

STATE OF VERMONT

SUPERIOR COURT  
ESSEX UNIT

CIVIL DIVISION

Plum Creek Maine Timberlands, LLC, )  
 )  
 Plaintiff, )  
 )  
 v. )  
 )  
 Vermont Department of Forests, )  
 Parks, and Recreation, and the )  
 Vermont Department of Taxes, )  
 )  
 Defendants. )

Docket Nos. 72-12-10 Excv,  
30-6-11 Excv, 19-4-11 Excv,  
31-6-11 Excv, 294-12-10 Oscv  
and 76-4-11 Oscv

**SETTLEMENT AGREEMENT**

Weyerhaeuser Company (Weyerhaeuser), successor by merger to Plaintiff Plum Creek Maine Timberlands, LLC (Plum Creek), by and through its attorney David L. Grayck, and Defendants Vermont Department of Forests, Parks, and Recreation (FPR), and the Vermont Department of Taxes, by and through Vermont Attorney General Thomas J. Donovan, Jr., stipulate and agree as follows.

**WHEREAS:**

This matter concerns 56,604 acres that were removed from the Use Value Appraisal Program (Current Use) based on logging activities that occurred in January 2010 on logging stands 34, 43, and 44 in Essex County;

On April 26, 2010, in response to the January 2010 logging activities, the County Forester for Caledonia and Essex counties issued an Adverse Inspection Report documenting water-quality violations and violations of Plum Creek's forest management plan on around 140 acres of the 56,604 acres at issue in this matter;

Plum Creek brought timely appeals of the Adverse Inspection Report and of the decision of the Department of Taxes to remove 56,604 acres from Current Use;

On November 30, 2010, in response to an appeal, the Commissioner of the Department of Forests, Parks & Recreation upheld the Adverse Inspection Report;

On March 31, 2011, in response to an appeal, the Department of Taxes upheld the decision to remove 56,604 acres from Current Use;

Plum Creek filed a timely appeal of both on those decisions to the Civil Division of the Superior Court;

After trial, the Superior Court concluded that Plum Creek had not violated its forest management plan and reversed the decisions of both Departments;

The State filed a timely appeal to the Vermont Supreme Court;

The Vermont Supreme Court reversed the trial court and “reinstate[d] the adverse-inspection report as upheld by the FPR Commissioner”;

The matter has now been remanded to the Superior Court to determine the tax consequences of Plum Creek’s forestry violations;

During the pendency of these proceedings, Plum Creek remained in Current Use, allowing it to pay lower tax rates to eight affected towns;

At the same time, the State made “hold harmless” payments to those eight towns so they received the same amount in property taxes as they would have if Plum Creek had not been in Current Use, which precludes the towns from bringing a claim for unpaid taxes based on the Vermont Supreme Court decision;

On June 14, 2017, foresters from Weyerhaeuser and FPR visited the site in furtherance of Weyerhaeuser's efforts to prepare a compliance report to submit to FPR pursuant to 32 V.S.A. § 3755(d);

On July 12, 2017, after consultation and review by FPR, Weyerhaeuser submitted a compliance report, which FPR approved that same day; and

Both Parties have an interest in resolving this matter and have thus made compromises, but emphasize that nothing in this settlement shall be considered precedential, and both Parties reserve all rights in all future proceedings.

NOW, THEREFORE, Plaintiff and Defendants stipulate and agree as follows:

1. Plaintiff shall dismiss with prejudice the above-captioned actions pursuant to Rule 41(a)(1)(ii);
2. Plaintiff shall, upon signing of this Settlement Agreement, pay \$375,000 to the State of Vermont;
3. Defendants shall consider the transfer of ownership application filed on November 4, 2016 as a timely application for reenrollment in Current Use for 2016 and 2017, and thus shall not issue revised tax bills for 2016, and shall enroll the property in the Current Use program for 2017;
4. Except for the requirements of this Settlement Agreement and the July 12, 2017 compliance report, the Defendants and the Agency of Natural Resources, inclusive of its Departments, shall not seek additional remediation, mitigation, taxes, fines, or penalties related to the January 2010 forestry violations that gave rise to these proceedings, including, but not limited to, remediation,

mitigation, taxes, fines, or penalties which could be sought or imposed pursuant to an action commenced under 10 V.S.A. Chapter 201; 10 V.S.A. Chapter 211; 10 V.S.A. § 2625; 10 V.S.A. § 1263(a); and 10 V.S.A. § 1275(a);

5. This Settlement Agreement shall be binding upon the parties and all their successors and assigns, including successors and assigns that predate the signing of this Settlement Agreement;

6. Nothing in this Settlement Agreement shall be construed to create or deny any rights in, or grant or deny any cause of action to, any person not a party to this Settlement Agreement;

7. Nothing in this settlement shall be considered precedential, and both Parties reserve all rights in all future proceedings; and

8. Each party shall bear its own costs and attorneys' fees.

Dated: July 14, 2017

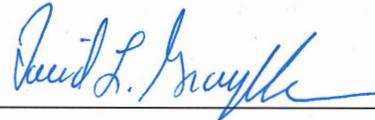
STATE OF VERMONT

THOMAS J. DONOVAN, JR.  
ATTORNEY GENERAL

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*Counsel for Defendants Vermont Department  
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Vermont Department of Taxes*

Dated: July 14, 2017



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