Book 1949 Page 986
Alamance County, NC
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No 9999-00001856 1 of 10 pages
Excise Tax: $22.00
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ALAMANCE COUNTY
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1321 Mail Service Center
Raleigh, NC 27699-1321
SPO File Number 001-AAD

Stps $22.00

THIS CONSERVATION EASEMENT DEED, made this 29th day of August, 2003, by and between Hadley Brothers Dairy, a NC General Partnership, Herman Hadley & Sons, a N.C. General Partnership, James W. Hadley, Divorced, Gary P. Hadley and wife, Teresa Hadley, and Jeanette L. Hadley, Widow, Grantor, and the State of North Carolina, Grantee, whose mailing address is State of North Carolina State Property Office, 1321 Mail Service Center, Raleigh, NC 27699-1321. The designations Grantor and Grantee as used herein shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine, or neuter as required by context.

WITNESSETH:

WHEREAS, pursuant to the provisions of N.C. Gen. Stat. § 143-214.8 et seq., the State of North Carolina has established the Wetlands Restoration Program (as defined in N.C. Gen Stat. § 143-214.8) within the Department of Environment and Natural Resources for the purposes of acquiring, maintaining, restoring, enhancing, and creating wetland and riparian resources that contribute to the protection and improvement of water quality, flood prevention, fisheries, aquatic habitat, wildlife habitat, and recreational opportunities; and

WHEREAS, the Wetlands Restoration Program in the Department of Environment and Natural Resources has approved acceptance of this instrument; and

WHEREAS, the acceptance of this instrument for and on behalf of the State of North Carolina has been granted to the Department of Administration by resolution as approved by the Governor and Council of State adopted at a meeting held in the City of Raleigh, North Carolina, on the 8th day of February 2000; and

WHEREAS, pursuant to the provisions of N.C. Gen. Stat. § 143-214.8, two of the components of the Wetlands Restoration Program are (1) restoration and perpetual maintenance of wetlands, riparian areas, and surface waters and (2) land ownership and management; and

WHEREAS, the Grantor own in fee simple certain real property situated, lying, and being in Newlin Township, Alamance County, North Carolina (the "Protected Property"), and being more particularly described as those certain parcels of land recorded in Deed Book 523, page 515, of the Alamance County Registry; and

WHEREAS, Grantor is willing to grant a Conservation Easement on the Protected Property, thereby restricting and limiting the use of the Protected Property to the terms and conditions and for the

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purposes hereinafter set forth, and Grantee is willing to accept such easement.

NOW, THEREFORE, in consideration of the mutual covenants, terms, conditions, and restrictions hereinafter set forth, Grantor unconditionally and irrevocably hereby grants and conveys unto Grantee, its successors and assigns, forever and in perpetuity, a Conservation Easement of the nature and character and to the extent hereinafter set forth, over a portion of the Protected Property, referred to hereafter as the Easement Area, for the benefit of the people of North Carolina, and being a portion of the tract of land as identified as containing 18.82 acres as shown on a plat of survey entitled "Conservation Easement Survey for NC Wetlands Restoration Program Property of Jeanette L. Haley" dated 12/20/2002, updated 04/07/2003 and certified by Douglas R. Yarborough, NC PLS Number L-3395, and **Recorded in Plat Book 67, Page 307 of the Alamance County Registry.** Tract contains 2.52 acres and is further identified and more particularly described as found on exhibit "A" as attached.

The purposes of this Conservation Easement are to maintain, restore, enhance, and create wetland and/or riparian resources in the Easement Area that contributes to the protection and improvement of water quality, flood prevention, fisheries, aquatic habitat, wildlife habitat, and recreational opportunities; to maintain permanently the Easement Area in its natural condition, consistent with these purposes; and to prevent any use of the Easement Area that will significantly impair or interfere with these purposes. To achieve these purposes, the following conditions and restrictions are set forth:

I. DURATION OF EASEMENT

This Conservation Easement shall be perpetual. It is an easement in gross, runs with the land, and is enforceable by Grantee against Grantor, their personal representatives, heirs, successors, and assigns, lessees, agents, and licensees.

II. RESERVED USES AND RESTRICTED ACTIVITES

The Easement Area shall be restricted from any development or usage that would impair or interfere with the purposes of this Conservation Easement. Unless expressly reserved as a compatible use herein, any activity in, or use of, the Easement Area by the Grantor is prohibited as inconsistent with the purposes of this Conservation Easement. Any rights not expressly reserved hereunder by the Grantor have been acquired by the Grantee. The following specific uses are prohibited, restricted, or reserved as indicated:

A. **Recreational Uses.** Grantor expressly reserves the right to undeveloped recreational uses, including hunting and fishing, and access to the Easement Area for the purposes thereof. Usage of motorized vehicles in the Easement Area is prohibited.

B. **Educational Uses.** The Grantor reserves the right to undeveloped educational uses and the right of access to the Easement Area for such purposes including organized educational activities such as site visits, studies, and observations.

C. **Vegetative Cutting.** Cutting, removal, mowing, harming, or destruction of any vegetation in the Easement Area is prohibited. Grantor reserves the right to mow and maintain inside easement along the fence line within a 10' wide area running along the entire length of the fence.

D. **Industrial Use.** Industrial activities in the Easement Area are prohibited.

E. **Residential Use.** Residential use of the Easement Area is prohibited.

F. **Commercial Use.** Commercial activities in the Easement Area are prohibited.

G. **Agricultural Use.** Agricultural use of the Easement Area including use for cropland, waste lagoons, or pastureland is prohibited.

H. **New Construction.** There shall be no building, facility, mobile home, or other structure constructed or placed in the Easement Area.

I. **Signs.** No signs shall be permitted in the Easement Area except interpretive signs describing restoration activities and the conservation values of the Easement Area, signs identifying the owner of the Protected Property and the holder of the Conservation Easement, and signs giving directions or proscribing rules and regulations for the use of the Easement Area.

J. **Dumping.** Dumping of soil, trash, ashes, garbage, waste, abandoned vehicles, appliance or machinery, or other material in the Easement Area is prohibited.

K. **Grading, Mineral Use, Excavation, Dredging.** There shall be no grading, filling, excavation, dredging, mining, or drilling; no removal of topsoil, sand, gravel, rock, peat, minerals, or other materials.

L. **Water Quality and Drainage Patterns.** There shall be no diking, draining, dredging, channeling, filling, leveling, pumping, impounding or related activities, or altering or tampering with water control structures or devices, or disruption or alteration of the restored, enhanced, or created drainage patterns. In addition, diverting or causing or permitting the diversion of surface or underground water into, within or out of the easement area by any means, removal of wetlands, polluting or discharging into waters, springs, seeps, or wetlands, or use of pesticide or biocides is prohibited.

M. **Subdivision.** Subdivision, partitioning, or dividing the Easement Area is prohibited.

N. **Development Rights.** No development rights which have been encumbered or extinguished by this Conservation Easement shall be transferred pursuant to a transferable development rights scheme or cluster development arrangement or otherwise.

The Grantee, and authorized representatives of the Grantee, shall have the right to enter the Easement Area and shall have the right of reasonable ingress and egress to the Easement Area over the Protected Property, at all reasonable times to undertake any activities to restore, manage, maintain, enhance, and monitor the wetland and riparian resources of the Easement Area. These activities include planting of trees, shrubs and herbaceous vegetation, installation of monitoring wells, utilization of heavy equipment to grade, fill, and prepare the soil, modification of the hydrology of the site, and installation of natural and manmade materials as needed to direct in-stream, above ground, and subterraneous water flow. In addition, the Grantee, and authorized representatives of the Grantee, shall have the right to enter the Easement Area and shall have the right of reasonable ingress and egress to the Easement Area over the Protected Property, at all reasonable times for the purpose of inspecting said property to determine if the Grantor is complying with the terms, conditions, restrictions, and purposes of this Conservation Easement. The easement rights granted herein do not include public access rights.

The Grantor may request permission to vary from the above restrictions for good cause shown, provided that any such request is consistent with the purposes of this Conservation Easement. The Grantor shall not vary from the above restrictions without first obtaining written approval from the Wetlands Restoration Program, whose mailing address is 1619 Mail Services Center, Raleigh, NC 27699-1619.

III. ENFORCEMENT AND REMEDIES

A. In the event that the Grantee determines that the Grantor has violated or is threatening to violate any of these terms, conditions, or restrictions, the Grantee may institute a suit to enjoin such violation and if necessary, to require the restoration of the Easement Area to its prior condition at the expense of the Grantor.

B. No failure on the part of Grantee to enforce any covenant or provision hereof shall discharge or invalidate such covenant or any other covenant, condition, or provision hereof or affect the right of Grantee to enforce the same in the event of a subsequent breach or default.

IV. MISCELLANEOUS

A. This Conservation Easement shall be construed to promote the purposes of N.C. Gen Stat. § 143-214.8 et seq., the Wetlands Restoration Program.

B. This instrument sets forth the entire agreement of the parties with respect to the Conservation Easement and supersedes all prior discussions, negotiations, understandings or agreements relating to the Conservation Easement. If any provision is found to be invalid, the remainder of the provisions of the Conservation Easement, and the application of such provision to persons or circumstances other than those as to which it is found to be invalid, shall not be affected thereby.

C. Any notices shall be sent by registered or certified mail, return receipt requested to the parties at their addresses shown above or to other address(es) as either party establishes in writing upon notification to the other.

D. Grantor shall notify Grantee in writing of the name and address and any party to whom the Protected Property or any part thereof is to be transferred at or prior to the time said transfer is made. Grantor further agrees to make any subsequent lease, deed, or other legal instrument by which any interest in the Protected Property is conveyed subject to the Conservation Easement herein created.

V. QUIET ENJOYMENT

Grantor reserves all rights accruing from ownership of the Protected Property, including the right to engage in or permit or invite others to engage in only those uses of the Easement Area that are expressly reserved herein, not prohibited or restricted herein, and are not inconsistent with the purposes of this Conservation Easement. Without limiting the generality of the foregoing, the Grantor expressly reserves to the Grantor, and the Grantor's invitees and licensees, the right of access to the Easement Area, and the right of quiet enjoyment of the Easement Area.

TO HAVE AND TO HOLD the said rights and easements perpetually unto Grantee for the aforesaid purposes.

AND Grantor covenants that Grantor is seized of said premises in fee and has the right to convey the permanent easement herein granted; that the same are free from encumbrances, except as shown on exhibit B attached hereto and incorporated herein by reference, and that Grantor will warrant and defend title to the same against the claims of all persons whomsoever.

IN TESTIMONY WHEREOF, the Grantor has hereunto set his hand and seal, the day and year first above written,

Hadley Brothers Dairy, a N.C. General Partnership

By: _____ (SEAL)
James W. Hadley, General Partner

By: _____ (SEAL)
Gary P. Hadley, General Partner

Herman Hadley & Sons, a N.C. General Partnership

By: _____ (SEAL)
James W. Hadley, General Partner

By: _____ (SEAL)
Gary P. Hadley, General Partner

_____ (SEAL)
James W. Hadley

_____ (SEAL)
Gary P. Hadley

_____ (SEAL)
Teresa Hadley, wife of Gary P. Hadley

_____ (SEAL)
Jeanette L. Hadley, widow of Herman Hadley

STATE OF NORTH CAROLINA

COUNTY OF ALAMANCE

I, Lisa S. Lee, a Notary Public of said County and State, do hereby certify that James W. Hadley, General Partner of Hadley Brothers Dairy, a N.C. General Partnership, personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of the partnership.

Witness my hand and official seal, this the 2nd day of ~~August~~ Sept., 2003.

My Commission Expires:
March 28, 2008

Lisa S. Lee
Notary Public

LISA S. LEE NOTARY PUBLIC ALAMANCE COUNTY, NC

STATE OF NORTH CAROLINA

COUNTY OF ALAMANCE

I, Lisa S. Lee, a Notary Public of said County and State, do hereby certify that Gary P. Hadley, General Partner of Hadley Brothers Dairy, a N.C. General Partnership, personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of the partnership.

Witness my hand and official seal, this the 29th day of August, 2003.

My Commission Expires:
March 28, 2008

Lisa S. Lee
Notary Public

LISA S. LEE NOTARY PUBLIC ALAMANCE COUNTY, NC

STATE OF NORTH CAROLINA

COUNTY OF ALAMANCE

I, Lisa S. Lee, a Notary Public of said County and State, do hereby certify that James W. Hadley, General Partner of Herman Hadley & Sons, a N.C. General Partnership, personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of the partnership.

Witness my hand and official seal, this the 2nd day of ~~August~~ Sept, 2003.

My Commission Expires:
March 28, 2008

Lisa S. Lee
Notary Public

LISA S. LEE NOTARY PUBLIC ALAMANCE COUNTY, NC

STATE OF NORTH CAROLINA

COUNTY OF ALAMANCE

I, Lisa S. Lee, a Notary Public of said County and State, do hereby certify that Gary P. Hadley, General Partner of Herman Hadley & Sons, a N.C. General Partnership, personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of the partnership.

Witness my hand and official seal, this the 29th day of August, 2003.

My Commission Expires:

March 28, 2008

Lisa Lee
Notary Public

LISA S. LEE NOTARY PUBLIC ALAMANCE COUNTY, NC

STATE OF NORTH CAROLINA

COUNTY OF ALAMANCE

I, Lisa S. Lee, a Notary Public of said County and State, do hereby certify that James W. Hadley, divorced, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal, this the 2nd day of ~~August~~ Sept, 2003.

My Commission Expires:

March 28 2008

Lisa Lee
Notary Public

LISA S. LEE NOTARY PUBLIC ALAMANCE COUNTY, NC

STATE OF NORTH CAROLINA

COUNTY OF ALAMANCE

I, Lisa S. Lee, a Notary Public of said County and State, do hereby certify that Gary P. Hadley and wife, Teresa Hadley personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal, this the 29th day of August, 2003.

My Commission Expires:

March 28 2008

Lisa Lee
Notary Public

LISA S. LEE NOTARY PUBLIC ALAMANCE COUNTY, NC

STATE OF NORTH CAROLINA

COUNTY OF ALAMANCE

I, Lisa S. Lee, a Notary Public of said County and State, do hereby certify that Jeanette L. Hadley, widow, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal, this the 2nd day of ~~August~~ Sept, 2003.

My Commission Expires:

March 2, 2008

Lisa S. Lee
Notary Public

LISA S. LEE
NOTARY
PUBLIC
ALAMANCE COUNTY, NC

State of North Carolina Alamance County
The foregoing certificate(s) of
Lisa S. Lee
A Notary (Notaries) Public of the Designated Governmental units is (are) certified to be correct.
This the 2 day of Sept. 20 03
MURIEL W. TARPLEY
Register of Deeds By Assistant/Deputy

Exhibit "A"

Landmark Surveying, Inc.
109 East Harden Street, Graham, NC 27253
Telephone. 336 229-6275 Facsimile: 336 2275919
Email address. dylandmark@triad.rr.com

April 07, 2003

Legal description for Conservation Easement for NC Wetlands Restoration Program, Property of Herman Hadley & Sons (SPO File Number 01-AK).

A conservation easement on property in Newlin Township, Alamance County, North Carolina adjoining Lindley Mill Road, Jeanette L. Hadley, and J. Darrell Johnson.

Beginning at a point said point being in the line of Jeanette Lindley Hadley and Herman Hadley & Sons and a common corner with Tract "A" and running thence the following calls with Herman Hadley & Sons N 64°57'10" W 15.48' to a a new iron pipe, N 04°44'18" W 181.56' to a new iron pipe, N 04°44'18" W 144.97' to a new iron pipe, N 04°44'18" W 155.00' to a new iron pipe, N 04°40'14" W 419.93' to a new iron pipe, N 03°42'59" E 214.35' to a new iron pipe in the line of J. Darrell Johnson; running thence with J. Darrell Johnson N 88°15'31" E 157.08' to a point in said Johnson's line a corner with Jeanette L. Hadley and tract "A"; running thence with tract "A" and Jeanette L. Hadley S 04°13'13" W 1126.70' to the point and place of beginning containing 2.52 acres ± and being a portion of the property surveyed by Douglas R. Yarbrough on December 20, 2002, revised January 22, 2003, and recorded in Plat Book 67 Page 307 of the Alamance County Register of Deeds, this being **Tract "B"** of revised survey on April 07,2003.

Douglas R. Yarbrough 4/7/2003
Douglas R. Yarbrough, Professional Land Surveyor L-3395

NORTH CAROLINA PROFESSIONAL SEAL L-3395 LAND SURVEYOR DOUGLAS R. YARBROUGH

J.W.H.
J.L.H.

EXHIBIT B to Conservation Easement - Encumbrances to Title

1. Deed of Trust dated 10-17-86 between Herman Hadley & Sons, a N.C. Partnership to John H. Vernon, III, Trustee for South Atlantic Production Credit Association, Lender and recorded 01-26-87 in Book 590 at Page 472 (Alamance County) and recorded 01-08-87 in Book 505 at Page 343 (Chatham County). Assigned to The Farm Credit Bank of Columbia in Book 765 at Page 216 (Alamance County).

2. Deed of Conservation Easement in favor of Piedmont Land Conservancy recorded in Alamance County in Book 1518 at Page 219 on June 8, 2001 (includes additional property).

3. Lease Agreement from Jeanette Hadley to Hadley Brothers Dairy for 15 years, recorded 9-1-94 in Book 901 at Page 5 (Alamance County). Legal description is uncertain - refers to 70 acres, but also says "all lands necessary for the efficient operation of the dairy facility . . . ."

4. Deferred Alamance County ad valorem property taxes for 1999-2003.

5. 2003 Alamance County ad valorem property taxes are a lien on the subject property.

6. Partnership Agreement of Hadley Brothers Dairy recorded 09-01-94 in Book 901 at Page 6 (Alamance County).

7. Property Line Agreement between Jeanette L. Hadley (widow), et al recorded 02-12-03 in Book 1810 at Page 4 fixing the northern boundary line of the subject property (see Plat Book 67 at Page 281). However, this Agreement was not executed by anyone on behalf of Herman Hadley & Sons, Hadley Brothers Dairy, or James W. or Gary P. Hadley individually.

J. W. H.

J. L. H.