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Piedmont Land Conservancy

Alamance

DEED OF CONSERVATION EASEMENT

THIS DEED OF CONSERVATION EASEMENT ("Deed") is granted on this day of June, 2001, JEANETTE HADLEY (Single, "**Grantor**"), to the PIEDMONT LAND CONSERVANCY, a North Carolina non-profit corporation ("**Grantee**"), for the purpose of forever conserving the open space character, agricultural productivity and scenic qualities of the subject property.

WITNESSETH THAT:

The Grantor is the sole owner in fee simple of the real property legally described in Exhibit A, attached to and made a part of this Deed, which consists of approximately 37.878 acres of land, together with buildings and other improvements, located in Newlin Township, Alamance County, North Carolina (the Property).

The Property consists primarily of productive agricultural land and forest. It is the primary purpose of this Easement to protect the agricultural soils and agricultural viability of the Property. The Property also has outstanding scenic qualities that can be enjoyed by the general public.

The agricultural, natural habitat, and scenic resources of the Property are collectively referred to as the "conservation values" of the Property.

The agricultural, natural habitat and scenic characteristics of the Property, its current use and state of improvement, are described in a *Present Conditions Report* prepared by the Grantee with the cooperation of the Grantor and acknowledged by both to be complete and accurate as of the date of this Deed (the Report), a copy of which Report is attached hereto as Exhibit B. The report will be used by the Grantee to assure that any future changes in the use of the Property will be consistent with the terms of this Deed. However, the Report is not intended to preclude the use of other evidence to establish the present condition of the Property if there is a controversy over its use.

The Grantor has agreed to convey to the Grantee by bargain sale a conservation easement in the Property for the purpose of assuring that under the perpetual stewardship of the Grantee, the agricultural and forestry productivity, open space character, and scenic qualities of the Property will be conserved and maintained forever and that the uses of the Property that are inconsistent with these conservation purposes will be prevented or corrected. Agricultural uses for this property may include, but not be limited to, row cropping, livestock, specialty crops, market gardening, nursery, orchards, and silviculture.

The conservation purposes of this Deed are recognized by, and the grant of this Deed will serve, the following clearly delineated governmental conservation policies:

-- The Farmland Protection Policy Act, P.L. 97-98 7 U.S.C. 4201, et seq., whose purpose is "to minimize the extent to which Federal programs and policies contribute to the unnecessary and irreversible conversion of farmland to nonagricultural

Hadley III

uses, and to assure that Federal programs are administered in a manner that, to the extent practicable, will be compatible with State, unit of local government and private programs and policies to protect farmland;" and

-- North Carolina General Statute 139-2 et seq., which provide that "it is hereby declared. . . . that the farm, forest and grazing lands of the State of North Carolina are among the basic assets of the State and the preservation of these lands is necessary to protect and promote the health, safety and general welfare of its people. . . it is hereby declared to be the policy of the legislature to provide for the conservation of the soil and soil resources of this State;" and

-- The North Carolina Conservation and Historic Preservation Agreements Act, North Carolina General Statutes 121-34 et seq., which permit the creation of conservation easements.

The Grantee is a "qualified conservation organization", as defined by the Internal Revenue Code of 1986, as amended, and accepts the responsibility of enforcing the terms of this Deed and upholding its conservation purposes forever.

The Grantor owns the entire fee simple interest in the Property, including the entire mineral estate.

NOW, THEREFORE, for the reasons given, and in consideration of the sum of Ten Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Grantor, the Grantor grants and conveys to the Grantee, and the Grantee accepts, a conservation easement, in perpetuity, for the purpose of conserving and forever maintaining the agricultural and forestry productivity, open space character, and scenic qualities of the Property, that shall authorize the Grantee to take appropriate legal action in law or equity to enjoin, prohibit and remedy any violation of the terms of the easement created by this Deed and to enter the Property at reasonable times to observe and document the state of preservation and to prevent any violation of the terms of this easement.

I. Prohibited Acts

The Grantor promises that it will not perform, nor knowingly allow others to perform, any act on or affecting the Property that is inconsistent with the covenants below. It also authorizes the Grantee to enforce these covenants in the manner described below. However, unless otherwise specified below, nothing in this Deed shall require the Grantor to take any action to restore the condition of the Property after any Act of God or other event over which it had no control. The Grantor understands that nothing in this Deed relieves it of any obligation or restriction in the use of the Property imposed by law.

1. Industrial and Commercial Use

Industrial and commercial use of the Property, except those uses existing on the date of this Deed, or previously approved by the Grantee, is prohibited. The particular commercial agricultural practices as of the date of this Deed are specifically permitted. Nothing in this section shall be construed as limiting the Grantor's right to extend hunting leases on or over the Property existing on the date of this Easement, or to grant additional hunting leases on or over the Property in the future.

2. Construction of Buildings and other Structures

The construction or reconstruction of any building or other structure, except those existing on the date of this Deed or previously approved by the Grantee, is prohibited except in accordance with actions (a), (b), (c), and (d) below and with paragraph 10 below. Before undertaking any construction or reconstruction that requires advanced permission, the Grantor shall provide the Grantee with at least 30 days advance notice by registered mail. Grantee has 30 days to respond after which period Grantor assumes permission has been granted.

(a) Fences – Existing fences may be prepared and replaced, and new fences may be built anywhere on the Property for purposes of reasonable and customary management of livestock and wildlife without any further permission of the Grantee.

(b) Agricultural Structures and Improvements – New buildings and other structures and improvements to be used solely for agricultural purposes including the processing or sale of farm products predominately grown or raised on the Property, but not including any dwelling or farm labor housing, may be built on the Property with the advanced written permission of the Grantee which may not be unreasonably withheld.

(c) Single Family Residential Dwellings – Single family residential dwellings together with reasonable appurtenances such as garages and sheds, may be constructed and subdivided from the Property, provided that the total number of such dwellings on the Property shall not exceed one (1) in number it shall be located on the designated building area, labeled "A" on Exhibit C attached to and made part of this Deed. All such structures shall be contained within a building envelope no larger than two (2) acres. Prior to the commencement of the construction of any such structures or prior to any such subdivision, the Grantor shall notify the Grantee of its intended construction of such improvements or its intended subdivision of the Property.

(d) Location of Structures and Improvements – The foregoing notwithstanding, no building, structure or other improvement shall be unnecessarily located on prime or unique soils, or otherwise significantly

diminish the open space character, agricultural production capacity or scenic qualities of the Property as compared to those conditions existing on the date of this Deed. Further, prior to the commencement of construction of any such building, structure or other improvement on the Property, Grantor shall give written notice to Grantee.

3. Subdivision

The subdivision of the Property, whether by physical or legal process, is prohibited, except as provided for in Paragraph 2(c), which pertains to single-family residential dwellings. It is understood that notice of this Deed will be recorded on any approved subdivided, partitioned or otherwise divided parcel.

4. Development Rights

The Grantor hereby grants to the Grantee all developmental rights (except as specifically reserved herein) that are now or hereafter allocated to, implied, reserved or inherent in the Property, and the parties agree that such rights are terminated and extinguished, and may not be used on or transferred to any portion of the Property as it now or hereafter may be bounded or described, or to any other property adjacent or otherwise, not used for the purpose of calculating permissible lot yield of the Property or any other property.

5. Conservation Practices

All farming operations shall be conducted substantially in accordance with a conservation plan that addresses soil and water conservation, pest management, nutrient management and habitat protection recommended by the Natural Resource Conservation Service, or other recognized farm service agency. This plan shall be updated periodically, and in any event at the time the basic type of agricultural operation on the Property changes or at the time ownership of the Property changes. It shall be the responsibility of the Grantor to insure the preparation and periodic updating of the conservation plan provided for in this paragraph.

6. Timber Harvesting

Trees may be cut to control insects and disease, to prevent personal injury and property damage, and for firewood and other domestic uses, including construction of permitted buildings and fences on the Property. Trees may also be cut to clear land for cultivation for use of livestock, but only if done in accordance with the conservation plan required by Paragraph 5. Any commercial timber harvesting on the Property shall be conducted in substantial accordance with a forest management plan prepared by a competent professional forester and subject to the approval of Grantee, which approval shall not unreasonably be withheld as well as in accordance with the conservation plan required by Paragraph 5.

7. Mining

The mining or extraction of soil, sand, gravel, rock, oil, natural gas, fuel or any other mineral substance, using any method whatsoever, is prohibited. Notwithstanding the foregoing, Grantor shall have the right to extract soil, sand, gravel, or rock from the Property solely in connection with and ancillary to the farming operations being conducting solely on the Property without the necessity of obtaining the prior written consent of the Grantee thereto.

8. Paving and Road Construction

No portion of the Property shall be paved or otherwise covered with concrete asphalt, or any other impervious paving material. No additional access roads, paved or unpaved, may be built, except for access roads to the structures identified Subparagraphs 2(b) and 2(c) of the Deed, which may be paved or otherwise covered with concrete, asphalt or any other impervious paving material, provided that the location of any such roads shall not substantially diminish or impair the open space character, agricultural productivity, or scenic qualities of the Property as compared to those conditions existing on the date of this Deed. At least thirty (30) days prior to the commencement of construction of any such access road, Grantor shall notify Grantee of its intended construction of such road.

9. Trash

The dumping or accumulation of any kind of trash or refuse on the Property, other than farm-related trash and refuse produced on the Property, which must be disposed of in accordance with prudent farming practices and shall not be kept in an unsightly or unsanitary condition, is strictly prohibited. However, this shall not prevent the storage of agricultural products and byproducts on the Property, so long as it is done in accordance with all applicable government laws and regulations.

10. Recreational Uses

Golf courses and paved airstrips are strictly prohibited on the Property. Other buildings and facilities for any other public or private recreational use may not be built on the Property without the advance written permission of the Grantee, which may be granted or denied in the sole discretion of the Grantee.

11. Utility Lines

Grantor reserves the right to maintain, repair and replace all above ground and underground sewer, power, telephone, natural gas, cable television and other lines ("Utility Lines") serving the Property on the Date of this Deed. Grantor further reserves the right to install and maintain, repair and replace future Utility Lines, as required for operation of any single-family residential dwellings permitted in Subparagraph 2(c) of Article I contained herein, or for any agricultural structures permitted in Subparagraph

2(b) of Article I contained herein, provided that placement and location of such Utility Lines shall not have a negative impact on the conservation values of the Property. Grantor must obtain advance written permission from the Grantee, which permission shall not unreasonably be withheld, prior to commencement of construction of any such Utility Lines.

II. Rights Retained by the Grantor

Subject to interpretation under Article IX, as owner of the Property, the Grantor retains the right to perform any act not specifically prohibited or limited by this Deed. These ownership rights include, but are not limited to, the right to exclude any member of the public from trespassing on the Property and the right to sell or otherwise transfer the Property to anyone it chooses.

III. Responsibilities of the Grantor and the Grantee Not Affected

Other than as specified herein, this Deed is not intended to impose any legal or other responsibility on the Grantee, or in any way to affect any existing obligation of the Grantor as owner of the Property. Among other things, this shall apply to:

(1) Taxes – The Grantor shall continue to be solely responsible for payment of all taxes and assessments levied against the Property. If the Grantee is ever required to pay any taxes or assessments on its interest in the Property, the Grantor will reimburse the Grantee for the same.

(2) Upkeep and Maintenance – The Grantor shall continue to be solely responsible for the upkeep and maintenance of the Property to the extent it may be required by law. The Grantee shall have no obligation for the upkeep and maintenance of the Property.

(3) Liability and Indemnification – If the Grantee is ever required by a court to pay damages resulting from personal injury or property damage that occurs on the property, the Grantor shall indemnify and reimburse the grantee for these payments as well as for reasonable attorneys fees and other expenses of defending itself, unless the Grantee or any of its agents have committed a deliberate act that is determined by a court to be the sole cause or of the injury or damage. In addition, Grantor warrants that Grantee shall be maintained as a name insured on the Grantors property insurance policies covering the Property.

IV. Enforcement

The Grantee shall have the right to prevent and correct violations of the terms of this Deed. With reasonable advance notice to the Grantor, the Grantee, may enter the Property for the purpose of inspecting for violations. If the Grantee finds what it believes is a violation is a violation, it may at its discretion take appropriate legal action. Except when an ongoing or imminent violation could irreversibly diminish or impair the open

space character, agricultural productivity or scenic qualities of the Property, the Grantee shall give the Grantor written notice of the violation and (30) days to correct it, before filing any legal action. If a court with jurisdiction determines that a violation may exist or has occurred, the Grantee may obtain an injunction to stop it temporarily or permanently. A court may also issue an injunction requiring the Grantor to restore the Property to its condition prior to the violation. In any case where a court finds a violation has occurred, the Grantor shall reimburse the Grantee for all its expenses incurred in stopping and correcting the violation, including but not limited to reasonable attorneys' fees. The failure of the Grantee to discover a violation or to take immediate legal action shall not bar it from doing do so at a later time.

V. Transfer of Easement

The Grantee shall have the right, with the written consent of the Grantor to transfer the easement created by this Deed to any public agency or private nonprofit organization that, at the time of transfer, is a "qualified organization" under § 170(h) of the Internal Revenue Capital Code of 1986, as amended (including, without limitation, the Conservation Trust for North Carolina), but only if the agency or organization expressly agrees to assume the responsibility imposed on the Grantee by this Deed. If the Grantee ever ceases to exist or no longer qualifies under § 170(h) or applicable state law, a court with jurisdiction shall transfer this easement to another qualified organization having similar purposes that agrees to assume the responsibility.

VI. Transfer of Property

Any time the Property itself or any interest in it, is transferred by the Grantor to any third party, the Grantor shall notify the Grantee in writing prior to the transfer of the property, and the document of conveyance shall expressly refer to this Deed of Conservation Easement.

VII. Amendment of Easement

This easement may be amended only with the written consent of the Grantee and Grantor. Any such amendment shall be consistent with the purposes of this Deed and shall comply with § 170 (h) of the Internal Revenue Service Code of 1986, as amended, or any regulations promulgated in accordance with that section. Any such amendment shall also be consistent with the North Carolina Conservation and Historic Preservation Agreements Act, North Carolina General Statute 121-34, et seq., or any regulations promulgated pursuant to that law.

VIII. Termination of Easement

If it determines that conditions on or surrounding the Property change so much that it becomes impossible to fulfill its conservation purposes a court with jurisdiction may at the joint request of both the Grantor and the Grantee, terminate the easement created by this Deed. If condemnation of a part of the Property or of the entire Property by public authority renders it impossible to fulfill any of these conservation purposes, as

determined by the Grantee, in the exercise of its discretion the easement may be terminated through condemnation proceedings. If the easement is terminated and the property capital is sold or taken for public use, then, as required by §1.170A-14(g)(6) of the IRS regulations, the Grantee shall be entitled to a percentage of the gross sale proceeds or condemnation award equal to the ratio of the appraised value of this easement to the unrestricted fair market value of the property, as these values are determined on the date of this Deed. The grantee shall use the proceeds consistently with the conservation purposes of this Deed.

IX. Interpretation

This Deed shall be interpreted under the laws of the State of North Carolina, resolving any ambiguities and questions of the validity of specific previsions so as to give maximum effect to its conservation purposes. If there are any conflicts between the terms contained within the body of this Deed and the terms of any exhibit to this Deed, the terms of the body of this Deed shall prevail over the conflicting terms of the exhibit.

X. Perpetual Duration

The easement created by this Deed shall be a servitude running with the land in perpetuity. Every provision of this Deed that applies to the Grantor or Grantee shall also apply to their respective agents, heirs, executors, administrators, assigns and all other successors as their interest may appear.

XI. Notices

Any notices required by this Deed shall be in writing and shall be personally delivered or sent by first class mail, to Grantor and Grantee respectively at the following addresses, unless a party has been notified by the other of a change of address:

To Grantor:

Jeanette Hadley
4415 Silk Hope-Lindley Mill Road
Snow Camp, NC 27349

To the Grantee:

Piedmont Land Conservancy
Post Office Box 4025
Greensboro, NC 27404-4025

In the event that a party to this Deed shall transfer its interest in the Property or under this Deed by conveyance, descent, devise, operation of law or otherwise, the

transferee of such interest shall provide the nontransferring party with written notice of the change of address to which notice is to be sent hereunder.

XII. Grantor's Title Warranty

The Grantor warrants that it has good and sufficient to the Property, free from all encumbrances except those set forth in Exhibit D attached to and made a part of this Deed and hereby promises to defend the same against all claims that may be made against it.

XIII. Grantor's Environmental Warranty

Grantor has used on and/or applied to the Property feeds, supplements, fertilizers, equipment lubricants and other substances in ordinary and routine farming applications and in accordance with their prescribed instructions for application or use. With the foregoing exception, Grantor warrants that it has no actual knowledge of a material release or threatened material release of hazardous substances or wastes on the Property during Grantor's ownership of the Property and herby promises to defend and indemnify Grantee against all litigation, claims, demands, penalties and damages, including reasonable attorneys fees, arising from or connected with any release of hazardous waste by the Grantor or violation of federal, state or local environmental laws by Grantor.

XIV. Subsequent Liens on Property

No provisions of this Deed of Conservation Easement should be construed as impairing the ability of Grantor to use this Property as collateral for subsequent borrowing, provided that any mortgage or lien arising from such a borrowing shall be subordinate to this Deed of Conservation Easement.

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XV. Acceptance

As attested by the Seal of the Piedmont Land Conservancy and signatures of its duly authorized officers affixed hereto, the Grantee hereby accepts without reservation the rights and responsibilities conveyed by this Deed of Conservation Easement.

TO HAVE AND TO HOLD, this Deed of Conservation Easement unto the Grantee, its successors assigns, forever.

IN WITNESS WHEREOF, the Grantor and the Grantee, intending to legally bind themselves, have set their hands and seals as of the date first written above.

GRANTOR:

Jeanette Hadley (SEAL)
JEANETTE HADLEY

GRANTEE:

PIEDMONT LAND CONSERVANCY

BY: Stanley L. R. IV
Stanley Leigh Rodenbough, IV
Co-President

ATTEST:

Bethany W. Olmstead
Bethany W. Olmstead, Assistant Secretary
[Corporate Seal]

STATE OF NORTH CAROLINA

COUNTY OF Chatham

I, Judith C. Harris, a Notary Public of said State and County, do hereby certify that Jeanette Hadley personally came before me this day and acknowledged the execution of the foregoing instrument.

WITNESS my hand and official stamp or seal, this the 6th day of June, 2001.

NOTARY PUBLIC · OFFICIAL SEAL · JUDITH C. HARRIS · County of Chatham · NORTH CAROLINA

Judith C. Harris
Notary Public

My commission expires: 2-2-2004

STATE OF NORTH CAROLINA

COUNTY OF GUILFORD

I, Jean L. Elder, a Notary Public of the County and State aforesaid, certify that Bethany A. Chestnut personally came before me this day and acknowledged that he is Asst. Secretary of PIEDMONT LAND CONSERVANCY, a North Carolina non-profit corporation, and that, by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its Co- President, sealed with its corporate seal, and attested by herself as its Asst. Secretary.

WITNESS my hand and official stamp or seal, this 7th day of June, 2001.

Jean L. Elder
Notary Public

My commission expires: 5/24/02

JEAN L. ELDER · NOTARY PUBLIC · GUILFORD COUNTY, NC

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MURIEL W. TARPLEY
REGISTER OF DEEDS
ALAMANCE COUNTY, NC

State of North Carolina Alamance County
The foregoing certificate(s) of Judith C. Harris & Jean L. Elder
A Notary (Notaries) Public of the Designated Governmental units is (are) certified to be correct.
This the 8th day of June 2001
MURIEL W. TARPLEY
Register of Deeds By ~~Assistant/Deputy~~

6.00

EXHIBIT A

LEGAL DESCRIPTION

That certain tracts or parcels of land lying and being in Newlin Township, Alamance County, North Carolina and more particularly described as follows:

BEGINNING at an point in the center line of (Sutphin Mill Rd.) Lindley Mill Rd., S.R. #1003, said point being the southwest corner of the property, now or formerly, of Gary Hadley (Deed Book 499, Page 578 of the Alamance County Registry); thence with Hadley's line South 82 degrees 47 minutes 36 seconds East 30 feet to an existing iron pipe in the eastern right of way of (Sutphin Mill Rd.) Lindley Mill Rd.; thence South 82 degrees 47 minutes 36 seconds East 463.86 feet to an existing iron pipe; thence continuing with Hadley's line, North 15 degrees 40 minutes 58 seconds East 326 feet to an existing iron pipe in the southern boundary line of the property, now or formerly, of Jeannette L. Hadley (Deed Book 451, Page 215); thence with Hadley's line the following courses and distances: South 82 degrees 46 minutes 46 seconds East 767.85 feet to an existing iron pipe; South 82 degrees 46 minutes 49 seconds East 263.96 feet to a new iron rod in the western line of the property, now or formerly, of Robert Koger (Deed Book 1020, Page 668); thence with Koger's line the following courses and distances: South 22 degrees 59 minutes 55 seconds West 164.98 feet to the centerline of a ditch; South 38 degrees 23 seconds West 313.98 feet to the centerline of a ditch; South 11 degrees 02 minutes 52 seconds West 127.55 feet to the centerline of a ditch; South 03 degrees 26 minutes 08 seconds East 234.89 feet to an old fence post; South 08 degrees 23 minutes 27 seconds West 172.02 feet to an angle iron; North 85 degrees 53 minutes 18 seconds East 55.27 feet to an angle iron in the western line of the property, now or formerly, of Charles Bolton, Jr. (Deed Book 983, Page 175); thence with Bolton's line South 10 degrees 14 minutes 20 seconds West 313.03 feet to an existing iron pipe and stone in the northern line of the property, now or formerly, of Paul L. Thompson (Deed Book 706, Page 709); thence North 85 degrees 18 minutes 55 seconds West 1402.59 feet to a point in the centerline of (Sutphin Mill Rd.) Lindley Mill Rd., S.R. #1003, said point being South 85 degrees 18 minutes 57 seconds East 30.03 feet from an existing iron pipe in the western margin of the right-of-way of SR1003; thence continuing in the centerline of SR#1003, North 06 degrees 58 minutes 46 seconds East 998.76 feet to the point; and place of **BEGINNING** and being all of Tract #1, containing 37.878 acres, as shown on the Survey for Jeanette L. Hadley by Jerry King Surveying, Inc., Job #2625 H10, dated October 13, 2000.

EXHIBIT B

REPORT OF PRESENT CONDITIONS

This is to certify that Jeanette Hadley, the Grantor, and the Piedmont Land Conservancy, representing the Grantee, do accept and acknowledge this report as an accurate description of the current land uses and physical features as of **June, 2001** on the Hadley easement property. This report contains documentation data, photographs, and maps. The Grantor and Grantee further certify that to the best of their knowledge there have been and currently are no activities on the easement property, which are inconsistent with the terms and covenants contained in the Agricultural Easement.

GRANTOR:

Jeanette Hadley

Jeanette Hadley

GRANTEE:

PIEDMONT LAND CONSERVANCY

By: Bethany Olmstead

Bethany Olmstead
Associate Director

THIS MAP IS NOT A OFFICIAL SURVEY AND HAS NOT BEEN REVIEWED BY A LOCAL GOVERNMENTAL AGENCY FOR COMPLIANCE WITH ANY APPLICABLE LAND DEVELOPMENT REGULATIONS

EXHIBIT C

MAP OF DESIGNATED BUILDING AREA

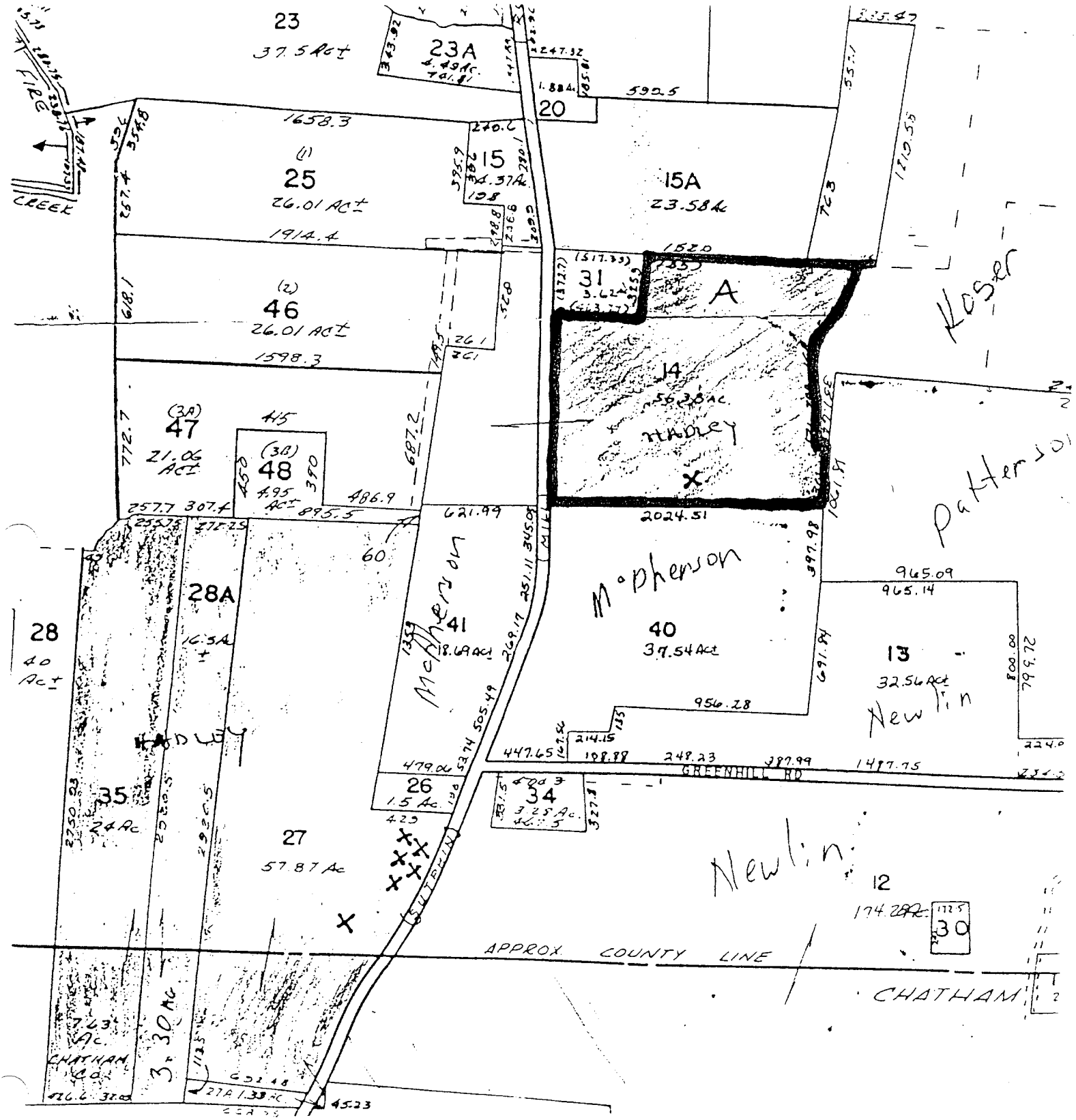

EXHIBIT D

PERMITTED EXCEPTIONS

Restrictions, easements, and rights-of-way of record.