Prepared By & Return To Schell, Bray, Aycock, Abel & Livingston
P.O. Box 21847, Greensboro NC 27420

Alamance Co BOOK 1518 PAGE 0219

BOOK 874 PAGE 503

CHATHAM Co

DEED OF CONSERVATION EASEMENT

THIS DEED OF CONSERVATION EASEMENT ("Deed") is granted on this 6th day of JUNE, 2001, HERMAN HADLEY & SONS, a North Carolina general partnership (collectively, "**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:

Herman Hadley & Sons, a North Carolina general partnership acquired a fee simple interest in the real property located in the Newlin Township, Alamance county, North Carolina and in Albright Township, Chatham County, North Carolina legally described on Exhibit A, attached hereto and incorporated herein by reference, be deed recorded in Book 523, Page 515, Alamance County Registry and recorded in Book 505, Page 331, Chatham County Registry (the "Property") which Property consists of approximately 31.63 acres of land.

The sole partners of Herman Hadley & Sons were Herman P. Hadley, James W. Hadley and Gary P. Hadley. There was no written partnership agreement. Upon the death of Herman P. Hadley (Chatham County Estate File 94 E 63), the assets of Herman Hadley & Sons were transferred to Hadley Brothers Dairy, a North Carolina partnership consisting solely of James W. Hadley and Gary P. Hadley, although a deed to the Property was never recorded.

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 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

Hadley II

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 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), and (c) 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) 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.

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 in Subparagraph 2(b) 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 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:

Herman Hadley & Sons
C/o James Hadley
4305 Silk Hope-Lindley Mill Road
Snow Camp, NC 27349

Herman Hadley & Sons
C/o Gary Hadley
9160 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 C 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.

[THIS SPACE INTENTIONALLY LEFT BLANK]

XV. Acceptance

As attested by the Seal of the Piedmont Land Conservancy and the 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 and assigns, forever.

The undersigned Hadley Brothers Dairy, a North Carolina general partnership, Gary P. Hadley and wife, Teresa F. Hadley, James W. Hadley and wife Yvonne A. Hadley and Jeanette Hadley join in this easement for the purpose of quitclaiming, transferring and conveying any right, title and interest they may have in the Property.

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

GRANTOR

Herman Hadley & Sons, a North Carolina general partnership

BY: James W. Hadley (SEAL)
James W. Hadley, General Partner

BY: Gary P. Hadley (SEAL)
Gary P. Hadley, General Partner

Hadley Brothers Dairy, A North Carolina general partnership

BY: James W. Hadley (SEAL)
James W. Hadley, General Partner

BY: Gary P. Hadley (SEAL)
Gary P. Hadley, General Partner

James W. Hadley (SEAL)
James W. Hadley

Yvonne A. Hadley (SEAL)
Yvonne A. Hadley

Gary P. Hadley (SEAL)
Gary P. Hadley

Teresa F. Hadley (SEAL)
Teresa F. Hadley

Jeanette Hadley (SEAL)
Jeanette Hadley

GRANTEE

PIEDMONT LAND CONSERVANCY, a
North Carolina non-profit corporation

By: _____
Stanley L. Rodenbough, IV, Co-President

ATTEST:

_____
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 James W. Hadley and Yvonne A. 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.

Judith C. Harris
Notary Public

My commission expires:

2-2-2004

[NOTARY SEAL]

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

STATE OF NORTH CAROLINA

COUNTY OF Chatham

I, Judith C. Harris, a Notary Public of said State and County, do hereby certify that Gary P. Hadley and Teresa F. 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.

Judith C. Harris
Notary Public

My commission expires:

2-2-2004

[NOTARY SEAL]

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

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.

Judith C. Harris
Notary Public

My commission expires:

2-2-2004

[NOTARY SEAL]

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

STATE OF NORTH CAROLINA

COUNTY OF Chatham

I, Judith C. Harris, a Notary Public of the County and State aforesaid certify that James W. Hadley personally came before me this day and acknowledged that he is a General Partner of HERMAN HADLEY & SONS, a North Carolina general partnership, and that by authority duly given and as the act of the partnership, the foregoing instrument was signed in its name by him.

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

Judith C. Harris
Notary Public

My commission expires:

2-2-2004

[NOTARY SEAL]

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

STATE OF NORTH CAROLINA

COUNTY OF Chatham

I, Judith C. Harris, a Notary Public of the County and State aforesaid certify that Gary P. Hadley personally came before me this day and acknowledged that he is a General Partner of HERMAN HADLEY & SONS, a North Carolina general partnership, and that by authority duly given and as the act of the partnership, the foregoing instrument was signed in its name by him.

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

Judith C. Harris
Notary Public

My commission expires:

2-2-2004

[NOTARY SEAL]

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

STATE OF NORTH CAROLINA

COUNTY OF Chatham

I, Judith C. Harris, a Notary Public of the County and State aforesaid certify that James W. Hadley personally came before me this day and acknowledged that he is a General Partner of HADLEY BROTHERS DAIRY, a North Carolina general partnership, and that by authority duly given and as the act of the partnership, the foregoing instrument was signed in its name by him.

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

Judith C. Harris
Notary Public

My commission expires:

2-2-2004

[NOTARY SEAL]

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

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STATE OF NORTH CAROLINA

COUNTY OF Chatham

I, Judith C. Harris, a Notary Public of the County and State aforesaid certify that Gary P. Hadley personally came before me this day and acknowledged that he is a General Partner of HADLEY BROTHERS DAIRY, a North Carolina general partnership, and that by authority duly given and as the act of the partnership, the foregoing instrument was signed in its name by him.

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

Judith C. Harris
Notary Public

My commission expires:

2-2-2004

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

[NOTARY SEAL]

STATE OF NORTH CAROLINA

COUNTY OF GUILFORD

I, Jean L. Elder, a Notary Public of the County and State aforesaid, certify that Bonary W. Olmstead personally came before me this day and acknowledged that S 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 VP President, sealed with its corporate seal, and attested by her self 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

FILED

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2001 JUN -8 P 1:25

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 Muriel W. Tarpley
Register of Deeds By Assistant/Deputy

EXHIBIT A

LEGAL DESCRIPTION

That certain tract or parcel of land lying and being in Newlin Township, Alamance County, North Carolina, and Albright Township, Chatham County, North Carolina, and more particularly described as follows:

BEGINNING at a new iron pipe (said pipe being located at the common corner with the land of Hugh Johnson and Cornelius E. Braxton and being located South 84° 41' 00" East 708.81 feet from a new iron pipe set in the eastern margin of South Fork Church Road [S.R. 1339]); thence with the line of said Braxton North 10° 53' 11" East 2,750.93 feet to a new iron pipe; thence with the line of said Braxton South 80° 34' 40" East 49.50 feet to a spring; thence with the line of said Braxton and in or along a branch as it meanders in a northeasterly direction the following courses and distances: North 43° 17' 16" East 204.96 feet to a point; thence North 79° 10' 34" East 90.20 feet to a new iron pipe (said pipe being located at the corner with Wayne Johnson); thence with the line of said Johnson South 80° 21' 29" East 255.75 feet to a new iron pipe (said pipe being located at the corner with Herman P. Hadley); thence with the line of said Hadley South 11° 42' 53" West 2,920.51 feet to a stone (said stone being located at the corner with Hugh Johnson and being South 83° 41' 30" East 32.09 feet from an existing iron pipe set in the line of said Johnson); thence with the line of said Johnson North 83° 41' 30" West 32.09 feet to an existing iron pipe; thence continuing with the line of said Johnson North 84° 41' 00" West 426.61 feet to the point of the BEGINNING, and containing 31.63 acres, more or less and being the same property described in Deed Book 523, Page 515 of the Alamance County Registry.

EXHIBIT B

REPORT OF PRESENT CONDITIONS

This is to certify that Herman Hadley & Sons, 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:

HERMAN HADLEY & SONS

By: James Hadley
James Hadley
General Partner

By: Gary Hadley
Gary Hadley
General Partner

GRANTEE:

PIEDMONT LAND CONSERVANCY

By: Bethany W. Olmstead
Bethany W. Olmstead
Associate Director

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EXHIBIT C

PERMITTED EXCEPTIONS

BOOK 1518 PAGE 0236

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

FILED

2001 JUN -8 A 10:12

REBA G. THOMAS
REGISTER OF DEEDS
CHATHAM COUNTY, N.C.

NORTH CAROLINA, CHATHAM COUNTY

The foregoing Certificate(s) of Judith C. Harris & Jean L. Elder, Notary(ies) Public is (are) certified to be correct. This instrument was presented for registration at 10:12 o'clock a.m., on June 8, 2001 and recorded in Book 874 Page 503.

REBA G. THOMAS,
REGISTER OF DEEDS FOR CHATHAM COUNTY

By Verna Elder
Assistant - Register of Deeds