

STATE OF VERMONT

Superior Court

Environmental Division  
Docket No. 78-6-01 Vtec

Natural Resources Board, )  
Petitioner )  
 )  
v. )  
 )  
Chiaki Ito & )  
Steven Hill, both d/b/a Hunt )  
the Ridge )  
Respondents )

**ASSURANCE OF DISCONTINUANCE**

**VIOLATIONS**

- I. Commencement of development without a Land Use Permit. 10 V.S.A § 6081(a).
- II. Failure to obtain a Land Use Permit Amendment pursuant to Act 250 Rule 34(A).
- III. Failure to comply with the Assurance of Discontinuance entered as an Order by the Environmental Court on February 15, 2002. 10 V.S.A. § 8003(a)(10).

**ASSURANCE OF DISCONTINUANCE**

Pursuant to the provisions of 10 V.S.A. § 8007, the Natural Resources Board (Board) and Hunt the Ridge, Chiaki Ito, and Steven Hill (Respondents) hereby enter into this Assurance of Discontinuance (Assurance), and stipulate and agree as follows:

**STATEMENT OF FACTS AND DESCRIPTION OF VIOLATIONS**

- 1. Respondent Steven Hill owns a parcel of land of approximately 129 acres on Brackett Road in Fairlee, Vermont. The parcel is identified in Book 52, Page 250, of the Town of Fairlee, Vermont land records (the Project Tract). Mr. Hill is a co-owner/operator of Hunt the Ridge captive hunt facility.
- 2. Respondent Chiaki Ito is a co-owner/operator of Hunt the Ridge captive hunt facility.
- 3. Respondent Hunt the Ridge is a "captive hunt" facility owned and operated by Respondents Hill and Ito on the Project Tract.
- 4. In March of 1998 the Respondents' predecessor in interest constructed fencing (the Fence) around the Project Tract to prevent animals from escaping the property. The Fence remains on the property as do a number of nonnative species.

5. By 1999 the Respondents' predecessor in interest had constructed a lodge (the Lodge) on the Project Tract to serve as a full service lodge for guest hunters.
6. On October 27, 2000, the Coordinator for the District 3 Environmental Commission issued Jurisdictional Opinion #3-77 to the Respondent's predecessor in interest, concluding that the hunting preserve is a "commercial project on more than ten acres and requires an Act 250 Permit."
7. The Respondents' predecessor did not appeal Jurisdictional Opinion #3-77 and therefore the JO is final as to the Respondents.
8. On November 30, 2000, the Coordinator issued a Notice of Alleged Violation to the Respondents' predecessor in interest (which included current Respondent, Steven Hill) alleging violations of Act 250.
9. In November 2001, a fully executed Assurance of Discontinuance (AOD), signed by the Respondents' predecessor in interest, Amy Record, was filed with the Environmental Court, which, among other things, required the Respondents' predecessor in interest to obtain an Act 250 permit. The AOD was entered as an Order by the Environmental Court on February 15, 2002. ("2002 AOD")
10. The 2002 AOD concluded that: "...the Respondent's operation at the Property since July 15, 2001, constitute development..."
11. Section C of the 2002 AOD states:

On December 1, 2001 or the day on which the Respondent achieves gross sales of the animals from the Property of Ten Thousand . . . Dollars . . . whichever first occurs, the Respondent shall cease all hunting or other business or commercial operations at the Property . . . Respondent shall not recommence any business or any other commercial operations at the property, until such time as the Respondent has obtained all required state, local, and federal permits (if any).

12. On August 29, 2003, Respondents' predecessor in interest, Amy Record, filed an application for an Act 250 permit for a project generally described as **the conversion of a 24-foot by 36-foot building into a meat cutting facility**. The District 3 Environmental Commission issued Permit #3R0899 on October 15, 2003 (the 2003 Permit)
13. The 2003 Permit does not authorize the commercial hunting of animals on the project tract. Nor does the Permit contemplate the operation of a full service lodge on the project tract.
14. On or before October of 2012, Respondents Chiaki Ito and Steven Hill advertised a hunting

preserve on the Project Tract via the website, [www.hunttheridgevt.com](http://www.hunttheridgevt.com), that offered opportunities to hunt elk, wild boar, goats and sheep, American buffalo, fallow deer, Sika deer and Red deer.

15. Respondents operated a captive hunting facility on the Project Tract through November 2012 and ceased hunting activities thereafter pursuant to a Vermont Fish & Wildlife citation issued on October 26, 2012.
16. Respondents Chiaki Ito and Steven Hill accepted payment in exchange for at least seven hunters to participate in guided hunts (which included the shooting of exotic animals) on the Project Tract. Respondents also provided accommodations and meals at the full service Lodge.
17. By operating a commercial hunting preserve and full service Lodge on the Project Tract without a Land Use Permit Amendment, Respondents are in violation of 10 V.S.A § 6081(a), Act 250 Rule 34(A), 10 V.S.A. § 8003(a)(10) and the 2002 AOD.

#### AGREEMENT

Based on the aforementioned Statement of Facts and Description of Violations, the parties hereby agree as follows:

- A. The Respondents shall immediately cease any and all commercial activities on the Project Tract not expressly authorized by LUP #3R0899.
- B. Notwithstanding Paragraph A, above, the Respondents may conduct farming activities involving live animals on the Project Tract, as approved by letter from the Agency of Agriculture, Food and Markets, and in compliance with Vermont's current Accepted Agricultural Practices and 6 V.S.A. Chapter 102, and any other relevant local, state and federal laws. Other farming may be conducted in compliance with Vermont's current Accepted Agricultural Practices and 6 V.S.A. Chapter 102 and any other relevant local, state and federal laws.
- C. Respondents agree that no person, other than respondents, shall kill or cause to be killed, any animal on the project tract. Respondents shall not kill any animal on the project tract until all the necessary local, state and federal permits are obtained, including the appropriate Act 250 Permit Amendment, if applicable.
- D. The Fence referred to herein shall at all times be properly maintained consistent with the Vermont Department of Agriculture's Rules Governing Captive Cervidae, unless and until authorization to do otherwise is granted through an Act 250 permit amendment.
- E. The Lodge referred to herein shall be used only as a single family, owner-occupied,

residence, unless and until authorization to do otherwise is granted in an Act 250 permit amendment or Respondents obtain a jurisdictional opinion pursuant to 10 V.S.A. § 6007(c) that no Act 250 permit amendment is required for the proposed use. No commercial activity permitted on the Project Tract other than what is permitted by an Act 250 permit or any activity that is explicitly exempt from Act 250 but is in conformance with this AOD.

F. No later than 180 days after this Assurance is entered as a Judicial Order, Respondents shall provide an affidavit to the Board, certifying compliance with this Assurance and the most current Act 250 permit. Respondents shall provide such a certification of compliance every 6 months thereafter. The affidavit shall include the following information:

- i. A certification that no commercial activity has taken place on the Project Tract during the 12 month period preceding the date of the affidavit, other than commercial activity that is explicitly allowed for in this AOD or in future Act 250 permits. If there has been commercial activity on the Project Tract that goes beyond the scope of this AOD or future land use permits, a short statement summarizing all such commercial activity conducted on the Project Tract.
- ii. A statement summarizing all of the farming conducted on the Project Tract during the 12 month period directly preceding the date of the affidavit.
- iii. A statement indicating that the Lodge and land are in compliance with this AOD. Otherwise a short statement indicating that the Lodge and land are not in such compliance and the reasons for the noncompliance.
- iv. A certification indicating that the Fence is in compliance with this AOD. Otherwise a short statement indicating that the Fence is not in such compliance and the reasons for the noncompliance.
- v. A statement summarizing any repairs made to the Fence and necessary repairs to be made to the Fence and the timeline for such necessary repairs.
- vi. A statement indicating whether any animals have escaped from the Project Tract and all details associated with such an incident, including: the date, time, location, species and number of animals in each incident.
- vii. A statement detailing the transfer of any legal interest in the Project Tract during the 12 month period directly preceding the date of the affidavit.
- viii. A certification indicating that the Project Tract is in compliance with Act 250 and all other state, federal and local laws, rules and ordinances if the Project Tract is in fact in such compliance. Otherwise a short statement indicating that the Project tract is not in such compliance and the reasons for the noncompliance.

- G. The Board may also request an affidavit, as discussed in Paragraph #24 of this AOD, of the respondents at any time, and may seek any additional information allowed by law. Respondents shall file an affidavit with the Board within 2 weeks of such a request by the Board.
- H. In the event that a permit amendment or jurisdictional opinion is requested, Respondents shall (a) respond to any and all requests for information from the Act 250 District 3 Environmental Commission or the Coordinator for the Commission (as applicable) by the date set by the Commission or Coordinator; and (b) in good faith meet and comply with all scheduling or other orders or memoranda issued by the Commission.
- I. Pursuant to 10 V.S.A. Ch. 201, Respondents shall pay a civil penalty in the amount of **Ten Thousand Nine Hundred Thirty-Nine Dollars and Ninety Two Cents (\$10,939.92)** for the violations noted herein, and pursuant to the payment schedule below. Payments shall be made by check payable to: "Treasurer, State of Vermont."
- i. \$3000.00 in 12 equal payments of \$250.00, monthly, beginning the first day of the 2nd full month after this Assurance is issued as an Order by the Superior Court, Environmental Division.
  - ii. \$3999.96 in 12 equal payments of \$333.33, beginning the first day of the 14<sup>th</sup> full month after this AOD is issued as an Order by the Superior Court, Environmental Division.
  - iii. \$3939.96 in 12 equal payments of 328.33, beginning the first day of the 26th full month after this AOD is issued as an Order by the Superior Court, Environmental Division.

Payments shall be made in monthly installments; however, there shall be no prepayment penalty. Failure to make a payment in accordance with this schedule shall cause the entire amount of the penalty to become immediately due and owing.

- J. No later than 30 days following the entry of this Assurance as an Order by the Superior Court, Environmental Division, the Respondents shall pay the following:
- i. Pursuant to 10 V.S.A. § 8010(e)(2), the amount of **Two Hundred and Sixty Three Dollars and Seventy Cents (U.S) (\$263.70)**, to reimburse the Natural Resources Board for the costs of this enforcement action by good check made payable to: "Vermont Natural Resources Board."
  - ii. The amount of **Seventy Dollars and Zero Cents (U.S.) (\$70.00)**, for the purpose of

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paying the recording fee for the filing of a notice of this Assurance in the Town of Fairlee land records, by check payable to: "Town of Fairlee, Vermont."

- K. Late payments may be subject to an annual interest rate of 12%.
- L. No later than 30 days following the entry of this Assurance as an Order by the Superior Court, Environmental Division, Respondents shall mail the Board an executed Acceptance of Service, on a form approved by the Board, showing that Respondents have actual notice of the Judicial Order and Assurance of Discontinuance.
- M. All payments and documents required by this Assurance shall be sent to:  
  
Natural Resources Board  
Dewey Building  
National Life Drive  
Montpelier, Vermont 05620-3201
- N. Respondent, Steven E. Hill, agrees further to execute a Promissory Note and Mortgage at time he executes this Assurance, both of which are fully incorporated herein, and is made part of this Agreement.
- O. Respondents' attorney has prepared a Certificate of Title (Certificate) indicating: 1) that respondent, Steven Hill, is the owner in fee simple of the Project Tract and 2) and list the lien holders and creditors of the Project Tract in order of preference. Said Certificate is fully incorporated herein, and is made part of this Agreement.
- P. Respondents are jointly and severally liable for all obligations under this Assurance.
- Q. Each Respondent shall not deduct or attempt to deduct any payment made to the State pursuant to this Assurance from that Respondent's reported income for tax purposes or attempt to obtain any other unlawful tax benefit from such payment.
- R. The State of Vermont and the Board reserve continuing jurisdiction to ensure compliance with all statutes, rules, and regulations applicable to the facts and violations set forth herein.
- S. Nothing in this Assurance shall be construed as having relieved, modified, waived or otherwise affected the Respondents' continuing obligation to comply with applicable state or local statutes, regulations or directives.
- T. This Assurance shall become effective only after it is signed by all parties and entered as an order of the Superior Court, Environmental Division. When so entered by the Superior Court, Environmental Division, this Assurance shall become a judicial order pursuant to 10

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- V.S.A. § 8007(c). In the event that such order is vacated, the Assurance shall be null and void.
- U. Pursuant to 10 V.S.A. § 8007(d), Respondents shall not be liable for additional civil or criminal penalties with respect to the specific facts set forth herein, provided that the Respondents fully comply with this Assurance.
- V. This Assurance sets forth the complete agreement of the parties, and it may be altered, amended, or otherwise modified only by subsequent written agreements signed by the parties hereto or their legal representatives and incorporated in an order issued by the Superior Court, Environmental Division. Alleged representations not set forth in this Assurance, whether written or oral, shall not be binding upon any party hereto, and such alleged representations shall have no legal force or effect.
- W. When this Assurance is entered as a judicial order, a violation of any provision of this Assurance shall be deemed to be a violation of a judicial order and may result in the imposition of injunctive relief and/or penalties, including penalties under 10 V.S.A. chapters 201 and/or 211.
- X. This Assurance is subject to the provisions of 10 V.S.A. §§ 8007 and 8020.

SIGNATURES

The provisions set forth in this Assurance of Discontinuance are hereby agreed to and accepted.

Dated at HANOVER, New Hampshire, this 30 day of APR. 1, 2014.

Hunt the Ridge

By Steven Hill  
(Signature)

STEVE HILL, Duly Authorized Agent  
(Printed Name)

STATE OF NEW HAMPSHIRE

COUNTY OF GRAFTON, SS

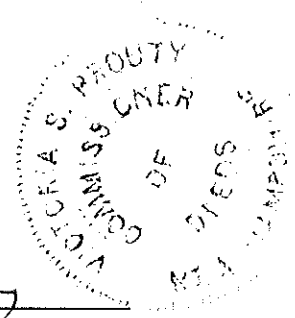
BE IT REMEMBERED that on the 30th day of April, 2014, personally appeared Steven Hill, as the duly authorized agent of **Hunt the Ridge** signer and sealer of the foregoing instrument who is known to me or who satisfactorily established his identity to me and acknowledged the same to be his free act and deed and the free act and deed of **Hunt the Ridge** and that he has the authority to contract on behalf of **Hunt the Ridge** and that he has been duly authorized to enter into the foregoing Assurance on behalf of that

entity.

Before me,

Victoria S. Prouty  
Notary Public

My Commission Expires: **VICTORIA S. PROUTY  
Commissioner of Deeds - New Hampshire  
My Commission Expires December 19, 2017**



The provisions set forth in this Assurance of Discontinuance are hereby agreed to and accepted.

DATED at Hanover, <sup>NH RD</sup> Vermont, this 30<sup>th</sup> day of April, 2014.

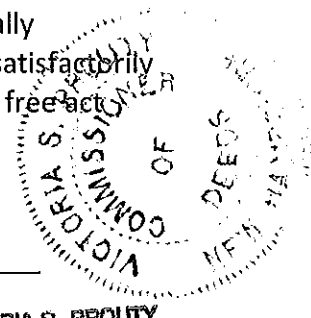
Chiaki Ito  
Chiaki Ito

BE IT REMEMBERED that on the 30<sup>th</sup> day of April, 2014, personally appeared Chiaki Ito signer of the foregoing instrument who is known to me or who satisfactorily established Chiaki Ito's identity to me and acknowledged the same to be Chiaki Ito's free act and deed.

Before me,

Victoria S. Prouty  
Notary Public

My Commission Expires: **VICTORIA S. PROUTY  
Commissioner of Deeds - New Hampshire  
My Commission Expires December 19, 2017**



The provisions set forth in this Assurance of Discontinuance are hereby agreed to and accepted.

DATED at HANOVER, <sup>NH RD</sup> Vermont, this 30 day of APRIL, 2014.

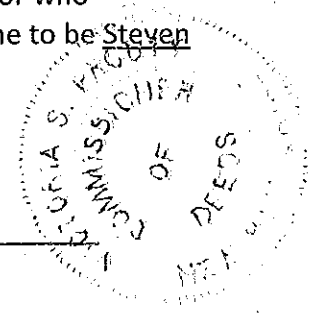
Steven Hill  
Steven Hill

BE IT REMEMBERED that on the 30<sup>th</sup> day of April, 2014, personally appeared Steven E. Hill signer of the foregoing instrument who is known to me or who satisfactorily established Steven Hill's identity to me and acknowledged the same to be Steven E. Hill's free act and deed.

Before me,

Victoria S. Prouty  
Notary Public

My Commission Expires: **VICTORIA S. PROUTY  
Commissioner of Deeds - New Hampshire  
My Commission Expires December 19, 2017**



**VICTORIA S. PROUTY  
Commissioner of Deeds - New Hampshire  
My Commission Expires December 19, 2017**



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VICTORIA S. PROUTY  
Commissioner of Deeds - New Hampshire  
My Commission Expires December 19, 2017

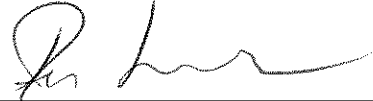
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The provisions set forth in this Assurance of Discontinuance are hereby agreed to and accepted.

Dated in Montpelier, Vermont, this 12<sup>th</sup> day of June, 2014.

Natural Resources Board

By:



Ronald A. Shems, Chair

Y:\NRB\NRB - Shared\Enforcement\CASES\OPEN CASES\Hunt the Ridge\mmkreditsHunt the ridge AOD allow for farming 3.docx

**PROMISSORY NOTE**

For value received, STEVEN E. HILL, the undersigned, promise to pay THE STATE OF VERMONT, the principal sum of Ten Thousand Nine Hundred Thirty Nine Dollars and Ninety Two cents (\$10,939.92), without interest. A mortgage securing this note will be signed and recorded in the Fairlee, Vermont land records at the time this note is signed.

Principal and interest shall be paid as follows:

As settlement of an enforcement action (through an Assurance of Discontinuance (AOD)) between Steven Hill, Chiaki Ito, Hunt the Ridge, and the Vermont Natural Resources Board, the maker of this note shall pay the holder:

1. \$3000.00 in 12 equal payments of \$250.00, monthly, beginning the first day of the 2nd full month after the AOD is issued as an Order by the Superior Court, Environmental Division.
2. \$3999.96 in 12 equal payments of \$333.33, beginning the first day of the 14<sup>th</sup> full month after the AOD is issued as an Order by the Superior Court, Environmental Division.
3. \$3939.96 in 12 equal payments of 328.33, beginning the first day of the 26th full month after the AOD is issued as an Order by the Superior Court, Environmental Division.

The property is all and the same land and premises conveyed to STEVEN E. HILL, by RECORD RIDGE REALITY TRUST, by quit claim deed dated March 1, 2011, on record at Book 76 Page 348-352 of the Fairlee, Vermont town land records.

In the event of default in the payment of any of the said installments when due as herein provided, time being of the essence hereof, the holder of this note may, without notice or demand, declare the entire principal sum then unpaid immediately due and payable.

The borrower agrees to pay a reasonable collection charge should collection be referred to a collection agency or to the payee's collection facilities.

Dated at HANOVER, New Hampshire, this 30 day of APRIL, 2014.

**STEVEN E. HILL**

Steven Hill

In the Presence of:

[Signature]

**Exhibit A**

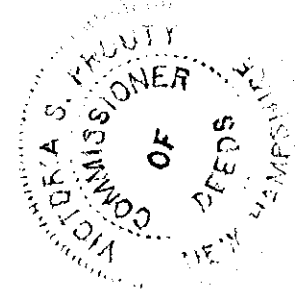
STATE OF NEW HAMPSHIRE  
GRAFTON COUNTY, SS.

BE IT REMEMBERED that on the 30th day of April, 2014, personally appeared Steven E. Hill signer of the foregoing instrument who is known to me or who satisfactorily established Steven Hill's identity to me and acknowledged the same to be Steven E. Hill's free act and deed.

Before Me: Victoria S. Prouty  
Notary Public

My Commission expires: December 19, 2017

VICTORIA S. PROUTY  
Commissioner of Deeds - New Hampshire  
My Commission Expires December 19, 2017



## MORTGAGE

This Mortgage is given on Apr. 30<sup>2014</sup>. The Mortgagor is STEVEN E. HILL. The Mortgagee is the STATE OF VERMONT.

The Mortgagor owes the Mortgagee the principal sum of Eleven Thousand Dollars and no cents (\$11,000.00). This debt is evidenced by Mortgagor's note dated the same date as this Mortgage, which provides for a payment by Mortgagor. This Mortgage secures to Mortgagee the repayment of the debt evidenced by the Note, without interest to guarantee the performance of Mortgagors' covenants and agreements under this Mortgage and the Note. For this purpose and in consideration of the debt, Mortgagor hereby mortgages, grants and conveys to Mortgagee and its successors and assigns, with power of sale, the following described property located in the Town of Fairlee, Orange County, Vermont:

All and the same land and premises conveyed to the Property is all and the same land and premises conveyed to STEVEN E. HILL by quit claim deed dated March 1, 2011, of record at Book 76 Page 348-352 of the Fairlee, Vermont town land records.

Together with all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Mortgage. All of the foregoing is referred to in this Mortgage as the "Property."

Mortgagor covenants that Mortgagor is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property and that the Property is unencumbered. Mortgagor warrants and will defend generally this title to the Property against all claims and demands, subject to any encumbrances of record.

**Mortgagor and Mortgagee covenant and agree as follows:**

**Exhibit B**

1. Payment of the Principal; Prepayment. Mortgagor shall promptly pay when due the principal of and interest on the debt evidenced by the Note. The debt may be paid at any time before the due date without accruing any penalty.

2. Charges; Liens. Mortgagor shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Mortgage, other than those discussed in the Note.

Mortgagor shall promptly discharge any lien which has priority over this Mortgage unless Mortgagee: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Mortgagee; (b) contests in good faith the lien by, or defend against enforcement of the lien in, legal proceedings which in the Mortgagee's opinion operate to prevent the enforcement of the lien; or (c) secures from the holder of the lien an agreement satisfactory to Mortgagee subordinating the lien to this Mortgage. If Mortgagee determines that any part of the property is subject to a lien which may attain priority over this Mortgage, Mortgagee may give Mortgagor a notice identifying the lien. Mortgagor shall satisfy the lien or take one or more of the actions set forth above within ten days of the giving of notice.

3. Hazard or Property Insurance. Mortgagor shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards induced within the term "extended coverage" and any other hazards, including floods or flooding, for which Mortgagor requires insurance. This insurance shall be maintained in the amounts and for the periods that Mortgagee require. The insurance carrier providing the insurance shall be chosen by Mortgagor subject to Mortgagee's approval which shall not be unreasonably withheld.

4. Occupancy, Preservation, Maintenance and Protection of the Property; Leaseholds. Mortgagors shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property.

5. Protection of Mortgagee's Rights in the Property. If Mortgagor fails to perform the covenants and agreements contained in this Mortgage, or there is a legal proceeding that may significantly affect Mortgagee's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations, or a tax sale), then Mortgagee may do and pay for whatever is necessary to protect the value of the Property and Mortgagee's rights in the property. Mortgagee's actions may include paying any sums secured by a lien which has priority over this Mortgage, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although Mortgagee may take action under this paragraph 6, Mortgagee does not have to do so.

6. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Mortgagee.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Mortgage, whether or not then due, with any excess paid to Mortgagor. In the event

of a partial taking of the Property in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Mortgage immediately before the taking, unless Mortgagee and Mortgagor otherwise agree in writing, the sums secured by this Mortgage shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Mortgagor. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is less than the amount of the sums secured immediately before the taking, unless Mortgagee and Mortgagors otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be applied to the sums secured by the Mortgage whether or not such sums are then due.

If the Property is abandoned by Mortgagor, or if, after notice by Mortgagee to Mortgagor that the condemnor offers to make an award or settle a claim for damages, Mortgagors fail to respond to Mortgagees within thirty days after the date the notice is given, Mortgagee is authorized to collect and apply the proceeds, at their option, either to restoration or repair of the Property or to the sums secured by this Mortgage, whether or not then due.

Unless Mortgagor and Mortgagee otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraph 1 or change the amount of such payments.

7. Mortgagor Not Released; Forbearance by Mortgagee Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Mortgage granted by Mortgagee to any successor in interest of Mortgagor shall not operate to release the liability of the original Mortgagors or Mortgagor's successors in interest. Mortgagee shall not be required to commence proceedings against any successor in interest or extend time for payment or otherwise modify amortization of the sums secured by this Mortgage by reason of any demand made by the original Mortgagor or Mortgagor's successors in interest. Any forbearance by Mortgagee in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

8. Successors and Assigns Bound; Joint and Several Liability; Co-Signers. The covenants and agreements of this Mortgage shall bind and benefit the successors and assigns of Mortgagor and Mortgagee, subject to the provisions of paragraph 12. Mortgagor's covenants and agreements shall be joint and several.

9. Notices. Any notice to Mortgagor provided for in this Mortgage shall be given by delivering it or by mailing it by first class mail. The notice shall be directed to the Property Address or any other address Mortgagors designate by notice to Mortgagee. Any notice to Mortgagee shall be given by first class mail to Mortgagee's address stated herein or any other address Mortgagee designates by notice to the Mortgagors. Any notice provided for in this Mortgage shall be deemed to have been given to Mortgagor or Mortgagee when given as provided in this paragraph.

10. Governing Law; Severability. This Mortgage shall be governed by the laws of Vermont. In the event that any provision or clause of this Mortgage or the Note conflicts with applicable law, such

conflict shall not affect other provisions of this Mortgage or the Note which can be given effect without the conflicting provision. To this end the provisions of this Mortgage and the note are declared to be severable.

11. Mortgagors' copy. Mortgagor shall be given one conformed copy of the Note and of this Mortgage.

12. Transfer of the Property or a Beneficial Interest in Mortgage. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Mortgage is sold or transferred) without Mortgagee's written consent, Mortgagee may, at their option, require immediate payment in full of all sums secured by this Mortgage. However, this option shall not be exercised by Mortgagee if exercise is prohibited by law. If Mortgagee exercises this option, Mortgagee shall give Mortgagors notice of acceleration. The notice shall provide a prior notice of not less than thirty days from the date the notice is delivered or mailed within which Mortgagor may pay all sums secured by this Mortgage. If Mortgagors fail to pay these sums prior to the expiration of this period, Mortgagee may invoke any remedies permitted by this Mortgage without further notice or demand on Mortgagor.

13. Mortgagors' Right to Reinstate. If Mortgagor meet certain conditions, Mortgagor shall have the right to have enforcement of this Mortgage discontinued at any time prior to the earlier of: (a) five days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Mortgage; or (b) entry of a judgment enforcing this Mortgage. Those conditions are that Mortgagor: (a) pays Mortgagee all sums which then would be due under this Mortgage and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Mortgage, including, but not limited to, reasonable attorney's fees; and (d) takes such action as Mortgagee may reasonably require to assure that the lien of this Mortgage, Mortgagee's rights in the Property and Mortgagor's obligation to pay the sums secured by this Mortgage shall continue unchanged. Upon reinstatement by Mortgagors, this Mortgage and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraph 15.

14. Hazardous Substances. Mortgagor shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Mortgagor shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any environmental law. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

Mortgagor shall promptly give Mortgagee written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Mortgagors have knowledge. If Mortgagor learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substances affecting the Property is necessary, Mortgagor shall promptly take all necessary actions in accordance with Environmental Law.

As used in this paragraph 16, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this paragraph 16, "Environmental Law" means federal laws and the laws of Vermont that relate to health, safety or environmental protection.

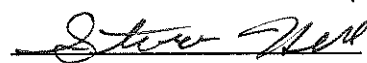
15. Remedies. Mortgagee shall give notice to Mortgagor prior to foreclosure following Mortgagor's breach of any covenant or agreement in this Mortgage. The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than thirty days from the date the notice is given to Mortgagor, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage and sale of the Property. The notice shall further inform Mortgagor of the right to assert in the foreclosure proceeding the non-existence of a default or any other defense of Mortgagor to sale. If the default is not cured on or before the date specified in the notice, Mortgagee, at its option, may require immediate payment in full of all sums secured by this Mortgage without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Mortgagee shall be entitled to collect all expenses incurred in pursuing the remedies provided in this mortgage, including, but not limited to, reasonable attorney's fees and costs of title evidence.

If Mortgagor or Mortgagee invokes the power of sale, and the Property is judicially ordered to be sold pursuant to such power, Mortgagee shall mail a copy of the notice of sale by registered mail to Mortgagor at the Property Address or at any other address Mortgagor delivers to Mortgagee in writing for that purpose. Mortgagee shall publish the notice of sale for the time and in the manner required by applicable law and, without further demand on Mortgagor, the Property shall be sold at the time and under the terms designated by the court and in the notice of sale. Mortgagee or its designee may purchase the Property at any sale. The proceeds of the sale shall be applied in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable attorney's fees; (b) to all sums secured by this Mortgage; and (c) any excess to the person or persons legally entitled to it.

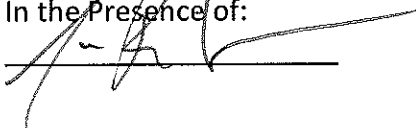
By signing below, Mortgagor accepts and agrees to the terms and covenants contained in this Mortgage

Dated at HARVARD, New Hampshire, this 30 day of APRIL, 2014.

STEVEN E. HILL



In the Presence of:



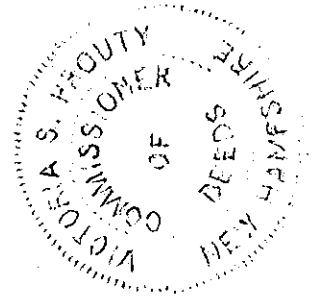


STATE OF NEW HAMPSHIRE  
GRAFTON COUNTY, SS.

BE IT REMEMBERED that on the 30<sup>th</sup> day of April, 2014, personally appeared Steven E. Hill signer of the foregoing instrument who is known to me or who satisfactorily established Steven Hill's identity to me and acknowledged the same to be Steven E. Hill's free act and deed.

Before Me: Victoria S. Prouty  
Notary Public

My Commission expires: VICTORIA S. PROUTY  
Commissioner of Deeds - New Hampshire  
My Commission Expires December 19, 2017



**JASON R. CRANCE**  
ATTORNEY AT LAW

ADMITTED TO PRACTICE IN:  
NEW HAMPSHIRE  
VERMONT  
CALIFORNIA  
NORTH DAKOTA

TELEPHONE  
603-643-8801  
FACSIMILE  
603-643-5297  
EMAIL

JASON@CRANCELAW.COM

**VIA EMAIL TRANSMISSION ONLY**

October 25, 2013

Gregory Boubol, Esq.  
Associate General Counsel  
Natural Resources Board  
1 National Life Dr  
Montpelier, VT, 05602

**Re: Real Property owned by, Steve Hill, located at 198 Brackett Road, in Fairlee, Orange County, Vermont. The Property is described in a deed dated March 1, 2011 and recorded at Book 76, Page 348-352 in the Fairlee, Vermont, Land Records Office.**

Dear Greg:

I am writing to give my opinion of the state of the record title to the real property described above, which is called "the Property" in this letter. I certify that the land records pertaining to the Property were examined for the purposes of determining whether any secured lien holders sat second position to the mortgage deed I have previously referenced in our conversations.

I conducted my search in the land records office of the Town of Fairlee, Vermont, on October 25, 2013 at 9:15 a.m.

Based on the examination of the information appearing in the Fairlee land records office, it is my opinion that Steven E. Hill has a marketable title to the Property, and that there are no taxes, liens, or other encumbrances on the Property except as mentioned below:

These are the exceptions. All references to "Book" and "Page" are to volumes in the Fairlee land records office.

**Mortgage Deed to R. Bret Ryan.** R. Bret Ryan holds a mortgage deed to the Property with a face value amount of \$313,000.00. The mortgage deed was recorded in the Fairlee land records office at Book 76, Page 353-368.

**Real Property Taxes.** The Tax Collector for the Town of Fairlee should be consulted for the exact amount due. However, as of this morning, the Town Clerk confirmed Mr. Hill paid his property taxes in full on or before October 1, 2013.

**No Check for Compliance With Land-Use Regulations.** I **did not** make any check, as part of my examination of the record title to the Property, of any matters relating use of the Property, structures on the Property, septic or sewage disposal on the Property, or water supply for the Property. I **did not**, for example, check local, state or federal zoning regulations, subdivision regulations, health regulations, septic regulations, or any other land-use regulations that may apply to the Property. Failure of the Property to comply with applicable land-use regulations may adversely affect the marketability of the record title to the Property.

This certification is subject to the assumption that the records at the Fairlee land records office are properly indexed in the general indexes.

This opinion is not in any way a certification of any survey that shows the Property, including any survey that is now on file in the Fairlee land records office. This opinion is not in any way a certification of the boundary lines of the Property, or of the acreage the Property comprises. This opinion is not in any way a certification of any state of facts that an accurate survey of the Premises would show

No actual inspection of the Property has been made as a part of this certification. No representation is made in this certification as to any leases, lettings, or other forms of occupancy or possession not of record. No certification is made in this opinion as to: the existence of any liens for federal or other taxes for which no record notice is required; the existence of any liens for transfer taxes under Section 9602 et seq. of Title 32 of the Vermont Statutes Annotated; zoning or similar laws; nor as to any possible defects of title arising from failure on the part of any lender to comply with the federal Truth-in-Lending Regulations.

Thank you for your consideration. I look forward to your reply.

Sincerely,



Jason R. Crance

JRC/tc

cc: Mr. Steve Hill and Ms. Chaiki Ito

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