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STATE OF NORTH CAROLINA
COUNTY OF RANDOLPH
Prepared by State Property Office
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Raleigh, NC 27699-1321

CONSERVATION EASEMENT OPTION AGREEMENT
Ecosystem Enhancement Program
SPO # 076-AP, EEP # 204

THIS OPTION AGREEMENT, hereinafter referred to as Option, made and entered into this 12th day of August, 2009 by and between **Victor Craig Staley, Anthony Todd Stout, and Mary Magalene Lawson Staley, Co-Trustees of the Magalene Staley Family Trust,** hereinafter referred to as the **Seller**, and the **State of North Carolina**, and its successors and assigns, hereinafter referred to as the **State.**

WITNESSETH

In consideration of $10.00 and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, and of the agreements contained in this Option, **Seller** hereby grants to the **State**, its successors and assigns, the exclusive right and option to receive a perpetual **Conservation Easement** over mutually agreed upon lands owned by the **Seller**, hereinafter referred to as the **Parent Tract**. The **Conservation Easement** shall perpetually protect those lands hereinafter referred to as the **Easement Area.** The **Parent Tract** is located in Randolph County, North Carolina and contains **93.05 +/- acres**, more or less. The **Parent Tract** subject to the **Conservation Easement** is more particularly described as follows:

The property is further described in a deed, recorded in **Deed Book 2053, Page 1450, Randolph County** Registry. Property is also identified as being Tax Parcel Number **8711516042**.

Being a perpetual **Conservation Easement** that will permanently protect the restoration, enhancement or preservation of **Millstone Creek**, located near Highway 22, Columbia

Township, Randolph County. The **Easement Area** begins at the centerline of Millstone Creek and extends outwardly a minimum of 50 feet from the top of bank on both sides of the stream where available on the property, and runs as the stream meanders. Exact acreage to be determined after survey.

The following terms, provisions, and conditions are further agreed to:

1. **OPTION PERIOD**. This option shall remain in effect from the date that this Option has been executed by the **Grantor** until the **20th day of July 2012.** This Option shall be exercised upon posting, by certified mail, a written notice to the **Grantor** at the following address: **5810 Old Siler City Road**. Exercise shall be deemed timely if such written notice is mailed on or before the date first set forth in this paragraph.

2. **PURCHASE PRICE**. The total purchase price for the **Easement Area** shall be the sum of **$4,500.00, (Four Thousand and Five Hundred Dollars)** per acre subject to final survey. ($4,500.00 per acre).

3. **CLOSING**. A closing of the sale of this **Conservation Easement** under this Option shall be held within **90 days** of the exercise of this Option; provided, however, in the event of objections to title or condition of land at closing, and diligent efforts on **Seller's** part to cure said objections, a closing shall be held within a reasonable time following the removal of said objections.

4. **EVIDENCE OF TITLE**. Upon receipt of this signed Option, the **State** will have title to the **Easement Area** examined, and if applicable, obtain a preliminary title insurance commitment. The title examination and/or commitment must evidence the **Seller's** ability to deliver title at closing as set forth below. All costs necessary to procure the title examination and, if applicable, the title commitment and final title insurance policy to be issued at closing, shall be the responsibility of the **State**.

5. **TITLE**. At closing, the **Seller** shall convey good, insurable and marketable title to the **Conservation Easement** together with all rights necessary to protect the **Easement Area** in perpetuity, including legal access, all mineral rights and all development rights, to the **State** free and clear of all liens, encumbrances, restrictions, rights, or exceptions except those of record that are acceptable to the **State**.

6. **TITLE DEFECTS**. If for any reason the **Seller** cannot deliver title at closing as required by Paragraph 5 of this Option, the **State** may elect to a) accept the **Conservation Easement** with title as is; b) refuse to accept the **Conservation Easement**; or c) allow the **Seller** additional time to pursue reasonable efforts to correct the problem, including bringing any necessary quiet title actions or other lawsuits.

7. **SUBJECT TO SURVEY AND DESIGN**. It is understood and intended that the final **Easement Area** and **Conservation Easement** under this option is subject to final design, approval and survey by the **Ecosystem Enhancement Program** with these costs paid by the **State.**

8. **DOCUMENTS FOR CLOSING**. The **Seller** shall execute and deliver at closing a **Conservation Easement**, any owner's affidavits or documents required by a title insurance company to remove the standard title policy exceptions, and any other documents necessary to close in accordance with the terms of this Option. These documents will be prepared at the expense of the **State**.

9. **PROPERTY TAXES.** Any delinquent real estate taxes and all levied assessments are the **Seller**'s responsibility and should be satisfied of record by the **Seller** at or before closing. Any deferred taxes on the **Easement Area**, which become due as a result of this conveyance, shall be the responsibility of the **Seller**. Real estate taxes for the year in which the transaction is closed shall be the responsibility of the **Seller** and not prorated, as the **State** is not receiving fee simple title.

10. **MISCELLANEOUS CLOSING EXPENSES.** The **Seller** will pay any documentary stamp tax, real estate transfer fee or any similar charge due upon conveyance of title to the **State**. The **State** will pay recording fees.

11. **POSSESSION.** The **Seller** will deliver possession of the **Easement Area** to the **State** at closing subject to no leases, mortgages, liens or other reserved rights, and in the condition set forth below in Paragraph 12.

12. **CONDITION OF PROPERTY/ RISK OF LOSS.** The **Seller** shall not transfer or encumber any interests in the **Easement Area** prior to closing. The **Seller** shall keep the **Easement Area** in its current condition until closing and shall prevent and refrain from any use of the **Easement Area**, for any purpose or in any manner, that would diminish its value or adversely affect the **State's** intended uses.

    In the event of any adverse change in the condition of the **Easement Area**, whether said change is caused by **Seller** or by forces beyond **Seller's** control, the **State** may elect to a) refuse to accept the property; b) accept the Property, or a portion thereof, in which case there may be an equitable adjustment of the purchase price based on a change in circumstances; or c) require restoration of the Property to its condition at the time this Option was granted.

13. **RIGHT OF ENTRY AND INSPECTION.** The **State** and its agents shall have the right to enter upon the Property at reasonable times for surveying, engineering, conducting environmental inspections and assessments to detect hazardous or toxic substances, and other reasonable purposes related to this transaction. Based upon the results of the environmental inspections and assessments, or upon other conditions revealed to be unsuitable to the **State**, the **State** may elect to refuse to accept the **Easement Area**.

14. **REMEDIES.** In addition to any other remedy specifically set forth in this Option, the **State** has the right to enforce the provisions of this Option through an action for specific performance, injunctive relief, damages, contribution or any other available proceedings in law or equity. The election of any one remedy available under this Option shall not constitute a waiver of any other available remedies.

15. **BINDING EFFECT.** This Option becomes effective when signed by the **Seller** and shall then apply to and bind the **Seller** and **Seller's** heirs, executors, administrators, successors, and assigns.

16. **COMPLETE AGREEMENT.** This Option constitutes the sole and complete agreement between the parties and cannot be changed except by written agreement. The **Ecosystem Enhancement Program** promotes the preservation, restoration and enhancement of streams and/or wetlands. Any representations, contracts or agreements created by or for the **Ecosystem Enhancement Program** are exclusive of this option unless specifically incorporated herein by exhibit.

17. **NO WAIVER.** No provision of the Option shall be deemed amended or waived unless such amendment or waiver is set forth in a writing signed by the **State**. No act or failure to act by the **State** shall be deemed a waiver of its rights hereunder, and no waiver in any one circumstance or of any one provision shall be deemed a waiver in other circumstances or of other provisions.

18. **ASSIGNMENT.** The **State** has the right to assign this Option. In the event of such assignment, the assignee will have all the rights, powers, privileges and duties held by the **State** pursuant to this Option.

IN TESTIMONY THEREOF, the parties have hereunto set their hands and seals, or if corporate have caused this instrument to be executed in their corporate names by their duly authorized representatives as of the dates indicated below.

Seller

By: Victor Craig Staley
Victor Craig Staley

By: Anthony Todd Stout
Anthony Todd Stout

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NORTH CAROLINA
COUNTY OF Randolph

I, Pamela C. Smith, a Notary Public in and for the County and State aforesaid, do hereby certify that **Victor Craig Staley, and Anthony Todd Stout**, attorneys-in-fact for **Mary Magalene Lawson Staley** personally appeared before me this day, and being by me duly sworn, says that they executed the foregoing and annexed instrument for and in behalf of **Mary Magalene Lawson Staley**, and that their authority to execute and acknowledge said instrument is contained in an instrument duly executed, acknowledged, and recorded in the office of the **Randolph County**, North Carolina, Register of Deeds at Book **2046**, Page **603**, on the **8th day of October, 2007**, and that this instrument was executed under and by virtue of the authority given by said instrument granting him power of attorney; that the said **Victor Craig Staley** and **Anthony Todd Stout** acknowledged the due execution of the foregoing and annexed instrument for the purposed therein expressed for and in behalf of the said **Mary Magalene Lawson Staley**.

IN WITNESS WHEREOF, I have hereunto set my hand and Notary Seal this the 12 day of August, 2009.

Pamela C. Smith
Notary Public

PAMELA C SMITH
NOTARY
PUBLIC
RANDOLPH COUNTY, NC

My commission expires:
March 9, 2013