E above. One (1) paved driveway may be constructed to access each Residential Building Envelope. All other roads, driveways, or two-tracks shall not be paved and shall remain pervious. Construction of driveways shall be completed in a manner that is consistent with local ordinances, and in the manner that will reasonably preserve the Conservation Values of the Protected Property. At least 45 days prior to initiating any proposed construction of a permitted driveway, including the clearing of any vegetation or alteration of the surface of the Protected Property, the Grantor shall deliver a written plan to the Grantee for review and approval pursuant to the terms set forth in Section 8 herein.

- L. Roads, Gates, Fencing and Access. The Grantor retains the right to maintain the existing driveway and other two-tracks in their unpaved and pervious condition and to install additional two-tracks on the Protected Property. The Grantor also retains the right to maintain gates to control or discourage unauthorized vehicle access to the Protected Property, and install fencing along the perimeter and in the interior of the Protected Property.
- M. Recreational and Educational Activity. Recreational and educational activity directly related to the permitted agricultural activities of the farm is permitted as long as such activity is consistent with the Purposes of this Conservation Easement and does not adversely impact the Conservation Values. Recreational and educational activity permitted under this paragraph does not include the right to undertake additional development activity not otherwise authorized in this Section 5 herein. Under no circumstances shall athletic fields, golf courses or ranges, airstrips or helicopters pads, motocross biking, livestock auction yard, public access trails, or any other improvement or activity inconsistent with current or future agricultural production be permitted on the Protected Property.
- N. Right to Generate Renewable Energy. The Grantor retains the right to and may construct, operate, maintain, replace, and upgrade otherwise lawful non-commercial solar, wind, geothermal, and other types of renewable energy generation equipment ("Equipment"), provided that the energy generated is principally intended for non-commercial (e.g., residential and/or agricultural) use on the Protected Property.

Prior to beginning any installation of new aboveground Equipment, the Grantor shall provide a written plan to the Grantee for the Grantee's review and approval pursuant to the terms set forth in Section 8 herein. Also, at least 30 days prior to initiating any proposed installation, the Grantor must install stakes identifying the location of the Equipment to allow the Grantee to confirm their location. In addition to the approval standards set forth in Section 8 herein, the scale, scope, and energy expected to be generated thereby shall be considered by the Grantee.

The installation of underground Equipment shall not require Grantee approval under Section 8, provided the Grantor submits written notice to the Grantee at least 30 days prior to installation, any topsoil removed from the disturbed area is restored with a minimum of four (4) inches of topsoil, and such restoration is completed within a reasonable time.

- O. Exclusion of Non-Listed Uses. Any use of the Protected Property not provided as

a “permitted use” under the terms of this Conservation Easement and which impairs or interferes with the Conservation Values is expressly prohibited.

6. **PROHIBITED ACTIONS.** Any activity on or use of the Protected Property which is inconsistent with the Purposes of this Conservation Easement or which is detrimental to the Conservation Values is expressly prohibited. By way of example, but not by way of limitation, the following activities and uses are expressly prohibited:
- A. Impermissible Division. The legal or de facto division, subdivision, or partitioning of the Protected Property, including any subdivision, short subdivision, platting, binding site plan, testamentary division, creation of a site condominium or other submission of the Protected Property to a condominium form of ownership, or other process by which the Protected Property is divided into lots or in which title to different portion(s) of the Protected Property are held by different owners is prohibited, except as reserved or permitted in Section 5 herein.
  - B. Inclusion of Gross Area. The inclusion of the Protected Property or any portion thereof, as part of the gross area of any other property not subject to this Conservation Easement for the purposes of meeting the minimum dimensional standards, including setback, density, accessibility, lot coverage, acreage or open space requirements under other applicable laws, regulations, or ordinances controlling land use and building density is prohibited, except when such inclusion is solely for calculating acreage related to agricultural uses, as permitted under local ordinances and this Conservation Easement.
  - C. Buildings or Other Construction. Construction or placement of buildings or other human-made structures on the Protected Property is prohibited, except as expressly permitted in Section 5 of this Conservation Easement. The use of any existing or future structures located outside the Residential Building Envelopes for non-agricultural purposes is prohibited.
  - D. Access to Other Property. It is prohibited to establish, maintain, or use any driveway, road, lane, trail, or other access across the Protected Property (as distinguished from providing access to the Protected Property) except when such access is necessary to reach land that is part of the same Farm Operation as the Protected Property and said access is used solely for agricultural purposes.
  - E. Extractive Uses. The exploration, production or extraction of oil, gas, hydrocarbons or petroleum are prohibited on the Protected Property. Exploration, production, extraction, quarrying, or any other removal of material which depletes the land surface or subsurface, including without limitation, the removal of topsoil, sand, gravel, rock and peat, is prohibited except as expressly permitted in Section 5 of this Conservation Easement.
  - F. Dumping. Processing, storing, dumping, or disposing of liquid or solid waste, refuse, or debris on the Protected Property, is prohibited. This is not intended to prohibit the use of organic waste or other agricultural byproducts used for agricultural uses, so long as it conforms to local, state, and federal law.
  - G. Signs and Billboards. Billboards are prohibited. Signs are only permitted as related to Agricultural Activities defined under Section 5. All signs shall be in compliance

with all applicable state and local laws.

- H. Commercial and Industrial Activities. Commercial or industrial activities or uses that are not incidental to permitted agricultural and open space uses or not otherwise expressly permitted herein, are prohibited. The following activities, by way of example and not limitation, are prohibited and are not incidental to permitted agricultural and open space uses: restaurants; retail sales of products not produced on the Protected Property or Grantor's Farm Operation except as to the products authorized within this Conservation Easement; pheasant farm hunting operations; event operations such as weddings, reunions, concerts, horse shows, art fairs, or other forms of entertainment; and the provision of services that are not Agricultural Uses.

**7. RIGHTS OF GRANTEE.** The Grantor confers the following rights upon the Grantee to perpetually maintain the Conservation Values of the Protected Property:

- A. Right to Enter. The Grantee and its authorized agents have the right to enter the Protected Property during reasonable times (and on multiple occasions, as necessary) to monitor the Protected Property and to enforce compliance with, or otherwise exercise, the Grantee's rights under this Conservation Easement. The Grantor shall fully cooperate with the Grantee in the Grantee's exercise of its rights and responsibilities under this Conservation Easement and shall provide access to all areas of the Protected Property required for such exercise. Except in the case of emergency or if there is an imminent threat to the Conservation Values, the Grantee shall make reasonable efforts to notify Grantor in advance of Grantee's planned entry onto the Protected Property and accommodate Grantor's preferred schedule for such access, within a reasonable period after request for access. The Grantee will not unreasonably interfere with the Grantor's use and quiet enjoyment of the Protected Property or permit others to enter the Protected Property. The general public is not granted access to the Protected Property under this Conservation Easement.
- B. Right to Preserve. The Grantee has the right to prevent any activity on or use of the Protected Property that is inconsistent with the Conservation Easement Purposes or detrimental to the Conservation Values, unless such activity is expressly permitted in this Conservation Easement.
- C. Right to Require Restoration. The Grantee has the right to require the Grantor to restore any and all areas or features of the Protected Property which are damaged by any activity inconsistent with this Conservation Easement to the condition that existed on the date of recordation of this Conservation Easement, or to such other condition as may then exist, provided such other condition is consistent with the terms of this Conservation Easement.

**8. GRANTEE APPROVAL.** This section addresses the standards that shall be followed for surveys and plans submitted by the Grantor for the Grantee's review.

- A. Standards of review, Generally. Except as specified in paragraph 8.B, the purpose of requiring Grantee approval is solely to allow the Grantee the opportunity to ensure that the proposed activities, and the manner in which they are designed and carried out, are consistent with the Purposes and Conservation Values of this

Conservation Easement and adhere to the terms set forth therein. Grantee approval shall not be unreasonably withheld.

- B. Standards of review, Construction, Placement, and Renovation of Buildings. The purpose requiring Grantee approval of plans regarding the construction, placement, or renovation of buildings within the Residential Building Envelopes is solely to allow the Grantee to ensure: (1) the plans comply with the terms of the Conservation Easement; (2) buildings will be located within the Residential Building Envelopes; and (3) the buildings will be put towards agricultural or residential uses.

The purpose of requiring Grantee approval of plans regarding the construction, placement, or renovation of buildings outside of a designated Residential Building Envelope is solely for the Grantee to ensure: (1) the plans comply with the terms of the Conservation Easement; (2) the buildings will be located outside of restricted viewsheds or designated No Building Areas; and (3) the buildings will be put towards agricultural uses.

For all buildings, the Grantee review shall not consider questions of style, architecture, or method of construction. Grantee approval shall not be unreasonably withheld.

- C. Review Process: Whenever approval is required, the Grantor and the Grantee shall follow the following process:

- 1) Grantor shall submit written plans for the proposed action to the Grantee Offices at least forty-five (45) days prior to commencing the activity.
- 2) The Grantee shall have up to forty-five (45) days from the date of receipt of the plan to review the plan and notify Grantor that the plan is: (1) approved; (2) denied; or (3) approved with conditions.
- 3) The Grantee may require additional information from the Grantor as necessary to review the plan and process the request.
- 4) If the Grantee determines that the Grantor's written plans are incomplete or additional information is required under Section 8.C.3, the Grantee shall have an additional forty-five (45) days from the date the complete plan, additional information, or modified plan is received to review and notify the Grantor of the decision made under Section 8.C.
- 5) The Grantee may deny the proposed activity if the Grantee reasonably determines the proposed action or plan is likely to be inconsistent with the standards of review described in paragraphs 8.A and 8.B or the terms of this Conservation Easement.

If the Grantor performs activities which require Grantee approval without proper approval, then the Grantor is subject to remedies described under Section 10, Grantee Remedies.

Any requirements imposed on the Grantee under Section 8 solely concern the Grantee's review of the Grantor's proposed activities under the terms of this Conservation Easement

and do not relate to, or have binding effect on, the Grantee's review of the Grantor's proposed activities under the Grantee's ordinances or regulations.

9. **LIMITATIONS ON AMENDMENT.** If circumstances arise under which an amendment to or modification of this Conservation Easement would be appropriate, Grantor and Grantee may by written agreement amend this Conservation Easement, provided that no amendment shall be made that will adversely affect the qualification of this Conservation Easement or the status of Grantee under any applicable laws, including Section 170(h) of the Internal Revenue Code and the laws of the State of Michigan. Any such amendment shall be consistent with the Purposes of this Conservation Easement, shall not affect its perpetual duration, shall not permit residences to be constructed on the Protected Property (other than those the rights to which are retained under Section 5, above), and shall not permit any impairment of Conservation Values of the Protected Property, as described in this Conservation Easement or the Baseline Documentation Report. Any such amendment shall be executed by Grantee or by Grantee's successor in title to the benefits of this Conservation Easement and shall be filed in the office of the Register of Deeds. Nothing in this paragraph shall require Grantor or Grantee to agree to any amendment or to consult or negotiate regarding any amendment.
10. **GRANTEE REMEDIES.** This section addresses cumulative remedies of the Grantee and limitations on these remedies.
- A. Delay in Enforcement. No delay in enforcement shall be construed as a waiver of the Grantee's right to enforce the terms of this Conservation Easement at a later date.
- B. Acts Beyond Grantor's Control. The Grantee may not bring an action against the Grantor for modifications or changes to the Protected Property resulting from causes beyond the Grantor's reasonable control, including, but not limited to, unauthorized actions by third parties, natural disasters such as unintentional fires, floods, storms, natural earth movement, and major tree disease or from any prudent action taken by Grantor under emergency conditions to prevent, abate, or mitigate significant injury to the Protected Property resulting from such causes ("Casual Loss"). Any modifications or repairs undertaken as a consequence of a Casual Loss shall, to the extent practicable, restore the Protected Property to its Baseline Condition, as adjusted for any permitted structures, driveways, utilities and other improvements installed after the date of the original Baseline Documentation Report. Grantor shall provide prompt notice to the Grantee of such Casual Loss and submit, if requested by the Grantee, any and all plans for replacement, restoration, or modifications. If the Grantee reasonably determines that the plans will result in modifications that violate the terms of this Conservation Easement, the provisions of Paragraph D below shall apply.
- C. Notice and Demand. If the Grantee reasonably believes that the Grantor is in violation of this Conservation Easement, or that a violation is threatened, the Grantee shall provide written notice to the Grantor. The written notice will identify the violation and request corrective action to cure the violation and, where the Protected Property has been injured, outline the corrective action necessary to restore the Protected Property.
- D. Opportunity to Cure Violations. The Grantor shall have a forty-five (45)-day cure

period from the date the Grantee's written notice is sent to abate a violation or a threatened violation and implement any corrective actions requested by the Grantee. In the event a violation would take a reasonable person in the position of Grantor longer than forty-five (45) days to cure, the Grantee shall allow an additional forty-five (45) days for the Grantor to effect a cure. However, if Grantee's good-faith and reasonable efforts to notify the Grantor are unsuccessful, or if the Grantee determines that a violation constitutes immediate and irreparable harm, the Grantee may pursue an action seeking injunctive relief to mitigate or prevent harm to the Conservation Values without awaiting the Grantor's opportunity to cure.

If, after the forty-five (45)-day period, Grantor continues violating this Conservation Easement, continues to threaten a violation, or if Grantor does not abate the violation and implement corrective measures requested by Grantee, Grantee shall be entitled to bring an action at law or in equity to enforce the terms of this Conservation Easement. Any actions seeking injunctive relief taken during the forty-five (45)-day period may be amended after the period expires to seek any additional claims or remedies allowed under Section 10 of this Conservation Easement.

- E. Threatened violations. In the event that the Grantee determines that a violation has been threatened but has not yet occurred, the Grantee may, after providing notice under Section 10.C, pursue an action seeking injunctive relief. The Grantor agrees that the Grantee's remedies at law for a threatened violation may be inadequate and that the Grantee, in an appropriate case, shall be entitled to injunctive relief, and Grantor waives the Grantee's obligations to prove actual damages or the inadequacy of otherwise available legal remedies when seeking such relief.
  - F. Remedies and Litigation Costs. Subject to Section 10.D, if the Grantee determines that the provisions of this Conservation Easement are not being complied with and the violation cannot be resolved with the Grantor, then the Grantee shall be entitled to enjoin the violation through injunctive relief, or to seek specific performance, declaratory relief, restitution, reimbursement of expenses, or an order compelling restoration of the Protected Property. If the court determines that Grantor has violated this Conservation Easement, then Grantor also agrees to reimburse all reasonable costs and reasonable attorney fees incurred by Grantee. However, if the court determines that the Grantor has not violated this Conservation Easement, then Grantee agrees to reimburse all reasonable costs and reasonable attorneys' fees incurred by Grantor.
  - G. Cumulative Remedies. The preceding remedies of the Grantee are cumulative. Subject to Section 10.D, any or all of the remedies may be invoked by the Grantee if there is an actual or threatened violation of this Conservation Easement.
11. **REGULATORY AUTHORITY.** The Grantor is solely responsible for obtaining all applicable permits and authorization or otherwise ensuring that any proposed use, building, construction, design, location, or other specification related to Grantor's use of the Protected Property complies with all applicable local, state, and federal regulations, rules, policies, or laws. Likewise, the Grantee is solely responsible for obtaining all applicable permits and authorization or otherwise ensuring that any proposed use related

to the Grantee's use of the Protected Property described under Rights of the Grantee complies with all applicable local, state, and federal regulations, rules, policies, or laws.

By accepting this Conservation Easement, or in reviewing and/or approving any use, building, construction, design, location, or any other specification related to the Protected Property or the use or development of the Protected Property, the Grantee makes no warranty that the proposed use, building, construction, design, location, or other specification complies with any local, state, or federal regulation, rule, policy, or law. Zoning laws and other governmental laws or regulations apply to the Protected Property, and shall serve as the limit to use on the Protected Property unless the limits imposed by this Conservation Easement are more restrictive. Any timelines or approval standards within the Conservation Easement have no binding effect on the Grantee when exercising its police powers as vested by the Michigan Constitution, and state and local law.

- 12. GRANTOR COSTS AND LIABILITIES.** In accepting this Conservation Easement, the Grantee shall have no liability or other obligation for costs, liabilities, taxes, or insurance of any kind related to the Protected Property except as otherwise provided in this section.

  - A. The Grantee, its members, trustees or directors, officers, employees, and agents shall have no liability arising from injury or death to any person or physical damage to any property on the Protected Property except as provided in paragraph 12.B, below. The Grantor agrees to indemnify, hold harmless and defend the Grantee against such claims of injury, loss, cost or damage during the term of the Grantor's ownership of the Protected Property. The Grantee's rights do not include the right, in absence of a judicial decree, to enter or control the Protected Property to the degree that would cause the Grantee to be deemed an owner or operator of the Protected Property within the meaning of Part 201, Environmental Remediation, of the Natural Resources and Environmental Protection Act, or any other federal or state law or regulation.
  - B. The Grantee agrees to indemnify, hold harmless and defend the Grantor against third party claims during the term of, and relating to, the Grantee's use and exercise of its rights under this Conservation Easement. Except as otherwise provided in this Conservation Easement, the Grantor shall have no cost or liability for the Grantee's actions associated with the exercise of these rights. The foregoing provisions of this paragraph 12.B shall not apply to loss, injury, death or damage arising from any acts or omissions of the Grantor, or its invitees, agents or employees; nor shall the foregoing apply to any costs or liabilities of the Grantor for a violation of the terms of this Conservation Easement.
- 13. NO THIRD PARTY RIGHTS.** No third party rights are created or intended to be conveyed in this Conservation Easement.
- 14. AUTHORIZATION TO HOLD CONSERVATION EASEMENTS.** If the Grantee becomes no longer authorized to acquire and hold conservation easements, then this Conservation Easement shall become vested in the County of Grand Traverse, Michigan. If the County is not willing or able to hold this Conservation Easement, then this Conservation Easement shall become solely held by the State of Michigan.
- 15. TERMINATION.** This Conservation Easement may be extinguished only if it is impossible

to fulfill the Easement's Conservation Purposes and Conservation Values.

- A. Subsequent Circumstances. If subsequent circumstances render the Purposes of this Conservation Easement impossible to fulfill, then this Conservation Easement may be partially or entirely terminated by the Peninsula Township Board upon request by the Grantor or Grantee. Any extinguishment shall go through judicial proceedings. The Peninsula Township Board shall hold a public hearing to address the partial or complete termination of the Conservation Easement to consider the input of the public. Notice of the public hearing shall be mailed to all property owners within Peninsula Township. All costs associated with said public hearing shall be paid by the requester of the termination. Notwithstanding the foregoing, the Grantor and Grantee intend that the Conservation Easement is not subject to the legal doctrine of "changed conditions" that is applied to traditional servitudes. If termination and extinguishment occur, the Grantee will be entitled to compensation in accordance with the provisions of IRC Treasury Regulations Section 1.170A-14(g)(6)(ii).
- B. Eminent Domain. If the Protected Property is taken, in whole or in part, by power of eminent domain, then the Grantee will be entitled to compensation by the same method as is set forth in IRC Treasury Regulations Section 1.170A-14(g)(6)(ii).

16. **LIBERAL CONSTRUCTION.** This Conservation Easement shall be liberally construed in favor of maintaining the Conservation Values of the Protected Property and in accordance with the Conservation and Historic Preservation Easement, Subpart 11 of Part 21 of the Michigan Natural Resources and Environmental Protection Act, MCL § 324.2140 *et seq.*
17. **NOTICES.** For purposes of this Conservation Easement, notices may be provided to either party by personal delivery or by mailing a written notice to the party (at the address shown at the top of this Conservation Easement, or at the last known address of a party) by a trackable delivery service such as USPS, FED EX, or UPS service showing the notice was received. All notices shall be deemed to have been duly given when hand-delivered or when received by the party to whom the notice was mailed.

**Grantor:** Mark Kelly  
11253 Center Road  
Traverse City, Michigan 49686

**Grantee:** Peninsula Township  
Attn: Township Supervisor, Township Clerk, and Township Assessor  
13235 Center Road  
Traverse City, Michigan 49686

18. **SEVERABILITY.** If any portion of this Conservation Easement is determined to be invalid, the remaining provisions will remain in force.
19. **SUCCESSORS.** This Conservation Easement is binding upon, and inures to the benefit of, the Grantor's and the Grantee's successors in interest. All subsequent owners of the Protected Property are bound to all provisions of this Conservation Easement to the same extent as the current Protected Property owner.
20. **TERMINATION OF PERSONAL RIGHTS AND OBLIGATIONS.** A party's personal future

rights and obligations under this Conservation Easement terminate upon transfer of that party's interest in the Protected Property. Liability for acts or omissions occurring prior to transfer will survive the transfer.

21. **SUBORDINATION.** Any mortgage or lien shall be subordinated to the terms of this Conservation Easement.
22. **DISCRETION.** Grantee's discretion shall be exercised reasonably, in good faith, based on objective Conservation Values, and not on subjective or aesthetic preferences. Any denial shall include a written explanation identifying the specific Conservation Values impacted.
23. **EXHIBITS.** This Conservation Easement includes and incorporates the following Exhibits:
  - Exhibit A – Legal Description
  - Exhibit B – Survey
  - Exhibit C – Baseline Documentation Map
24. **MICHIGAN LAW AND FORUM.** This Conservation Easement will be construed in accordance with Michigan Law. Grantor and Grantee each hereby irrevocably consent to the jurisdiction of the courts of the State of Michigan located in Grand Traverse County for all purposes in connection with any action or proceeding which arises out of or relates to this Conservation Easement and agree that any such action shall be filed, heard, and decided by the courts of the State of Michigan located in Grand Traverse County.
25. **ENTIRE AGREEMENT.** This Conservation Easement sets forth the entire agreement of the parties. It is intended to supersede all prior discussions or understandings.

*Signature page to follow*



Drafted by Will Manty

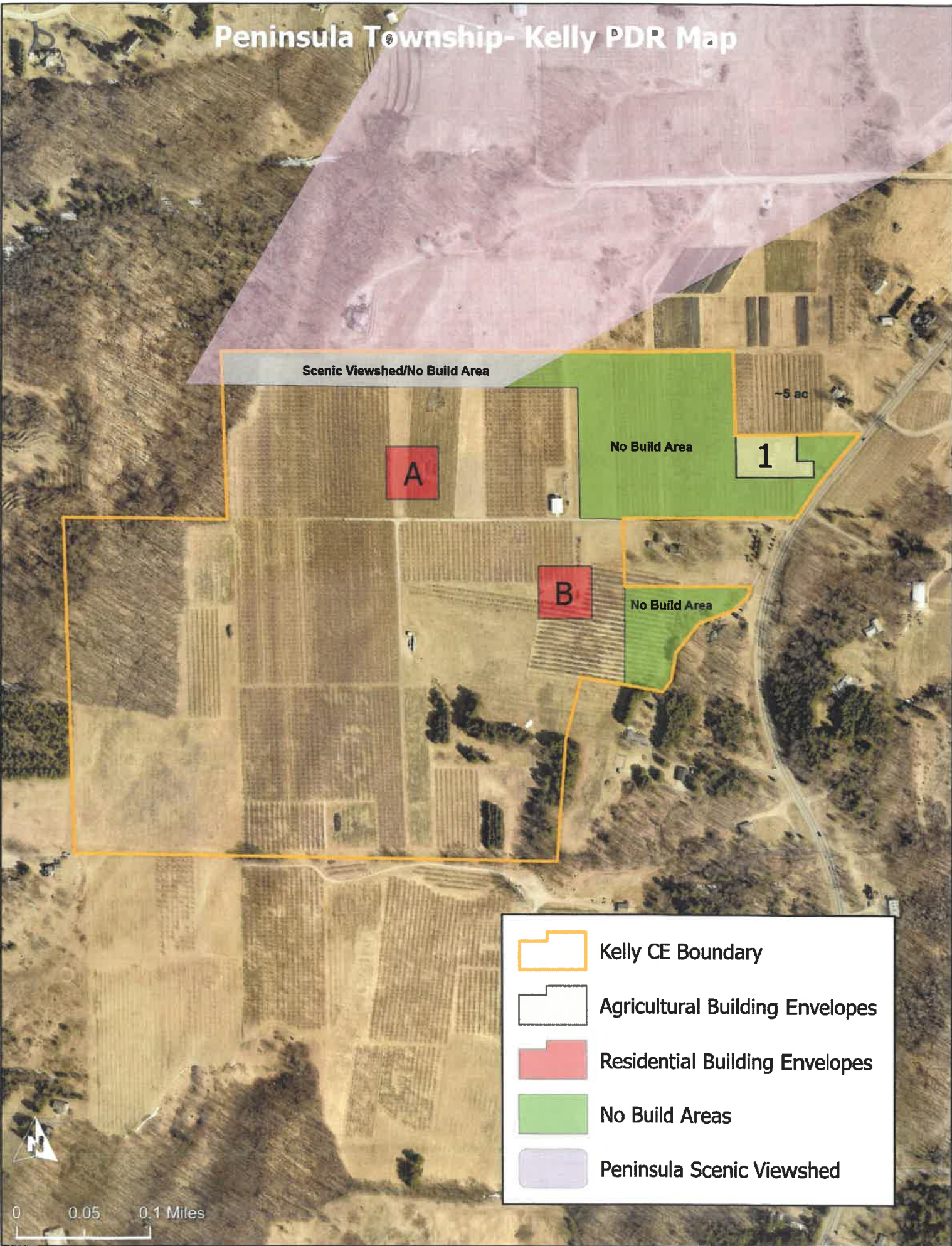
When recorded return to:  
Peninsula Township  
ATTN: Maura Sanders, Supervisor  
13235 Center Road  
Traverse City, Michigan 49686






## Exhibit A – Legal Description

**Exhibit B – Survey**

## Exhibit C – Baseline Documentation Map

# Peninsula Township- Kelly PDR Map



-  Kelly CE Boundary
-  Agricultural Building Envelopes
-  Residential Building Envelopes
-  No Build Areas
-  Peninsula Scenic Viewshed

0 0.05 0.1 Miles

## EXHIBIT B

### AGRICULTURAL CONSERVATION EASEMENT

#### PENINSULA TOWNSHIP AGRICULTURAL PURCHASE OF DEVELOPMENT RIGHTS PROGRAM

- DATE:** This Agricultural Conservation Easement ("Conservation Easement") is dated [REDACTED].
- GRANTOR:** Mark Kelly, whose address is 11253 Center Road, Traverse City, Michigan 49686, the Grantor and all subsequent owners of the Protected Property (collectively, "Grantor").
- GRANTEE:** Peninsula Township, a municipal corporation, of Grand Traverse County, Michigan, having an address of 13235 Center Road, Traverse City, Michigan 49686 ("Grantee").
- PROPERTY:** See legal description attached as **Exhibit A** and survey attached as **Exhibit B** to this Conservation Easement. For purposes of this Conservation Easement, "Protected Property" means all or any part or portion of this land.
- CONVEYANCE:** This Conservation Easement is conveyed in consideration for \$ [REDACTED], paid to the Grantor by the Grantee, the receipt of which is acknowledged by the Grantor.

The Grantor conveys and warrants to the Grantee a perpetual agricultural conservation easement over the Protected Property. The scope and terms of the agricultural conservation easement are set forth in this Conservation Easement.

#### THE GRANTOR AND THE GRANTEE AGREE TO THE FOLLOWING:

1. **CONSERVATION PURPOSES OF THIS CONSERVATION EASEMENT AND COMMITMENTS OF THE GRANTOR AND GRANTEE.**
  - A. This Conservation Easement preserves open space and will yield a significant public benefit (i) for the scenic enjoyment of the general public; and (ii) pursuant to a clearly delineated local governmental conservation policy as further defined in Section 2.
  - B. This Conservation Easement assures that the Protected Property will be perpetually preserved in its agricultural, scenic, natural, and open space condition. The purposes of this Conservation Easement further include protecting the Property's potential for productive farming and forestry; providing open space; maintaining public scenic views; and protecting the Property's natural resource values. The purposes described in this paragraph and in paragraph 1.A, above, are referred to as the "Purposes" in this Conservation Easement.

- C. The Township Board has made findings of fact regarding the importance of protecting the conservation values of certain lands within Peninsula Township and the citizens of Peninsula Township, through their Township Board, have established Peninsula Township's Purchase of Development Rights Ordinance No. 23 ("Ordinance") to acquire, through voluntary contracting by landowners, interests in the real property for the protection of conservation values. The Protected Property has been identified as Farmland and/or Open Space Land as defined in the Ordinance. The Grantor is willing to grant and convey to the Grantee the Development Rights in the Protected Property as such rights are defined in the Ordinance (said rights being the interest in and the right to use and subdivide land for any and all residential, commercial, and industrial purposes and activities which are not agricultural and open space uses as set forth in this Conservation Easement) on the terms and conditions and for the purposes hereinafter set forth.
2. **CONSERVATION VALUES.** The Protected Property possesses agricultural, scenic, and open space values of prominent importance to the Grantor, the Grantee, and the public. These values are referred to as the "Conservation Values" in this Conservation Easement and are further described in the Baseline Documentation Report. Certain Conservation Values may have relevance to more than one Purpose, even though they are listed only once. The Conservation Values include the following:
- A. The Protected Property is located within Peninsula Township, a community with an agricultural-based economy in an area presently experiencing rapid development, including the subdivision and development of prime farmland.
- B. Maintaining the scenic and rural beauty of the area along with preserving the agricultural industry of Peninsula Township is an important planning goal of Peninsula Township and area residents, as supported by the 2024 Peninsula Township Master Plan and the Ordinance.
- C. The Protected Property is a part of a large block of protected land, which contributes to the long-term sustainability of agriculture in the region by providing a buffer from residential development and other incompatible uses that could impair the ability to conduct agricultural practices over time.
- D. The Protected Property is desirable for substantial residential development because of its size, location, and orientation and in the absence of this Conservation Easement the Property could be developed in a manner that would destroy the Conservation Values.
- E. The Protected Property is located in the West Michigan Fruitbelt Region, an area with a unique capacity to grow stone fruit and other fruit such as apples, grapes and berries. This Region is recognized by the American Farmland Trust as one of the 20 most threatened agricultural resources in the United States.
- F. The Protected Property is a part of an area which has a long history of productive farming and with good management is capable of sustaining productive farming into the future.
- G. The Protected Property adjoins natural land that provides habitat for native plant and animal species, and preservation of the Protected Property provides a buffer

from residential development and other incompatible uses that may otherwise impair this habitat over time.

- H. The Protected Property offers broad scenic views with minimal development in an area prominently visible to the public.
  - I. The Protected Property serves as a groundwater recharge area for the Grand Traverse Bay Watershed.
  - J. The Protected Property includes “prime, unique and locally important farmland” as documented by United States Department of Agriculture and Rural Development.
  - K. The Protected Property is preserved consistent with federal, state, or local policy and yields a significant public benefit. The following legislation, regulations, and policy statements reflect relevant public policy:
    - 1. The State of Michigan has recognized the importance of protecting natural resources as delineated in the 1963 Michigan Constitution, Article IV, Section 52: “The conservation and development of the natural resources of the state are hereby declared to be of paramount public concern in the interest of the health, safety, and general welfare of the people. The legislature shall provide for the protection of the air, water, and other natural resources of the state from pollution, impairment, and destruction.”
    - 2. Conservation and Historic Preservation Easement, Subpart 11 of Part 21 of the Michigan Natural Resources and Environmental Protection Act, MCL § 324.2140 *et seq.*
    - 3. Water Pollution Control Act of 1972, 33 USC §§ 1251–1387 (§ 1251 Goals & Policy; § 1344 Wetlands permitting, aka “Section 404” Clean Water Act).
    - 4. Farmland and Open Space Preservation, Part 361 of the Michigan Natural Resources and Environmental Protection Act, MCL § 324.36101 *et seq.*
    - 5. Soil Conservation, Erosion, and Sedimentation Control, Parts 91 & 93 of the Michigan Natural Resources and Environmental Protection Act, MCL §§ 324.9101 *et seq.*; 324.9301 *et seq.*; (Legislative Policy § 324.9302).
    - 6. The Township of Peninsula has designated this area as within the Agricultural Preservation Area in its Master Plan dated 2024, which includes a goal to “continue to implement any policies that reduce build-out potential.”
3. **BASELINE DOCUMENTATION.** Specific Conservation Values of the Protected Property have been documented in a natural resource inventory signed by the Grantor and the Grantee and maintained in Township records. This “Baseline Documentation Report,” dated **DATE**, which is incorporated herein by reference consists of written text, maps, a depiction of all existing human-made modifications, prominent vegetation, identification of flora and fauna, land use history, distinct natural features, and photographs. The parties agree that this Baseline Documentation Report provides an accurate representation of the Protected Property at the time of this Conservation Easement conveyance (“Baseline

Condition”). The Baseline Documentation Report may be updated from time to time, but only upon the mutual consent of the parties to this Conservation Easement or their successors in interest, and only through a written document signed by each. The Township may use the Baseline Documentation Report and any updates in enforcing the provisions of this Conservation Easement but may also use all other available evidence to show a change in conditions. Any characterization of the terms of this Conservation Easement contained in the Baseline Documentation Report shall not be interpreted so as to alter, amend, or otherwise modify this Conservation Easement. In any conflict or inconsistency between the terms of this Conservation Easement and the Baseline Documentation Report, the terms of this Conservation Easement shall prevail.

4. **REPRESENTATIONS.** The Grantor has good and sufficient title to convey this Conservation Easement and is committed to preserving the Conservation Values as stated in this Conservation Easement. The Grantor agrees to confine use of the Protected Property to activities consistent with the Purposes of this Conservation Easement and the preservation of the Conservation Values.

The Grantee protects scenic and farmlands where preservation will yield a significant public benefit. The Grantee is a qualified holder of this Conservation Easement and will preserve the Conservation Values of the Protected Property and uphold the terms of this Conservation Easement. The Grantee is a governmental entity qualified under the Conservation and Historic Preservation Easement, Subpart 11 of Part 21 of Natural Resources and Environmental Protection Act, MCL § 324.2140 *et seq.* to hold a conservation easement. The Grantee is a local government body authorized under the Michigan Zoning Enabling Act, Act 110 of 2006, MCL § 125.3507 *et seq.* to adopt a purchase of development rights ordinance and to create a purchase of development rights program.

5. **PERMITTED USES.** The Grantor retains all ownership rights except those extinguished or limited by this Conservation Easement and except those which are inconsistent with the Purposes or detrimental to the Conservation Values. In particular, the Grantor reserves and retains the following rights:

- A. **Right to Convey.** The Grantor retains the right to sell, lease, mortgage, bequeath, assign or donate the Protected Property. Any conveyance will remain subject to the terms of this Conservation Easement, and all persons or entities claiming under the Grantor and all successor owners, and those claiming rights under them are bound by all obligations in this Conservation Easement. Grantor shall notify the Grantee by first class mail upon execution of a binding purchase agreement.
- B. **Right to Divide.** The Grantor retains the right to divide the Protected Property, provided however, that the Protected Property shall not exist as more than four (4) legal parcels. The Protected Property shall not be divided into parcels less than twenty (20) acres in size, unless the land divisions are used to produce parcels that are no larger than fifty (50) feet beyond all sides of the one (1) acre “Residential Building Envelopes,” as shown on **Exhibit B**, Survey, and **Exhibit C**, Baseline Documentation Map. Other than for the specific retained divisions, the Protected Property, in whole or part, shall not otherwise be combined with any other parcel.

All resulting parcels, including any parcel conveyed, will remain and be subject to the terms of this Conservation Easement and all subsequent owners shall be bound by the terms of this Conservation Easement.

Should this Protected Property be divided as permitted in this paragraph 5.B herein, the deed or other instruments utilized to create such a division shall stipulate what additional rights retained herein, if any, shall be distributed to any new parcel resulting from the division.

The Grantor must notify the purchaser or prospective owner of any split parcel of this Conservation Easement in writing and provide a copy of the Conservation Easement to the purchaser or prospective owner prior to such purchaser or prospective owner taking title.

- C. Right to Add Structures within Residential Building Envelopes. Within the areas designated as "Residential Building Envelope A" and "Residential Building Envelope B" on **Exhibit B**, Survey, and **Exhibit C**, Baseline Documentation Map, the Grantor retains the right to place or construct additional structures, including a single-family residence, structures accessory to residential use and agricultural buildings, and to install utilities to serve the Residential Building Envelopes. Each Residential Building Envelope shall contain no more than one (1) single-family residence. Storage of the Grantor's personal items in accessory structures within the Residential Building Envelopes is permitted. Utilities include, but are not limited to, gas and electric lines; water wells; human waste disposal systems (septic field); propane tanks; and non-commercial solar, wind, geothermal, and other types of renewable energy generation equipment for the purpose of servicing the buildings within the building envelopes. Aboveground Utilities that cannot be physically accommodated within the Residential Building Envelopes may extend outside of the Residential Building Envelope boundaries, upon written approval of the Grantee pursuant to the terms set forth in Section 8 herein.

Prior to beginning any construction or placement of new structures or aboveground Utilities, the Grantor shall provide a written plan to the Grantee for the Grantee's review and approval pursuant to the terms set forth in Section 8. At least thirty (30) days prior to initiating any proposed construction, the Grantor shall also install stakes identifying the location of the structures and aboveground Utilities to allow the Grantee to confirm their location within the Residential Building Envelopes.

The installation of underground Utilities (including septic systems and wells) necessary to serve permitted residential or agricultural structures shall not be restricted to the Residential Building Envelopes, nor shall they require Grantee approval under Section 8, provided the Grantor submits written notice to the Grantee at least 30 days prior to installation, any topsoil removed from the disturbed area is restored with a minimum of four (4) inches of topsoil, and such restoration is completed within a reasonable time.

- D. Right to Maintain and Replace Existing and Future Structures. The Grantor retains the right to maintain, renovate, and replace the existing structures noted in the Baseline Documentation Report. The Grantor also retains the right to maintain, renovate, and replace any future structures which are permitted under this Conservation Easement. Prior to beginning renovation or replacement of a

structure as permitted in this paragraph 5.D herein, the Grantor shall provide a written plan to the Grantee for the Grantee's review and approval pursuant to the terms set forth in Section 8 herein.

- E. Right to Construct Agricultural Structures. Within the area designated as "Agricultural Building Envelope 1," shown on **Exhibit B**, Survey, and **Exhibit C**, Baseline Documentation Map, and at any other location on the Protected Property (except as expressly prohibited or limited by this Conservation Easement), the Grantor retains the right to construct and install buildings, farm stands and other structures, roads, driveways, parking areas, utilities, and other improvements for agricultural uses described in paragraph 5.F, including but not limited to new buildings such as greenhouses, horse stables, hoop houses, barns, and other structures and improvements, to be used solely for agricultural purposes. No buildings or structures of any kind shall be located within the area designated as "No Build Area" on **Exhibit B**, Survey, and **Exhibit C**, Baseline Documentation Map. However, fencing, driveways, and utilities are allowable inside the "No Building Area."

Prior to beginning any construction or placement of new structures or aboveground Utilities, the Grantor shall provide a written plan to the Grantee for the Grantee's review and approval pursuant to the terms set forth in Section 8 herein. Also, at least thirty (30) days prior to initiating any proposed construction, the Grantor must install stakes identifying the location of the structures or Utilities to allow the Grantee to confirm their location.

The installation of underground Utilities necessary to serve permitted agricultural structures shall not require Grantee approval under Section 8, provided the Grantor submits written notice to the Grantee at least 30 days prior to installation, any topsoil removed from the disturbed area is restored with a minimum of four (4) inches of topsoil, and such restoration is completed within a reasonable time.

- F. Right to Agricultural Uses. The Grantor retains the right to conduct agricultural uses on the Protected Property, which comply with the provisions of this Conservation Easement and all local, state or federal laws. For purposes of this Conservation Easement, "Agricultural Use" means substantially undeveloped land devoted to the production of plants and animals useful to humans, including forages and sod crops; grains, feed crops, and field crops; dairy and dairy products; poultry and poultry products; livestock, including breeding and grazing of cattle, horses, swine, captive cervidae, and similar animals; berries; herbs; flowers; seeds; grasses; nursery stock; fruits; vegetables; Christmas trees; all forms of sap collection, sugaring, and syrup production; and other similar Agricultural Uses.

Agricultural Use specifically includes, but is not limited to, the following:

- 1) Planting trees or other vegetation to improve agricultural use of the Protected Property, such as wind breaks.
- 2) Removing trees (including fruit trees) or other vegetation to improve agricultural use, such as air drainage, or to make additional land available for farming or to replace existing trees or other crops.
- 3) Composting plants, animal manure, or other natural materials generated by

agricultural uses.

- 4) Lying fallow or nonuse of the Protected Property.
- 5) The use of a state-licensed agricultural labor camp or agricultural labor camp including the construction, maintenance, and use of housing for agricultural workers employed in a Farm Operation conducted on the Protected Property. Such housing may be occupied by farm laborers on a seasonal basis, whose primary source of income is derived from work on the Protected Property or other farm properties which are part of the grantor's Farm Operation.

Agricultural labor camp is defined as housing owned by the Grantor that is not occupied by the Grantor and is provided either rent-free or as part of the employment compensation to seasonal agricultural workers whose primary source of income is derived from work on the Protected Property or other farm properties which are part of the grantor's Farm Operation. This definition will be interpreted consistent with applicable state and local law.

Farm Operation means a person, partnership, corporation, cooperative, or other legal entity that conducts commercial agricultural production on the Protected Property.

The establishment of an agricultural labor camp shall comply with all applicable state or local licensing or permitting requirements.

- 6) Storage of agricultural machinery, equipment and agricultural materials, including but not limited to chemicals and fertilizers, solely for use on the Grantor's Farm Operation.
- 7) Storage, retail or wholesale marketing or processing of agricultural products if more than 50% of the stored, processed, or merchandised products are produced by the farm operator for at least three (3) of the immediately preceding five (5) years.
- 8) A Farm Stand structure or display area where marketing and transactions between farm operators and their customers take place. Such farm stand shall only be operated in conjunction with the Farm Operation on the Protected Property or other farm properties which are part of the Grantor's Farm Operation.
- 9) Other agricultural practices that in the future the Township recognizes through an amendment to the Ordinance or by resolution of the Township Board as common in the region and that are not otherwise specifically prohibited in Section 6 herein, or inconsistent with the Purposes of this Conservation Easement, or detrimental to the Conservation Values.

- G. Right to Manage Vegetation and Conduct Forestry Activities. The Grantor retains the right to cut vegetation and conduct forestry activities on the Protected Property as follows:

Forest Management: Forest management for the growth and harvest of trees (including fruit trees) including the production of forest products for use or commercial sale is permitted on the Protected Property in accordance with the following criteria: Forest management and timber harvesting shall be carried out, to the extent practicable, in accordance with current, generally accepted best management practices for the sites, soils, and terrain of the Protected Property. In addition, if 40 acres or more of contiguous forest is being managed for the

production of timber on the Protected Property, timber harvesting shall be performed in accordance with a written forest management plan prepared by a professional resource manager and provided to the Grantee.

A forest management plan will not be required for the following noncommercial activities:

- 1) Cutting of trees for the construction of any roads, utilities, buildings, and structures on the Protected Property.
- 2) Cutting of trees for trail clearing or cutting of trees for domestic use as firewood or for other domestic uses by Grantor.
- 3) Removal of trees posing an imminent hazard to the health or safety of persons, livestock, crops or structures.
- 4) Removal of invasive species.
- 5) Removing trees or other vegetation to improve agricultural use, such as air drainage, or to make additional land available for farming, as specified in paragraph 5.F.2.

All forest management activities on the Protected Property shall be conducted in a manner that does not adversely impact the Conservation Values protected by this Conservation Easement.

- H. Right to Construct and Maintain Wildlife Hunting and Viewing Blinds. The Grantor retains the right to construct and place blinds on the Protected Property for the purpose of hunting and viewing wildlife. Blinds shall not have a foundation constructed with concrete or other permanent materials. The Grantor may affix permanent tree stands that are constructed from wood or fasten tree stands that are portable and non-permanent made from any material that is common or standard for these devices.
- I. Right to Limited Use of Onsite Topsoil, Sand and Gravel. The Grantor retains the right to utilize reasonable amounts of topsoil, sand, and gravel from the Protected Property for the purpose of maintaining farm lanes, for use in the Farming Operation, or for making land surface alterations consistent with existing agricultural practices. The total and combined surface area converted to sand and/or gravel extraction shall not exceed one (1) acre in size, without approval of the Grantee pursuant to the terms set forth in Section 8 herein. Grantee shall not approve a land surface alteration in excess of one (1) acre of combined surface area unless the proposed land modification is consistent with the preservation of the Protected Property for agricultural uses. Temporarily disrupted soils shall be restored in a manner consistent with agricultural uses including replacement of a minimum of four (4) inches of topsoil and seeding within a reasonable period of time after such disruption.
- J. Right to Raise or Graze Animals. The Grantor retains the right to raise or graze animals on the Protected Property, provided the Grantor erects and maintains adequate fencing or takes other measures to prevent degradation of Conservation Values.
- K. Right to Construct and Maintain Driveways. The Grantor shall have the right to construct and maintain new driveways to access (i) each of the Residential Building Envelopes and (ii) any new or existing buildings constructed on the

Protected Property as permitted under paragraph 5.E above. One (1) paved driveway may be constructed to access each Residential Building Envelope. All other roads, driveways, or two-tracks shall not be paved and shall remain pervious. Construction of driveways shall be completed in a manner that is consistent with local ordinances, and in the manner that will reasonably preserve the Conservation Values of the Protected Property. At least 45 days prior to initiating any proposed construction of a permitted driveway, including the clearing of any vegetation or alteration of the surface of the Protected Property, the Grantor shall deliver a written plan to the Grantee for review and approval pursuant to the terms set forth in Section 8 herein.

- L. Roads, Gates, Fencing and Access. The Grantor retains the right to maintain the existing driveway and other two-tracks in their unpaved and pervious condition and to install additional two-tracks on the Protected Property. The Grantor also retains the right to maintain gates to control or discourage unauthorized vehicle access to the Protected Property, and install fencing along the perimeter and in the interior of the Protected Property.
- M. Recreational and Educational Activity. Recreational and educational activity directly related to the permitted agricultural activities of the farm is permitted as long as such activity is consistent with the Purposes of this Conservation Easement and does not adversely impact the Conservation Values. Recreational and educational activity permitted under this paragraph does not include the right to undertake additional development activity not otherwise authorized in this Section 5 herein. Under no circumstances shall athletic fields, golf courses or ranges, airstrips or helicopters pads, motocross biking, livestock auction yard, public access trails, or any other improvement or activity inconsistent with current or future agricultural production be permitted on the Protected Property.
- N. Right to Generate Renewable Energy. The Grantor retains the right to and may construct, operate, maintain, replace, and upgrade otherwise lawful non-commercial solar, wind, geothermal, and other types of renewable energy generation equipment ("Equipment"), provided that the energy generated is principally intended for non-commercial (e.g., residential and/or agricultural) use on the Protected Property.

Prior to beginning any installation of new aboveground Equipment, the Grantor shall provide a written plan to the Grantee for the Grantee's review and approval pursuant to the terms set forth in Section 8 herein. Also, at least 30 days prior to initiating any proposed installation, the Grantor must install stakes identifying the location of the Equipment to allow the Grantee to confirm their location. In addition to the approval standards set forth in Section 8 herein, the scale, scope, and energy expected to be generated thereby shall be considered by the Grantee.

The installation of underground Equipment shall not require Grantee approval under Section 8, provided the Grantor submits written notice to the Grantee at least 30 days prior to installation, any topsoil removed from the disturbed area is restored with a minimum of four (4) inches of topsoil, and such restoration is completed within a reasonable time.

- O. Exclusion of Non-Listed Uses. Any use of the Protected Property not provided as

a “permitted use” under the terms of this Conservation Easement and which impairs or interferes with the Conservation Values is expressly prohibited.

6. **PROHIBITED ACTIONS.** Any activity on or use of the Protected Property which is inconsistent with the Purposes of this Conservation Easement or which is detrimental to the Conservation Values is expressly prohibited. By way of example, but not by way of limitation, the following activities and uses are expressly prohibited:
- A. Impermissible Division. The legal or de facto division, subdivision, or partitioning of the Protected Property, including any subdivision, short subdivision, platting, binding site plan, testamentary division, creation of a site condominium or other submission of the Protected Property to a condominium form of ownership, or other process by which the Protected Property is divided into lots or in which title to different portion(s) of the Protected Property are held by different owners is prohibited, except as reserved or permitted in Section 5 herein.
  - B. Inclusion of Gross Area. The inclusion of the Protected Property or any portion thereof, as part of the gross area of any other property not subject to this Conservation Easement for the purposes of meeting the minimum dimensional standards, including setback, density, accessibility, lot coverage, acreage or open space requirements under other applicable laws, regulations, or ordinances controlling land use and building density is prohibited, except when such inclusion is solely for calculating acreage related to agricultural uses, as permitted under local ordinances and this Conservation Easement.
  - C. Buildings or Other Construction. Construction or placement of buildings or other human-made structures on the Protected Property is prohibited, except as expressly permitted in Section 5 of this Conservation Easement. The use of any existing or future structures located outside the Residential Building Envelopes for non-agricultural purposes is prohibited.
  - D. Access to Other Property. It is prohibited to establish, maintain, or use any driveway, road, lane, trail, or other access across the Protected Property (as distinguished from providing access to the Protected Property) except when such access is necessary to reach land that is part of the same Farm Operation as the Protected Property and said access is used solely for agricultural purposes.
  - E. Extractive Uses. The exploration, production or extraction of oil, gas, hydrocarbons or petroleum are prohibited on the Protected Property. Exploration, production, extraction, quarrying, or any other removal of material which depletes the land surface or subsurface, including without limitation, the removal of topsoil, sand, gravel, rock and peat, is prohibited except as expressly permitted in Section 5 of this Conservation Easement.
  - F. Dumping. Processing, storing, dumping, or disposing of liquid or solid waste, refuse, or debris on the Protected Property, is prohibited. This is not intended to prohibit the use of organic waste or other agricultural byproducts used for agricultural uses, so long as it conforms to local, state, and federal law.
  - G. Signs and Billboards. Billboards are prohibited. Signs are only permitted as related to Agricultural Activities defined under Section 5. All signs shall be in compliance

with all applicable state and local laws.

- H. Commercial and Industrial Activities. Commercial or industrial activities or uses that are not incidental to permitted agricultural and open space uses or not otherwise expressly permitted herein, are prohibited. The following activities, by way of example and not limitation, are prohibited and are not incidental to permitted agricultural and open space uses: restaurants; retail sales of products not produced on the Protected Property or Grantor's Farm Operation except as to the products authorized within this Conservation Easement; pheasant farm hunting operations; event operations such as weddings, reunions, concerts, horse shows, art fairs, or other forms of entertainment; and the provision of services that are not Agricultural Uses.

**7. RIGHTS OF GRANTEE.** The Grantor confers the following rights upon the Grantee to perpetually maintain the Conservation Values of the Protected Property:

- A. Right to Enter. The Grantee and its authorized agents have the right to enter the Protected Property during reasonable times (and on multiple occasions, as necessary) to monitor the Protected Property and to enforce compliance with, or otherwise exercise, the Grantee's rights under this Conservation Easement. The Grantor shall fully cooperate with the Grantee in the Grantee's exercise of its rights and responsibilities under this Conservation Easement and shall provide access to all areas of the Protected Property required for such exercise. Except in the case of emergency or if there is an imminent threat to the Conservation Values, the Grantee shall make reasonable efforts to notify Grantor in advance of Grantee's planned entry onto the Protected Property and accommodate Grantor's preferred schedule for such access, within a reasonable period after request for access. The Grantee will not unreasonably interfere with the Grantor's use and quiet enjoyment of the Protected Property or permit others to enter the Protected Property. The general public is not granted access to the Protected Property under this Conservation Easement.
- B. Right to Preserve. The Grantee has the right to prevent any activity on or use of the Protected Property that is inconsistent with the Conservation Easement Purposes or detrimental to the Conservation Values, unless such activity is expressly permitted in this Conservation Easement.
- C. Right to Require Restoration. The Grantee has the right to require the Grantor to restore any and all areas or features of the Protected Property which are damaged by any activity inconsistent with this Conservation Easement to the condition that existed on the date of recordation of this Conservation Easement, or to such other condition as may then exist, provided such other condition is consistent with the terms of this Conservation Easement.

**8. GRANTEE APPROVAL.** This section addresses the standards that shall be followed for surveys and plans submitted by the Grantor for the Grantee's review.

- A. Standards of review, Generally. Except as specified in paragraph 8.B, the purpose of requiring Grantee approval is solely to allow the Grantee the opportunity to ensure that the proposed activities, and the manner in which they are designed and carried out, are consistent with the Purposes and Conservation Values of this

Conservation Easement and adhere to the terms set forth therein. Grantee approval shall not be unreasonably withheld.

- B. Standards of review, Construction, Placement, and Renovation of Buildings. The purpose requiring Grantee approval of plans regarding the construction, placement, or renovation of buildings within the Residential Building Envelopes is solely to allow the Grantee to ensure: (1) the plans comply with the terms of the Conservation Easement; (2) buildings will be located within the Residential Building Envelopes; and (3) the buildings will be put towards agricultural or residential uses.

The purpose of requiring Grantee approval of plans regarding the construction, placement, or renovation of buildings outside of a designated Residential Building Envelope is solely for the Grantee to ensure: (1) the plans comply with the terms of the Conservation Easement; (2) the buildings will be located outside of restricted viewsheds or designated No Building Areas; and (3) the buildings will be put towards agricultural uses.

For all buildings, the Grantee review shall not consider questions of style, architecture, or method of construction. Grantee approval shall not be unreasonably withheld.

- C. Review Process: Whenever approval is required, the Grantor and the Grantee shall follow the following process:

- 1) Grantor shall submit written plans for the proposed action to the Grantee Offices at least forty-five (45) days prior to commencing the activity.
- 2) The Grantee shall have up to forty-five (45) days from the date of receipt of the plan to review the plan and notify Grantor that the plan is: (1) approved; (2) denied; or (3) approved with conditions.
- 3) The Grantee may require additional information from the Grantor as necessary to review the plan and process the request.
- 4) If the Grantee determines that the Grantor's written plans are incomplete or additional information is required under Section 8.C.3, the Grantee shall have an additional forty-five (45) days from the date the complete plan, additional information, or modified plan is received to review and notify the Grantor of the decision made under Section 8.C.
- 5) The Grantee may deny the proposed activity if the Grantee reasonably determines the proposed action or plan is likely to be inconsistent with the standards of review described in paragraphs 8.A and 8.B or the terms of this Conservation Easement.

If the Grantor performs activities which require Grantee approval without proper approval, then the Grantor is subject to remedies described under Section 10, Grantee Remedies.

Any requirements imposed on the Grantee under Section 8 solely concern the Grantee's review of the Grantor's proposed activities under the terms of this Conservation Easement

and do not relate to, or have binding effect on, the Grantee's review of the Grantor's proposed activities under the Grantee's ordinances or regulations.

9. **LIMITATIONS ON AMENDMENT.** If circumstances arise under which an amendment to or modification of this Conservation Easement would be appropriate, Grantor and Grantee may by written agreement amend this Conservation Easement, provided that no amendment shall be made that will adversely affect the qualification of this Conservation Easement or the status of Grantee under any applicable laws, including Section 170(h) of the Internal Revenue Code and the laws of the State of Michigan. Any such amendment shall be consistent with the Purposes of this Conservation Easement, shall not affect its perpetual duration, shall not permit residences to be constructed on the Protected Property (other than those the rights to which are retained under Section 5, above), and shall not permit any impairment of Conservation Values of the Protected Property, as described in this Conservation Easement or the Baseline Documentation Report. Any such amendment shall be executed by Grantee or by Grantee's successor in title to the benefits of this Conservation Easement and shall be filed in the office of the Register of Deeds. Nothing in this paragraph shall require Grantor or Grantee to agree to any amendment or to consult or negotiate regarding any amendment.
10. **GRANTEE REMEDIES.** This section addresses cumulative remedies of the Grantee and limitations on these remedies.
- A. Delay in Enforcement. No delay in enforcement shall be construed as a waiver of the Grantee's right to enforce the terms of this Conservation Easement at a later date.
- B. Acts Beyond Grantor's Control. The Grantee may not bring an action against the Grantor for modifications or changes to the Protected Property resulting from causes beyond the Grantor's reasonable control, including, but not limited to, unauthorized actions by third parties, natural disasters such as unintentional fires, floods, storms, natural earth movement, and major tree disease or from any prudent action taken by Grantor under emergency conditions to prevent, abate, or mitigate significant injury to the Protected Property resulting from such causes ("Casual Loss"). Any modifications or repairs undertaken as a consequence of a Casual Loss shall, to the extent practicable, restore the Protected Property to its Baseline Condition, as adjusted for any permitted structures, driveways, utilities and other improvements installed after the date of the original Baseline Documentation Report. Grantor shall provide prompt notice to the Grantee of such Casual Loss and submit, if requested by the Grantee, any and all plans for replacement, restoration, or modifications. If the Grantee reasonably determines that the plans will result in modifications that violate the terms of this Conservation Easement, the provisions of Paragraph D below shall apply.
- C. Notice and Demand. If the Grantee reasonably believes that the Grantor is in violation of this Conservation Easement, or that a violation is threatened, the Grantee shall provide written notice to the Grantor. The written notice will identify the violation and request corrective action to cure the violation and, where the Protected Property has been injured, outline the corrective action necessary to restore the Protected Property.
- D. Opportunity to Cure Violations. The Grantor shall have a forty-five (45)-day cure

period from the date the Grantee's written notice is sent to abate a violation or a threatened violation and implement any corrective actions requested by the Grantee. In the event a violation would take a reasonable person in the position of Grantor longer than forty-five (45) days to cure, the Grantee shall allow an additional forty-five (45) days for the Grantor to effect a cure. However, if Grantee's good-faith and reasonable efforts to notify the Grantor are unsuccessful, or if the Grantee determines that a violation constitutes immediate and irreparable harm, the Grantee may pursue an action seeking injunctive relief to mitigate or prevent harm to the Conservation Values without awaiting the Grantor's opportunity to cure.

If, after the forty-five (45)-day period, Grantor continues violating this Conservation Easement, continues to threaten a violation, or if Grantor does not abate the violation and implement corrective measures requested by Grantee, Grantee shall be entitled to bring an action at law or in equity to enforce the terms of this Conservation Easement. Any actions seeking injunctive relief taken during the forty-five (45)-day period may be amended after the period expires to seek any additional claims or remedies allowed under Section 10 of this Conservation Easement.

- E. Threatened violations. In the event that the Grantee determines that a violation has been threatened but has not yet occurred, the Grantee may, after providing notice under Section 10.C, pursue an action seeking injunctive relief. The Grantor agrees that the Grantee's remedies at law for a threatened violation may be inadequate and that the Grantee, in an appropriate case, shall be entitled to injunctive relief, and Grantor waives the Grantee's obligations to prove actual damages or the inadequacy of otherwise available legal remedies when seeking such relief.
  - F. Remedies and Litigation Costs. Subject to Section 10.D, if the Grantee determines that the provisions of this Conservation Easement are not being complied with and the violation cannot be resolved with the Grantor, then the Grantee shall be entitled to enjoin the violation through injunctive relief, or to seek specific performance, declaratory relief, restitution, reimbursement of expenses, or an order compelling restoration of the Protected Property. If the court determines that Grantor has violated this Conservation Easement, then Grantor also agrees to reimburse all reasonable costs and reasonable attorney fees incurred by Grantee. However, if the court determines that the Grantor has not violated this Conservation Easement, then Grantee agrees to reimburse all reasonable costs and reasonable attorneys' fees incurred by Grantor.
  - G. Cumulative Remedies. The preceding remedies of the Grantee are cumulative. Subject to Section 10.D, any or all of the remedies may be invoked by the Grantee if there is an actual or threatened violation of this Conservation Easement.
11. **REGULATORY AUTHORITY.** The Grantor is solely responsible for obtaining all applicable permits and authorization or otherwise ensuring that any proposed use, building, construction, design, location, or other specification related to Grantor's use of the Protected Property complies with all applicable local, state, and federal regulations, rules, policies, or laws. Likewise, the Grantee is solely responsible for obtaining all applicable permits and authorization or otherwise ensuring that any proposed use related

to the Grantee's use of the Protected Property described under Rights of the Grantee complies with all applicable local, state, and federal regulations, rules, policies, or laws.

By accepting this Conservation Easement, or in reviewing and/or approving any use, building, construction, design, location, or any other specification related to the Protected Property or the use or development of the Protected Property, the Grantee makes no warranty that the proposed use, building, construction, design, location, or other specification complies with any local, state, or federal regulation, rule, policy, or law. Zoning laws and other governmental laws or regulations apply to the Protected Property, and shall serve as the limit to use on the Protected Property unless the limits imposed by this Conservation Easement are more restrictive. Any timelines or approval standards within the Conservation Easement have no binding effect on the Grantee when exercising its police powers as vested by the Michigan Constitution, and state and local law.

- 12. GRANTOR COSTS AND LIABILITIES.** In accepting this Conservation Easement, the Grantee shall have no liability or other obligation for costs, liabilities, taxes, or insurance of any kind related to the Protected Property except as otherwise provided in this section.

  - A. The Grantee, its members, trustees or directors, officers, employees, and agents shall have no liability arising from injury or death to any person or physical damage to any property on the Protected Property except as provided in paragraph 12.B, below. The Grantor agrees to indemnify, hold harmless and defend the Grantee against such claims of injury, loss, cost or damage during the term of the Grantor's ownership of the Protected Property. The Grantee's rights do not include the right, in absence of a judicial decree, to enter or control the Protected Property to the degree that would cause the Grantee to be deemed an owner or operator of the Protected Property within the meaning of Part 201, Environmental Remediation, of the Natural Resources and Environmental Protection Act, or any other federal or state law or regulation.
  - B. The Grantee agrees to indemnify, hold harmless and defend the Grantor against third party claims during the term of, and relating to, the Grantee's use and exercise of its rights under this Conservation Easement. Except as otherwise provided in this Conservation Easement, the Grantor shall have no cost or liability for the Grantee's actions associated with the exercise of these rights. The foregoing provisions of this paragraph 12.B shall not apply to loss, injury, death or damage arising from any acts or omissions of the Grantor, or its invitees, agents or employees; nor shall the foregoing apply to any costs or liabilities of the Grantor for a violation of the terms of this Conservation Easement.
- 13. NO THIRD PARTY RIGHTS.** No third party rights are created or intended to be conveyed in this Conservation Easement.
- 14. AUTHORIZATION TO HOLD CONSERVATION EASEMENTS.** If the Grantee becomes no longer authorized to acquire and hold conservation easements, then this Conservation Easement shall become vested in the County of Grand Traverse, Michigan. If the County is not willing or able to hold this Conservation Easement, then this Conservation Easement shall become solely held by the State of Michigan.
- 15. TERMINATION.** This Conservation Easement may be extinguished only if it is impossible

to fulfill the Easement's Conservation Purposes and Conservation Values.

- A. Subsequent Circumstances. If subsequent circumstances render the Purposes of this Conservation Easement impossible to fulfill, then this Conservation Easement may be partially or entirely terminated by the Peninsula Township Board upon request by the Grantor or Grantee. Any extinguishment shall go through judicial proceedings. The Peninsula Township Board shall hold a public hearing to address the partial or complete termination of the Conservation Easement to consider the input of the public. Notice of the public hearing shall be mailed to all property owners within Peninsula Township. All costs associated with said public hearing shall be paid by the requester of the termination. Notwithstanding the foregoing, the Grantor and Grantee intend that the Conservation Easement is not subject to the legal doctrine of "changed conditions" that is applied to traditional servitudes. If termination and extinguishment occur, the Grantee will be entitled to compensation in accordance with the provisions of IRC Treasury Regulations Section 1.170A-14(g)(6)(ii).
- B. Eminent Domain. If the Protected Property is taken, in whole or in part, by power of eminent domain, then the Grantee will be entitled to compensation by the same method as is set forth in IRC Treasury Regulations Section 1.170A-14(g)(6)(ii).

**16. LIBERAL CONSTRUCTION.** This Conservation Easement shall be liberally construed in favor of maintaining the Conservation Values of the Protected Property and in accordance with the Conservation and Historic Preservation Easement, Subpart 11 of Part 21 of the Michigan Natural Resources and Environmental Protection Act, MCL § 324.2140 *et seq.*

**17. NOTICES.** For purposes of this Conservation Easement, notices may be provided to either party by personal delivery or by mailing a written notice to the party (at the address shown at the top of this Conservation Easement, or at the last known address of a party) by a trackable delivery service such as USPS, FED EX, or UPS service showing the notice was received. All notices shall be deemed to have been duly given when hand-delivered or when received by the party to whom the notice was mailed.

**Grantor:** Mark Kelly  
11253 Center Road  
Traverse City, Michigan 49686

**Grantee:** Peninsula Township  
Attn: Township Supervisor, Township Clerk, and Township Assessor  
13235 Center Road  
Traverse City, Michigan 49686

**18. SEVERABILITY.** If any portion of this Conservation Easement is determined to be invalid, the remaining provisions will remain in force.

**19. SUCCESSORS.** This Conservation Easement is binding upon, and inures to the benefit of, the Grantor's and the Grantee's successors in interest. All subsequent owners of the Protected Property are bound to all provisions of this Conservation Easement to the same extent as the current Protected Property owner.

**20. TERMINATION OF PERSONAL RIGHTS AND OBLIGATIONS.** A party's personal future

rights and obligations under this Conservation Easement terminate upon transfer of that party's interest in the Protected Property. Liability for acts or omissions occurring prior to transfer will survive the transfer.

21. **SUBORDINATION.** Any mortgage or lien shall be subordinated to the terms of this Conservation Easement.
22. **DISCRETION.** Grantee's discretion shall be exercised reasonably, in good faith, based on objective Conservation Values, and not on subjective or aesthetic preferences. Any denial shall include a written explanation identifying the specific Conservation Values impacted.
23. **EXHIBITS.** This Conservation Easement includes and incorporates the following Exhibits:
  - Exhibit A – Legal Description
  - Exhibit B – Survey
  - Exhibit C – Baseline Documentation Map
24. **MICHIGAN LAW AND FORUM.** This Conservation Easement will be construed in accordance with Michigan Law. Grantor and Grantee each hereby irrevocably consent to the jurisdiction of the courts of the State of Michigan located in Grand Traverse County for all purposes in connection with any action or proceeding which arises out of or relates to this Conservation Easement and agree that any such action shall be filed, heard, and decided by the courts of the State of Michigan located in Grand Traverse County.
25. **ENTIRE AGREEMENT.** This Conservation Easement sets forth the entire agreement of the parties. It is intended to supersede all prior discussions or understandings.

*Signature page to follow*

**GRANTOR:** \_\_\_\_\_

\_\_\_\_\_  
By: \_\_\_\_\_

STATE OF MICHIGAN                    )  
  ) ss  
COUNTY OF GRAND TRAVERSE    )

On this \_\_\_\_ day of \_\_\_\_\_, 2026, before me, a Notary Public, personally appeared \_\_\_\_\_, to me known to be the same person who executed the foregoing Agricultural Conservation Easement and acknowledged the same to be their own free act and deed.

\_\_\_\_\_  
\_\_\_\_\_, Notary Public  
State of \_\_\_\_\_, County of \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_  
Acting in the County of: \_\_\_\_\_

**GRANTEE: PENINSULA TOWNSHIP**

\_\_\_\_\_  
By: Maura Sanders  
Its: Supervisor

STATE OF MICHIGAN                    )  
  ) ss  
COUNTY OF GRAND TRAVERSE    )

On this \_\_\_\_ day of \_\_\_\_\_, 2026, before me, a Notary Public, personally appeared Maura Sanders, to me known to be the same person who executed the foregoing Agricultural Conservation Easement, and acknowledged the same to be their own free act and deed.

\_\_\_\_\_  
\_\_\_\_\_, Notary Public  
State of \_\_\_\_\_, County of \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_  
Acting in the County of: \_\_\_\_\_

Drafted by Will Manty

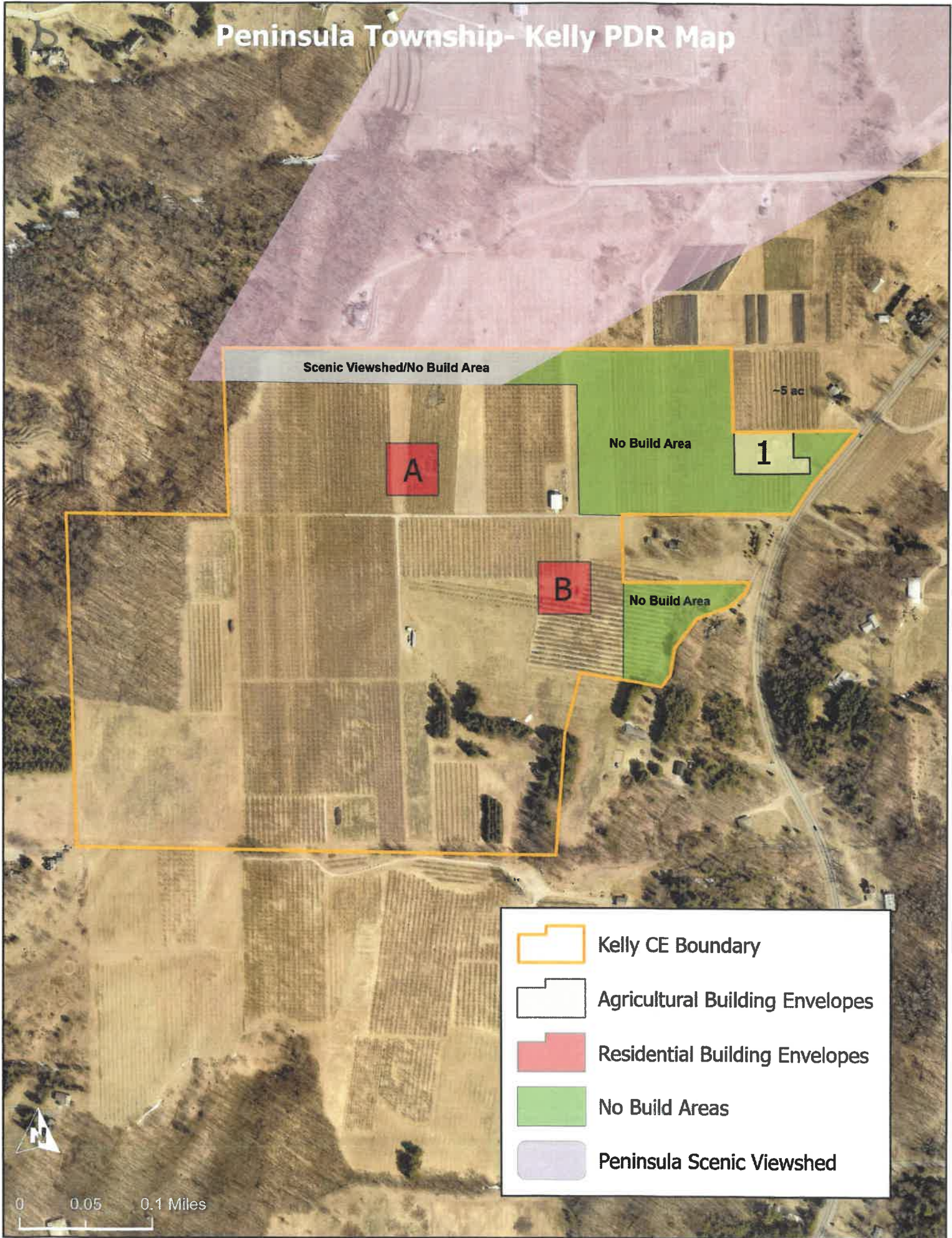
When recorded return to:  
Peninsula Township  
ATTN: Maura Sanders, Supervisor  
13235 Center Road  
Traverse City, Michigan 49686

**Exhibit A – Legal Description**

**Exhibit B – Survey**

## Exhibit C – Baseline Documentation Map

# Peninsula Township- Kelly PDR Map



Scenic Viewshed/No Build Area

A






No Build Area

1

~5 ac

B

No Build Area

-  Kelly CE Boundary
-  Agricultural Building Envelopes
-  Residential Building Envelopes
-  No Build Areas
-  Peninsula Scenic Viewshed

0 0.05 0.1 Miles

**EXHIBIT C**

Peninsula Township PDR Round 5: Application Round 1													
Property Name	Closed?	Parcel Number(s)	PDR Value	Per Acre Easement Value	Per Acre Before Value	Per Acre After Value	Retained Dwelling	Acreage	Scenic View (10 pts)	Adjacent (5pts)	Match?	Final Score	Revised score
Mark Kelly		004-020-55	\$1,914,000.00	\$19,126.61	\$33,496.55	\$14,369.94	2	100	yes	Yes	No	125	115
VM3 3 (Far Out Farms)		226-002-10, 226-002-00					1	92	no	yes	TBD	118	97
Nicholas Farm and Vineyards (Fifarek) 40.8 acres	closed	128-023-00,	\$862,000.00	\$21,024.39	\$31,487.80	\$10,463.41	0	41	no	Yes	50 (usda)	96	
Warren		008-011-00, 008-001-00, 008-003-00					4	80	no	yes	TBD	90	85
VM3 5 (Welhuesen)		225-004-00, 225-003-00, 236-913-00, 225-006-00					1	65	no	yes	TBD	70	
VM3 1 (Center Road) with retained development site		103-010-00					1	51	yes	yes	TBD	67	
VM4		227-013-03					0, 1 or 2	60	no	yes	TBD	65	
Steven Kroupa		134-003-01					2	61	no	no	TBD	61	
Shea Farm		019-028-00					1	33	no	yes	TBD	38	
Vogel		018-011-00					1	25	no	yes	TBD	35	
VM3 4 (Bagley Pond)		226-023-30, 226-023-00, 226-023-40					0, 1, or 2	28	no	no	TBD	28	

**EXHIBIT D**

Peninsula Township PDR Round 5: Application Round 2							
Property Name	Parcel Number(s)	Acreage	Scenic View (10 pts)	Adjacent (5pts)	Match?	Final Score	
Hawthorne	11-018-006-01, 11-018-008-00, 11-017-036-00, 11-018-006-20	86	0	5	TBD	91	
Croft 2 (Swaney Road)	11-227-009-00, 11-227-019-00, 11-227-020-00	51	10	5	0	66	
Nyblad	11-228-002-00	60	0	5	TBD	65	
Ultima Thule	11-226-007-02, 11-226-007-03, 11-226-007-04, 11-226-007-05, 11-226-007-06, 11-226-007-07, 11-226-007-18	49	0		0	54	
Mende	11-133-011-00	25	10	5	TBD	40	
Fulmer	11-018-003-55	35	0	5	TBD	40	
Weatherholt	11-103-004-57	14	10	5	TBD	29	
Derthick	11-122-011-00	23	0	5	TBD	28	
Beiser	11-227-016-00	11	10	5	0	26	
Monson	11-127-009-55, 11-127-009-10	20	0	5	0	20	
Peace	11-128-017-50	12	0	5	TBD	17	
Croft 1 (Chestnut Orchard)	11-019-013-05	10	0	5	0	15	
<b>Total</b>		<b>395</b>					

**Retained Development Rights**







Name	Offered Development Rights	Acreage

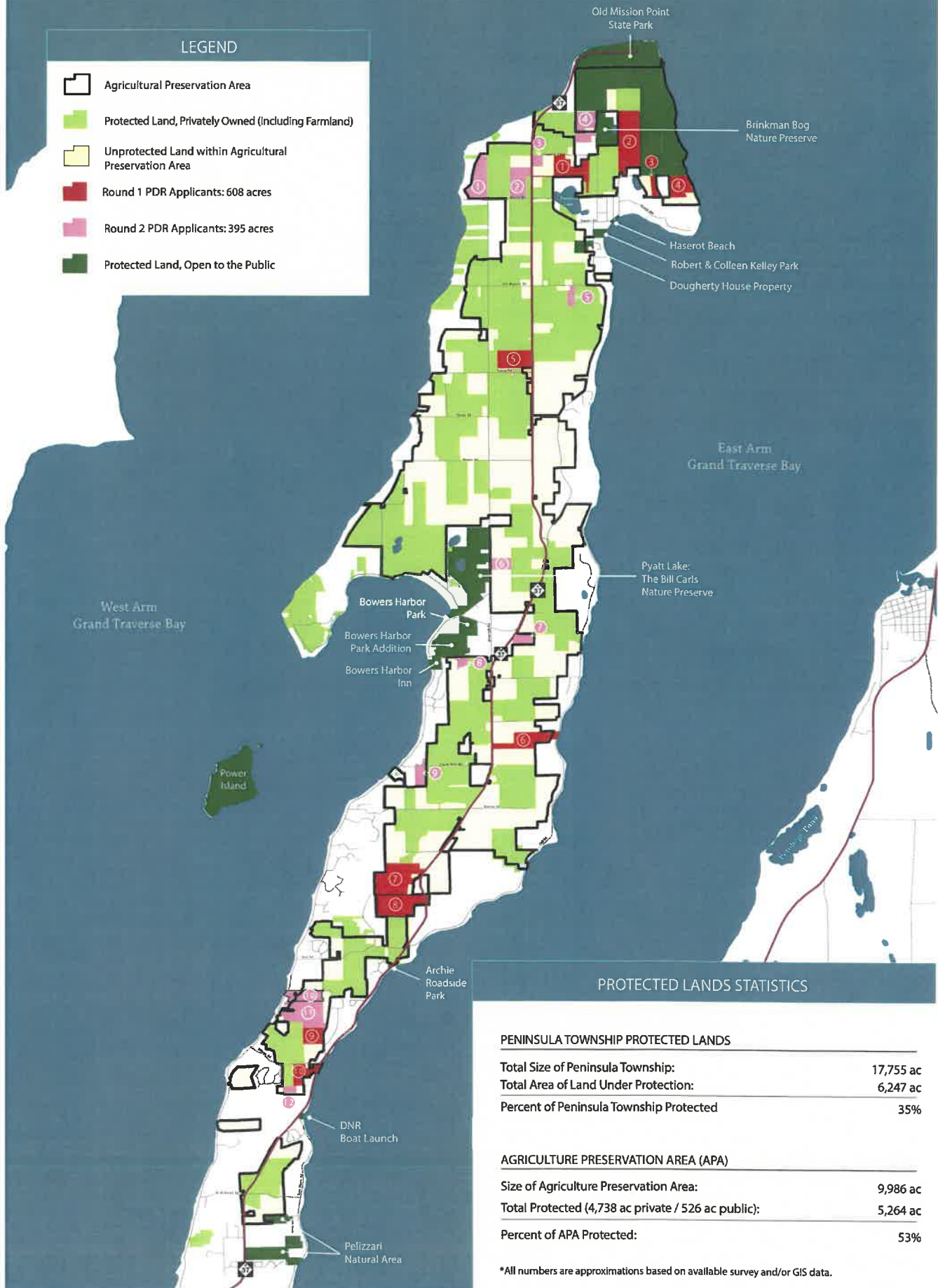
## PDR APPLICANTS: Round 1 & 2

Protecting Significant Natural, Scenic & Farm Lands, & Advancing Stewardship, Now & For All Future Generations

June 2025

**LEGEND**

-  Agricultural Preservation Area
-  Protected Land, Privately Owned (Including Farmland)
-  Unprotected Land within Agricultural Preservation Area
-  Round 1 PDR Applicants: 608 acres
-  Round 2 PDR Applicants: 395 acres
-  Protected Land, Open to the Public



**PROTECTED LANDS STATISTICS**

**PENINSULA TOWNSHIP PROTECTED LANDS**

Total Size of Peninsula Township:	17,755 ac
Total Area of Land Under Protection:	6,247 ac
Percent of Peninsula Township Protected	35%

**AGRICULTURE PRESERVATION AREA (APA)**

Size of Agriculture Preservation Area:	9,986 ac
Total Protected (4,738 ac private / 526 ac public):	5,264 ac
Percent of APA Protected:	53%

\*All numbers are approximations based on available survey and/or GIS data.

PDR Round	Applicant	Acreage*
1	VM4	60
1	VM3 3 (Far Out Farms)	93
1	VM3 4 (Bagley Pond)	28
1	VM3 5 (Welhuesen)	65
1	VM3 1 (Center Road)	52
1	Steven Kroupa	61
1	Mark Kelly	100
1	Warren	75
1	Vogel	30
1	Shea Farm	33
1 (closed)	Nicholas Farm and Vineyards (Fifarek)	41

OMP Assigned Map Number

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- N/A

\*Acreages are subject to change based on negotiations with landowners

2	Nyblad	60
2	Croft 2 (Swaney Road)	51
2	Beiser	11
2	Ultima Thule	49
2	Weatherholt	14
2	Derthick	23
2	Monson	20
2	Peace	12
2	Mende	25
2	Fulmer	35
2	Hawthorne	86
2	Croft 1 (Chestnut Orchard)	10

\*Acreages are subject to change based on negotiations with landowners