

PECONIC LAND TRUST



Request for Proposals Cox Lane Farm, Cutchogue, NY

Background and Information

Thank you for your interest in the farm located on Cox Lane, Cutchogue, in the Town of Southold. The sale of the conserved 27.5302 acre farmstead represents an effort by the Peconic Land Trust (Trust) to make farmland affordable and accessible for farmers.

The property was purchased by the Trust in May of 2007, subject to a Town of Southold Development Rights Easement on 25.6936 acres of farmland. The Trust is marketing the property and anticipates selling it to a farmer by April, 2009. As a condition of the sale, a Conservation and Overlay Easement and Preemptive Right to Purchase at Agricultural Value will be put on the property.

Property Description

The parcel includes an 80,000 square foot Development Area that includes a 2-story 1,200 square foot farm house with 3 bedrooms. The Development Area also contains two side-by-side barns of 1,100 sq. ft. each, a garage, and 2 additional outbuildings.

The Agricultural Area, restricted by the Town of Southold Development Rights Easement, consists of an irrigation well and roughly 25 acres of tillable land. The property has been historically farmed in potatoes and has most recently been farmed in certified organic vegetables. The property contains soils classified by the United States Department of Agriculture Natural Resources Conservation Service Soil Survey of Suffolk County as Class I and Class II soils, specifically designated as Haven A (HaA), Haven B (HaB), Plymouth B (PIB), Riverhead B (RdB), and Haven loam, surface thick (He). A farm stand may be permitted within the Development Area per Chapter 72 of the Town of Southold Code. The property has been designated by the United States Department of Agriculture as quarantined for golden nematode, a pest that affects potatoes, tomatoes and eggplant.

See the enclosed location map, aerial photo, soils map, and golden nematode fact sheet for more information about the property.

Conservation Restrictions

The Agricultural Area of Cox Lane Farm is perpetually encumbered by the Town of Southold Development Rights Easement that was purchased with a grant from the United States Department of Agriculture Natural Resources Conservation Service. Under the terms of the existing Town of Southold Easement, there is a 6% impervious surface limitation on the property. Future owners of the property would be obligated to contact the Town of Southold's Land Preservation Department, and where applicable the United States Department of Agriculture Natural Resources Conservation Service, regarding these restrictions.

The farmstead will also be sold subject to a perpetual Conservation and Overlay Easement and Preemptive Right to Purchase at Agricultural Value. The preemptive right will be vested in Peconic Land Trust and is designed to help ensure the long-term accessibility and affordability of the property to future farm owner-operators. The Trust will have a preemptive right to purchase the property if an intended future transaction does **not** involve the sale of the farm to a qualified farmer.

The enclosed publication, "Operating Farm Easement: Guide to the Legal Document," gives a detailed summary of all restrictions associated with the farmstead.

Open House

The Peconic Land Trust will host an open house at the farm to allow potential buyers to see the property and meet with representatives of the organization. It will be held at **9am** on **February 6, 2009**. If you are unable to make this date, please contact the Trust to schedule a meeting.

Price of the Farm

In order to keep the farm affordable and in the farming community, the price for the farmstead will be set at **\$900,000**, not including taxes and other associated costs.

The price is for the restricted value of the property subject to a Peconic Land Trust Conservation and Overlay Easement with Preemptive Right to Purchase at Agricultural Value as described above and in the attached exhibits. The Peconic Land Trust will not consider selling the property in configurations other than those described in the enclosed "Operating Farm Easement: Guide to the Legal Document."

Buyer Selection

The Peconic Land Trust will select a buyer with the help of an Advisory Committee made up of three individuals who represent the Trust and the agricultural community. The Advisory Committee will review/evaluate proposals from buyers with a focus on the following criteria:

- Price: (a) Willingness of the buyer to meet and pay the asking price. Although price will be an important consideration, it will not be the deciding factor; and (b) Ability to pay cash at closing and/or proof that all necessary purchase financing has been, or can be, secured.
- Farm Enterprise: The farming enterprise described in the buyer's proposal: (a) is well suited to the size, soils and configuration of the farmstead; (b) is well adapted to local markets for farm products and contributes to the local farm economy; (c) is likely to encourage long-term commercial use of the farmland; and (d) is economically feasible.
- Farming Experience: Demonstrated farming experience and/or training that relates to the proposed farm operation.
- A Management Plan consistent with a Resource Management System (RMS) Conservation Plan based on the United States Department of Agriculture's Natural Resource Conservation Services (USDA-NRCS)
- Food & Fiber: Priority will be given to those proposals where food or fiber for human consumption or use is produced.

Requirements: Letter of Interest and Proposals

Parties interested in making an offer on this property must send the Trust a Letter of Interest. Letters must be received by the Trust no later than 5PM on **February 13, 2009**.

The Letter of Interest **must** be followed with a Proposal consisting of the following by **February 27, 2009**. All of the information submitted will remain strictly confidential.

1. An offer in the amount of at least **\$900,000**, and any conditions. This offer will be binding and cannot be withdrawn until **March 31, 2009**.
2. Documentation that you can finance the purchase price. Such documentation may include a letter from your banker stating that the bank intends to lend you the necessary capital; a farm business balance sheet; or any combination of such materials that will assure us that you have the financial resources to complete the purchase.
3. A business and management plan for the farm. Please give a detailed three-year plan and a broader picture of the ongoing direction of your farming operation. Please indicate any changes and improvements you envision. We realize that this is a short time frame to come up with this kind of information, but the more information you can provide the better.
4. A description of your qualifications to successfully execute your business plan. Strong agricultural references and proof of an existing commercial farm operation, including operation of the farm with an NRCS Conservation Plan, land currently enrolled in an agriculture district, and an IRS Schedule F (Profit or Loss from Farming) associated with the farm operation, would be very helpful.

5. Any other relevant information that would support the proposal.

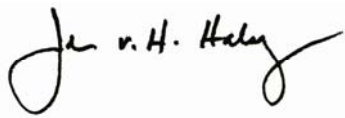
The Peconic Land Trust will acknowledge receipt of all Letters of Interest received by 5PM on **February 13, 2009**. If the price of \$900,000 is met the Trust's Board of Directors, with the help of the Advisory Committee, will select a farmer by **March 31, 2009**. If there are two or more applicants with comparable proposals, the Advisory Committee will notify the parties and a lottery will be held. If you cannot make this deadline, but are interested in the farm, contact us anyway so that we know that you are interested; we will keep you informed of the progress of the farm sale.

Send Letter of Interest, Proposal and related materials to Peconic Land Trust, PO Box 1776, Southampton, NY 11969, Attn: Stephen Searl, or email ssearl@peconiclandtrust.org.

If you have any questions about the farmstead and/or the process, please contact Stephen Searl at 631.283.3195, ext. 22 or ssearl@peconiclandtrust.org. For more information, please visit the Trust's website: www.peconiclandtrust.org.

We look forward to hearing from you.

Sincerely,

A handwritten signature in black ink that reads "John v.H. Halsey". The signature is written in a cursive, flowing style.

John v.H. Halsey
President

Enclosures:

- Location map
- Aerial photo
- Soils map
- Golden Nematode Factsheet
- Operating Farm Easement: Guide to the Legal Document

PECONIC LAND TRUST



Operating Farm Easement: Guide to the Legal Document Cox Lane Farm, Cutchogue, NY

The summary below describes the primary perpetual restrictions and reserved rights associated with the Peconic Land Trust's sale of the Cox Lane Farm in Cutchogue, NY, further identified as 1000-96-2-10.1 & 10.2, subject to a Town of Southold Development Rights Easement and a Conservation and Overlay Easement and Preemptive Right to Purchase at Agricultural Value to be held by the Peconic Land Trust. This summary outline is in no way meant to replace the complete conservation easement documents. The final easement documents will consist of more comprehensive covenants, restrictions, rights, terms and conditions.

In April 2007, the Town of Southold bought a Development Rights Easement ("Town Easement") on 25.6936 acres, further identified as SCTM# 1000-96-2-10.2, of the 27.5302 acre property. Some of the restrictions or prohibitions include, but are not limited to:

- The Town Easement area prohibits "any permanent or temporary residential, commercial or industrial use" (Section 3.07)
- The erection/construction of structures on the Easement area is prohibited except as permitted/approved by the Southold Town Land Preservation Committee for agricultural production
- Only 6% of the Easement area can be used for the construction/improvement of agricultural buildings
- All agricultural operations must be conducted in a manner consistent with a Conservation Plan prepared in consultation with the Natural Resource Conservation Service and approved by the Suffolk County Soil and Water Conservation District
- The use of the Easement area for purposes of calculating lot yield on any other property is prohibited

The Peconic Land Trust is proposing a Conservation and Overlay Easement and Preemptive Right to Purchase at Agricultural Value on the entire 27.5302 acre property, further identified as SCTM #s 1000-96-2-10.1 & 10.2. Some of the additional restrictions include, but are not limited to:

- No further subdivision of the property
- The existing single-family residence cannot be more than 2,200 square feet of livable space

- Erection and/or replacement of agricultural structures must be approved by the Peconic Land Trust
- If the commercial agricultural use is abandoned for 2 consecutive years, the Peconic Land Trust has the right to implement a restoration plan that prepares the farm for agricultural production and is consistent with the existing NRCS Conservation Plan
- Conveyance of the property needs to be to either (i) a member of Grantor's family or (ii) a qualified farmer; if the conveyance is not to a family member or qualified farmer, the Peconic Land Trust can exercise its Purchase Right
- Future farmers must notify the Peconic Land Trust, in writing, whenever Grantor intends to convey the property, and will include, among other things, a transaction agreement and a written description of the proposed transferee's training and experience as an agricultural producer



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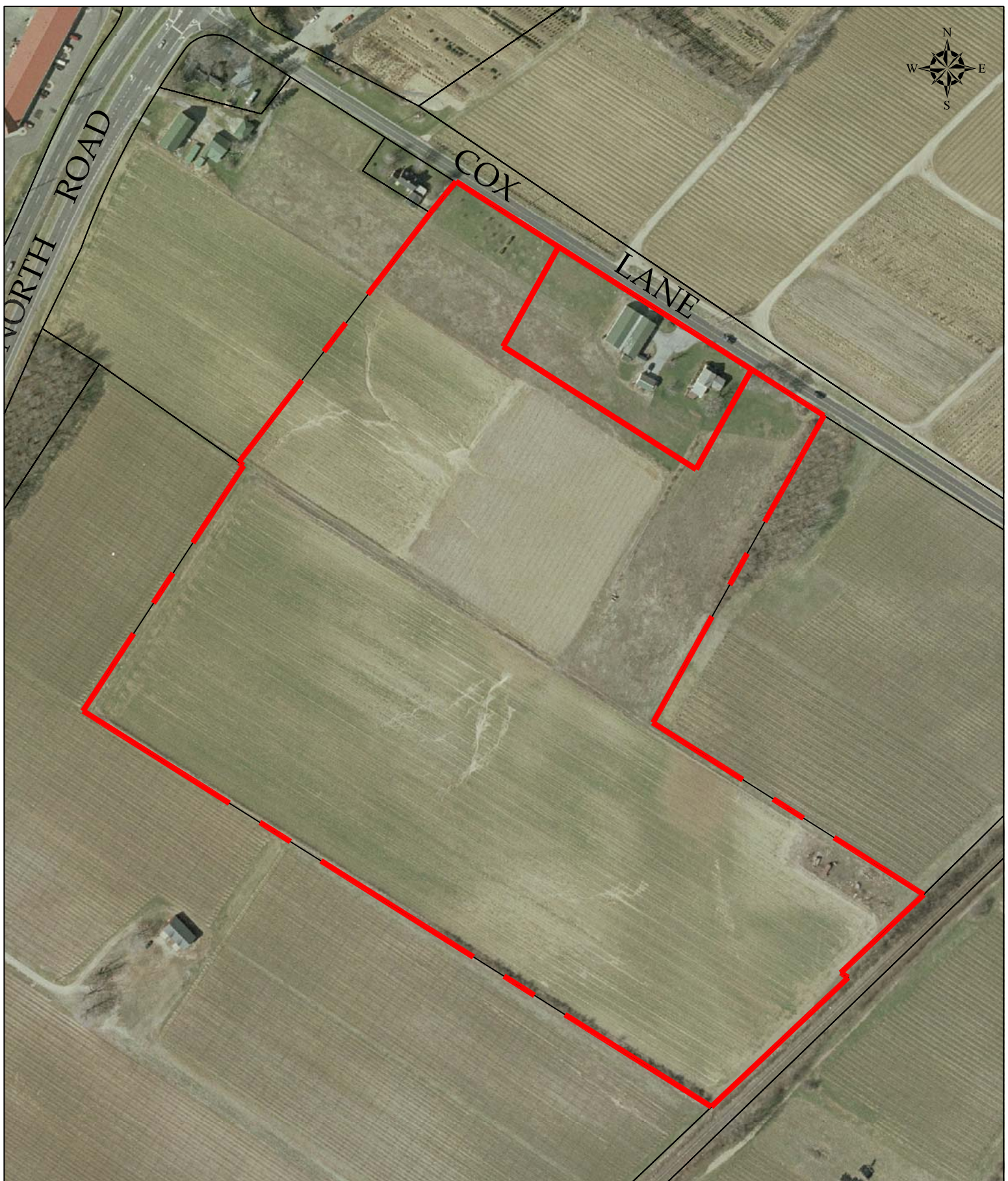
296 Hampton Road | P.O. Box 1776
 Southampton, New York 11969
 631.283.3195 | www.peconiclandtrust.org


Prepared By: Dawn Liubenov; 23 July 07

the Lands of
Cox Lane Farm
 Town of Riverhead
 Suffolk County, New York

**Final Concept
 Plan**

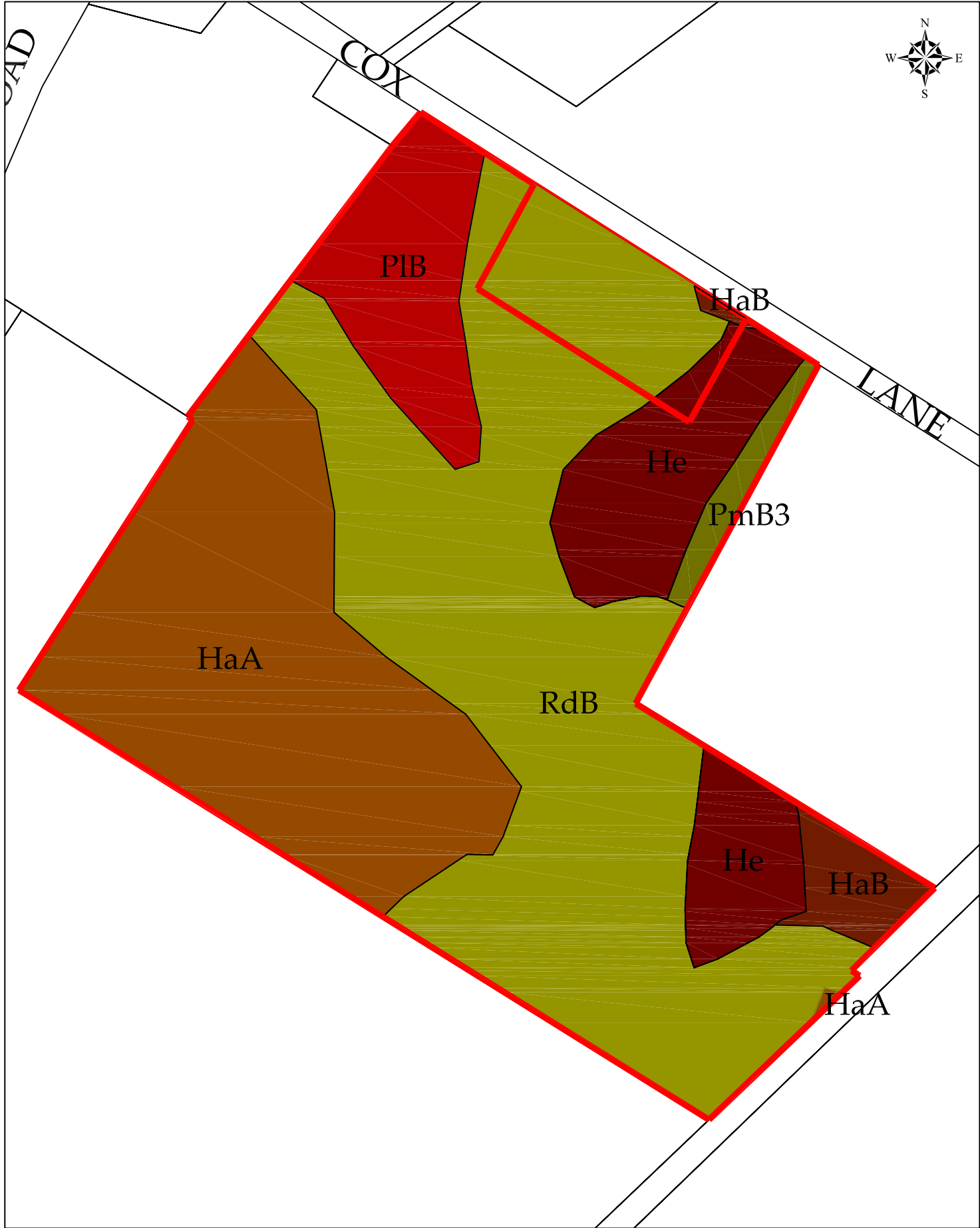
Tax Map Numbers: 1000-96-2-10
 Total Acreage: 27.5± acres



 **PECONIC LAND TRUST**
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Southampton, New York 11969
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Prepared By: Dawn Liubenov; 17 October 07

the Lands of
Cox Lane Farm
Town of Southold
Suffolk County, New York

Aerial Photo



PECONIC LAND TRUST
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 Southampton, New York 11969
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Prepared by Dawn Liubenov; 30 October 08
www.PeconicLandTrust.org

the Lands of
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 Town of Southold
 Suffolk County, New York

Soils Map

Golden Nematode

The golden nematode is one of the world's most damaging potato pests. First detected in the United States in 1941 in Nassau County on Long Island, New York, it was subsequently found in eight other New York counties. For over 60 years, an effective Federal and State quarantine program has confined the pest to nine counties in New York. If golden nematode were to become more widely established in U.S. potato, tomato, and eggplant production areas, annual crop losses could reach \$4.8 billion.

Background

The golden nematode is primarily a pest of potatoes and is also referred to as a species of potato cyst nematode. In the larval stage, it bores into the roots of host plants and feeds on their juices. Because the above-ground damage is not visible during the early stages of infestation, the pest can remain undetected for years. The first sign of a golden nematode infestation is poor plant growth in one or more areas of a potato field. As an infestation builds, the damaged area increases and eventually the entire field displays poor plant growth. Large numbers of the nematodes cause wilting, stunted growth, poor root development, and early plant death. Golden nematodes can also reproduce on the roots of eggplant, tomatoes, and several solanaceous weeds.

Life Stages

The golden nematode goes through three life stages—egg, larva, and adult. The process can take anywhere from 38 to 48 days. The eggs are enclosed in protective cysts that are the size of pinheads and can contain up to 500 eggs and larvae. The eggs remain inactive in the soil until they are stimulated by a chemical released from the roots of the host plant. The larvae then migrate and enter the roots. Without host plants on which to attach themselves, nematode cysts can remain dormant for up to 30 years.

Golden Nematode Survey in New York

The U.S. Department of Agriculture's Animal and Plant Health Inspection Service (APHIS) and the New York State Department of Agriculture and Markets work together to prevent the spread of golden nematode to uninfested areas. Since 1944, this successful Federal/State partnership has been aggressively using survey, quarantine, and control methods with the

goal of eradicating this destructive pest. Plant health inspectors collect soil samples from potato fields and potato-grading stations. To ensure an early detection of any new golden nematode infestations, all potato-producing areas in New York are surveyed annually.

Control Efforts

The golden nematode is spread primarily by the transport of cysts in soil. Spread may occur through the movement of soil adhering to farming equipment, seed potatoes, nursery stock, flower bulbs, and potatoes. To prevent this type of spread, field workers must clean and disinfect equipment before moving it from an area infested with golden nematode. Growers should plant vegetation strips (sod strips, hedgerows, etc.) between fields and along highways and plant cover crops as soon as possible when the land is not in use.

The primary means of controlling golden nematode is through the systematic planting of nematode-resistant potato varieties in rotation with non-host crops. Since the discovery of golden nematode in the United States, more than 40 new nematode-resistant potato varieties have been developed. Scientific research has proven crop rotation to be an effective tool in keeping fields in production and decreasing the chances of a golden nematode infestation. Potato growers should rotate potato crops with non-host crops such as corn, soybeans, or wheat. Nematicides, a chemical product used to control nematodes, may also be used in special situations.

APHIS' Plant Protection and Quarantine officers diligently search for nematodes in shipments from foreign countries containing soil, burlap bags, and packing straw. Due to the presence of golden nematode in nine New York counties, the interstate movement of potatoes, equipment, and other regulated materials is restricted from those areas.

How You Can Help

You can help prevent the spread of golden nematode by taking the following precautions:

- Do not use secondhand containers such as burlap bags, crates, and barrels when harvesting potatoes;
- Do not bring used machinery on a farm unless it has been steam-cleaned or fumigated;
- Do not spread soil and debris from potato-grading operations onto farm lands;
- Plant only non-host crops or nematode-resistant potato varieties in rotation with non-host crops on

land where golden nematode is known or suspected to occur;

- Plant only certified seed; and
- Rotate crops on potato fields, but do not plant tomatoes or eggplants in the rotation.

To learn more about golden nematode, please visit:
http://www.aphis.usda.gov/plant_health/plant_pest_info/nematode/index.shtml

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