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Recorded: 06/14/2007 at 09:36:23 AM
Fee Amt: $97.00 Page 1 of 8
Excise Tax: $62.00
Surry County North Carolina
Carolyn M. Comer Reg of Deeds
BK 1195 PG 68-75

62.00 Stamp

STATE OF NORTH CAROLINA

CONSERVATION EASEMENT

SURRY COUNTY

SPO File Number: 86-L
Prepared by: Office of the Attorney General
Property Control Section
Return to: Blane Rice, State Property Office
1321 Mail Service Center
Raleigh, NC 27699-1321

THIS CONSERVATION EASEMENT DEED, made this 13th day of June, 2007, by David M. Steele, Jr., ("**Grantor**"), to the State of North Carolina, ("**Grantee**"), whose mailing address is State of North Carolina, Department of Administration, 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 Ecosystem Enhancement Program (formerly known as the Wetlands Restoration Program) within the Department of Environment and Natural Resources for the purposes of acquiring, maintaining, restoring, enhancing, creating and preserving 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 State of North Carolina is qualified to be the Grantee of a Conservation Easement pursuant to N.C. Gen. Stat. § 121-35; and

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

WHEREAS, the Department of Environment and Natural Resources, the North Carolina Department of Transportation and the United States Army Corps of Engineers, Wilmington District entered into a Memorandum of Agreement (MOA) duly executed by all parties in Greensboro, NC on July 22, 2003, which recognizes that the Ecosystem Enhancement Program

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is to provide for compensatory mitigation by effective protection of the land, water and natural resources of the State by restoring, enhancing and preserving ecosystem functions; and

WHEREAS, the acceptance of this instrument for and on behalf of the State of North Carolina was 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, Grantor owns in fee simple certain real property situated, lying, and being in Bryan Township, Surry County, North Carolina (the "**Property**"), and being more particularly described as that certain parcel of land containing approximately 28 acres more or less and being conveyed to the Grantor by deed as recorded in **Deed Book 429 Page 653** of the Surry County Registry, North Carolina as more specifically described in EXHIBIT A; and

WHEREAS, Grantor is willing to grant a Conservation Easement over the herein described areas of the Property, thereby restricting and limiting the use of the included areas of the Property to the terms and conditions and purposes hereinafter set forth, and Grantee is willing to accept such Conservation Easement. This Conservation Easement shall be for the protection and benefit of the waters of Mill Creek, a headwater stream of the Mitchell River.

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 described area of the 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 DAVID M. STEELE, JR. as shown on a plat of survey entitled "Conservation Easement for Piedmont Land Conservancy" dated April 25th, 2007, certified by G. Scott Wagoner , and **recorded in Plat Book 24, Page 121,** Surry County Registry.

The purposes of this Conservation Easement are to maintain, restore, enhance, create and preserve wetland and/or riparian resources in the Easement Area that contribute 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, his personal representatives, heirs, successors, and assigns, lessees, agents, and licensees.

II. GRANTOR 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 right or 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 hiking, bird watching, hunting and fishing, and access to the Easement Area for the purposes thereof. Usage of motorized vehicles in the Easement Area is prohibited, except as they are used exclusively for management, maintenance, or stewardship purposes, and on existing trails, paths or roads or for other rights reserved to Grantor hereunder.

B. Educational Uses. The Grantor reserves the right to engage in and permit others to engage in educational uses in the Easement Area not inconsistent with this Conservation Easement, and the right of access to the Easement Area for such purposes including organized educational activities such as site visits, nature hikes and observations. Educational uses of the property shall not alter vegetation, hydrology or topography of the site.

C. Vegetative Cutting. Except as related to the removal of non-native plants, diseased, dead or damaged trees, and vegetation that obstructs, destabilizes or renders unsafe the Easement Area to persons or natural habitat, all cutting, removal, mowing, harming, or destruction of any trees and vegetation in the Easement Area is prohibited.

D. Industrial, Residential and Commercial Uses. All are prohibited in the Easement Area.

E. Agricultural Use. All agricultural uses within the Easement Area including any use for cropland, waste lagoons, or pastureland are prohibited.

F. New Construction. There shall be no building, facility, mobile home, antenna, utility pole, tower, or other structure constructed or placed in the Easement Area. Temporary deer stands may be placed in the Easement Area if they are attached to trees in a manner that will not damage the trees.

G. Roads and Trails. There shall be no construction of roads, trails, walkways, or paving in the Easement Area. Existing roads or trails located in the Easement Area may be maintained by Grantor in order to minimize runoff, sedimentation and for access to the interior of the Property for management, maintenance, stewardship purposes, or undeveloped recreational and educational uses of the Easement Area. Existing roads, trails or paths may be maintained with loose gravel or permanent vegetation to stabilize or cover the surfaces.

H. 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 Property and the holder of the Conservation Easement, signs giving directions, or signs prescribing rules and regulations for the use of the Easement Area may be

allowed. Grantor shall have the right to place "Posted" and "No Trespassing" signs within the Easement Area.

I. Dumping or Storing. Dumping or storage of soil, trash, ashes, garbage, waste, abandoned vehicles, appliances or machinery, or other material in the Easement Area is prohibited.

J. 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.

K. Water Quality and Drainage Patterns. There shall be no diking, draining, dredging, channeling, filling, leveling, pumping, impounding or diverting, causing, allowing or permitting the diversion of surface or underground water. No altering or tampering with water control structures or devices, or disruption or alteration of the restored, enhanced, or created drainage patterns. All removal of wetlands, polluting or discharging into waters, springs, seeps, or wetlands, or use of pesticide or biocides is prohibited. In the event of an emergency interruption or shortage of all other water sources, water from within the Easement Area may temporarily be used for good cause shown as needed for the survival of livestock and agricultural production.

L. Subdivision and Conveyance. Grantor voluntarily agrees that no subdivision, partitioning, or dividing of the underlying fee that is subject to this Conservation Easement is allowed. Unless agreed to by the Grantee in writing, any future conveyance of the underlying fee for the Easement Area and the rights as conveyed herein shall be as a single block of property. Any future transfer of the fee simple shall be subject to this Conservation Easement. Any transfer of the fee is subject to the Grantee's right of ingress, egress, and regress over and across the Property to the Easement Area for the purposes set forth herein.

M. Development Rights. All development rights are removed from the Easement Area and shall not be transferred.

N. Disturbance of Natural Features. Any change, disturbance, alteration or impairment of the natural features of the Easement Area or any intentional introduction of non-native plants, trees and/or animal species by Grantor is prohibited.

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 N.C. Ecosystem Enhancement Program, whose mailing address is 1652 Mail Services Center, Raleigh, NC 27699-1652.

III. GRANTEE RESERVED USES

A. Ingress, Egress, Regress and Inspection. The Grantee, its employees and agents, successors and assigns, receive the perpetual right of general ingress, egress, and regress to the Easement Area over the Property at reasonable times to undertake any activities to restore,

manage, maintain, enhance, and monitor the wetland and riparian resources of the Easement Area, in accordance with restoration activities or a long-term management plan. Unless otherwise specifically set forth in this Conservation Easement, the rights granted herein do not include or establish for the public any access rights.

B. Restoration Activities. 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.

IV. ENFORCEMENT AND REMEDIES

A. Enforcement. To accomplish the purposes of this Conservation Easement, Grantee is allowed to prevent any activity within the Easement Area that is inconsistent with the purposes of this Conservation Easement and to require the restoration of such areas or features of the Easement Area that may have been damaged by such activity or use. Upon any breach of the terms of this Conservation Easement by Grantor, his successors or assigns that comes to the attention of the Grantee, the Grantee shall, except as provided below, notify the Grantor, his successors or assigns in writing of such breach. The Grantor shall have ninety (90) days after receipt of such notice to correct the conditions constituting such breach. If the breach remains uncured after ninety (90) days, the Grantee may enforce this Conservation Easement by appropriate legal proceedings including damages, injunctive and other relief. The Grantee shall also have the power and authority, consistent with its statutory authority: (a) to prevent any impairment of the Easement Area by acts which may be unlawful or in violation of this Conservation Easement; (b) to otherwise preserve or protect its interest in the Property; or (c) to seek damages from any appropriate person or entity. Notwithstanding the foregoing, the Grantee reserves the immediate right, without notice, to obtain a temporary restraining order, injunctive or other appropriate relief if the breach of the term of this Conservation Easement is or would irreversibly or otherwise materially impair the benefits to be derived from this Conservation Easement. The Grantor and Grantee acknowledge that under such circumstances damage to the Grantee would be irreparable and remedies at law will be inadequate. The rights and remedies of the Grantee provided hereunder shall be in addition to, and not in lieu of, all other rights and remedies available to Grantee in connection with this Conservation Easement.

B. Inspection. The Grantee, its employees and agents, successors and assigns, have the right, with reasonable notice to Grantor, to enter the Easement Area over the Property at reasonable times for the purpose of inspection to determine whether the Grantor, his successors or assigns are complying with the terms, conditions and restrictions of this Conservation Easement.

C. Acts Beyond Grantor's Control. Nothing contained in this Conservation Easement shall be construed to entitle Grantee to bring any action against Grantor, his successors or assigns, for any injury or change in the Easement Area caused by third parties, or resulting from causes beyond the Grantor's control, including, without limitation, fire, flood, storm, and earth movement, or from any prudent action taken in good faith by the Grantor under emergency conditions to prevent, abate, or mitigate significant injury to life, damage to property or harm to the Property resulting from such causes.

D. Costs of Enforcement. Beyond regular and typical monitoring, any costs incurred by Grantee in enforcing the terms of this Conservation Easement against Grantor, his successors or assigns, including, without limitation, any costs of restoration necessitated by Grantor's acts or omissions in violation of the terms of this Conservation Easement, shall be borne by Grantor.

E. No Waiver. Enforcement of this Easement shall be at the discretion of the Grantee and any forbearance, delay or omission by Grantee to exercise its rights hereunder in the event of any breach of any term set forth herein shall not be construed to be a waiver by Grantee.

V. MISCELLANEOUS

A. 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.

B. 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.

C. Grantor shall notify Grantee in writing of the name and address and any party to whom the 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 Easement Area is conveyed subject to the Conservation Easement herein created.

D. The Grantor and Grantee agree that the terms of this Conservation Easement shall survive any merger of the fee and easement interests in the Property or any portion thereof.

E. This Conservation Easement may be amended, but only in a writing signed by all parties hereto, and provided such amendment does not affect the qualification of this Conservation Easement or the status of the Grantee under any applicable laws, and is consistent with the purposes of the Conservation Easement.

F. The parties recognize and agree that the benefits of this Conservation Easement are in gross and assignable provided, however, that the Grantee hereby covenants and agrees, that in the event it transfers or assigns this Conservation Easement, the organization receiving the interest will be a qualified holder under N.C. Gen. Stat. § 121-34 et seq. and § 170(h) of the Internal Revenue Code, and the Grantee further covenants and agrees that the terms of the transfer or assignment will be such that the transferee or assignee will be required to continue in perpetuity the conservation purposes described in this document.

VI. QUIET ENJOYMENT

Grantor reserves all remaining rights accruing from ownership of the 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 the State of North Carolina for the aforesaid purposes.

AND Grantor covenants that Grantor is seized of said premises in fee and has the right to convey the permanent Conservation Easement herein granted; that the same are free from encumbrances 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.

David M. Steele, Jr. **(SEAL)**
David M. Steele, Jr.

STATE OF NORTH CAROLINA

COUNTY OF Surry

I, JAMES N. Freeman, Jr., a Notary Public in and for the County and State aforesaid, do hereby certify that the following person(s) personally appeared before me this day, and *(mark "X" next to appropriate statement below)*

(X) I have personal knowledge of the identity of the principal(s)

( ) I have seen satisfactory evidence of the principal's(s') identity by a current state or federal identification with the principal's photograph in the form of a

_____

( ) a credible witness has sworn to the identity of the principal(s)

each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: **DAVID M. STEELE, JR.**

IN WITNESS WHEREOF, I have hereunto set my hand and Notary Seal this the 13th day of June, 2007.

Notary Public
Print Name: JAMES N. Freeman, Jr.

My Commission Expires: 9/25/2008
Stamp/Seal

Notary Public-North Carolina
James N. Freeman, Jr
Surry County
My Commission Expires
9/25/2008

EXHIBIT A

Being bounded on the West by James S. Conrad and G. E. Todd, on the North by Dixon Lumber Company, Clyde Wagoner and J. J. Bryan, and on the East and South by Mrs. R. J. Reynolds Estate and Andrews, and being more particularly described as follows:

BEGINNING on a large poplar, the James Baugus old corner, presently the Dixon Lumber Company corner, and running from said beginning point, South 68 degs. East with the said Andrews line 92 poles to a Spanish Oak; thence North 70 poles to a small locust, J. J. Bryan corner; thence near West course 92 poles to a stake in the G. E. Todd line; thence South 34 poles with said Todd's line to the Beginning, containing 30 acres more or less.

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Surry County North Carolina
Carolyn M. Comer Reg of Deeds
BK 1195 PG 76-80

STATE OF NORTH CAROLINA

SURRY COUNTY

Prepared by: Kalen Kingsbury, General Counsel, Piedmont Land Conservancy
Return to: P.O. Box 4025, Greensboro, NC 27404-4025

EASEMENT AGREEMENT

THIS AGREEMENT, is made and entered into this 13th day of June 2007, by and among Arcadia LLC, a North Carolina limited liability company ("Grantor") and Piedmont Land Conservancy, a North Carolina nonprofit corporation ("PLC") and the State of North Carolina ("State"). PLC and the State shall hereafter be referred to as the "Grantees."

WITNESSETH:

WHEREAS, Grantor is the owner of two parcels of land described in Deed Book 0511, Page 1434, and Deed Book 0670, Page 0669, in the Office of the Register of Deeds, Surry County, North Carolina (the "Property");

WHEREAS, PLC has an option to purchase from David M. Steele, Jr. his property, consisting of approximately 28 acres, situated to the north of the Property, which is more fully described in Deed Book 0429, Page 0653 in the Office of the Register of Deeds, Surry County, North Carolina and hereafter referred to as the "EEP Property;" and

WHEREAS, Grantor has agreed to convey to Grantees a nonexclusive 10-foot wide deeded right-of-way and easement over the Property, solely as a means of ingress and egress to the EEP Property for the purposes set forth below;

NOW, THEREFORE, in consideration of the mutual promises and agreements of the parties set forth below and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Grantor agrees as follows:

1. Grantor grants and conveys to Grantees, in perpetuity, a nonexclusive 10-foot wide deeded right-of-way and easement for the purpose of ingress and egress to the EEP Property, to be used for the purpose of monitoring the 14.732 acres of the EEP Property

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that will be placed under a conservation easement with the State of North Carolina Ecosystem Enhancement Program ("EEP Easement") as further defined on that certain survey entitled "Conservation Easement for Piedmont Land Conservancy" prepared by Big Eagle Surveying dated April 25, 2007, a copy of which is recorded at Plat Book 24, Page 121 in the Office of the Register of Deeds, Surry County, North Carolina (the "Survey").

2. The right-of-way and easement granted hereby shall not become effective until Grantor acquires the EEP Property and the State acquires the EEP Easement.

3. The right-of-way and easement granted hereby shall extend from N.C.S.R. 1330, running along Grantor's existing jeep trail in a northwesterly direction, roughly parallel to Mill Creek for approximately 9700 feet, as shown on Exhibit A.

4. With reasonable notice to Grantor, in the manner contemplated by Paragraph 7, Grantees shall have the right of reasonable ingress and egress to the EEP Property across the Property at all reasonable times to undertake any activities to restore, manage, maintain, enhance, and monitor the wetland and riparian resources of the EEP Property. Use of the easement granted hereby shall be limited to daylight hours unless an emergency prevents Grantees from exiting the EEP Property before dark, in which case egress after dark shall be permitted.

5. The right-of-way and easement conveyed by this Agreement may be assigned or transferred by either Grantee, solely for purposes of monitoring the EEP Easement. Any other transfer or assignment of this Agreement by either Grantee requires the written consent of Grantor. Grantees agree to give Grantor notice of, and contact information for, any person or entity to which the easement monitoring rights are transferred or assigned.

6. Grantor shall not be liable for personal injuries incurred by employees or agents of the Grantees while on the Property, except to the extent such liability arises from the intentional acts or negligence of Grantor.

7. Notice to Grantor shall be given by phone call or in writing as follows:

   Arcadia, LLC
   110 Devotion Estate Way
   Dobson, NC 27017
   (336) 366-2539 and

   Arcadia LLC
   1006 Harvey Street
   Raleigh, NC 27608
   (919) 834-1317

or to such other address as Grantor may from time to time request in writing. Grantees shall make every effort to provide notice at least one week in advance of any use of the access easement granted hereby, unless Grantees have a reasonable basis to believe that a violation of the EEP Easement has occurred and is continuing, in which case no advance notice is required.

8. The right-of-way and easement granted by this Agreement do not include any public access rights.

9. Grantor represents and warrants that it is the lawful owner of the Property and has the full legal right and authority to convey the permanent right-of-way and easement granted by this Agreement.

10. Every provision of this Agreement that applies to Grantor or to the Grantees shall likewise apply to their respective heirs, executors, administrators, successors and assigns.

[THIS SPACE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the duly authorized representative of Grantor, with full power and authority to act for and bind Grantor, sets his hand and seal as of the date first written above.

Arcadia, LLC, a North Carolina limited liability company

Charles McKinney (SEAL)
Charles McKinney, Manager

STATE of NORTH CAROLINA

COUNTY of WAKE

I, Lisa Young, a Notary Public in and for the County and State aforesaid, do hereby certify that the following person(s) personally appeared before me this day, and *(mark "X" next to appropriate statement below)*

(X) I have personal knowledge of the identity of the principals
( ) I have seen satisfactory evidence of the principals' identities by a current state or federal identification with the principals' photograph in the form of a _____
( ) a credible witness has sworn to the identity of the principals

and acknowledged to me that he voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated:

Charles McKinney, Manager of Arcadia LLC, a North Carolina limited liability company

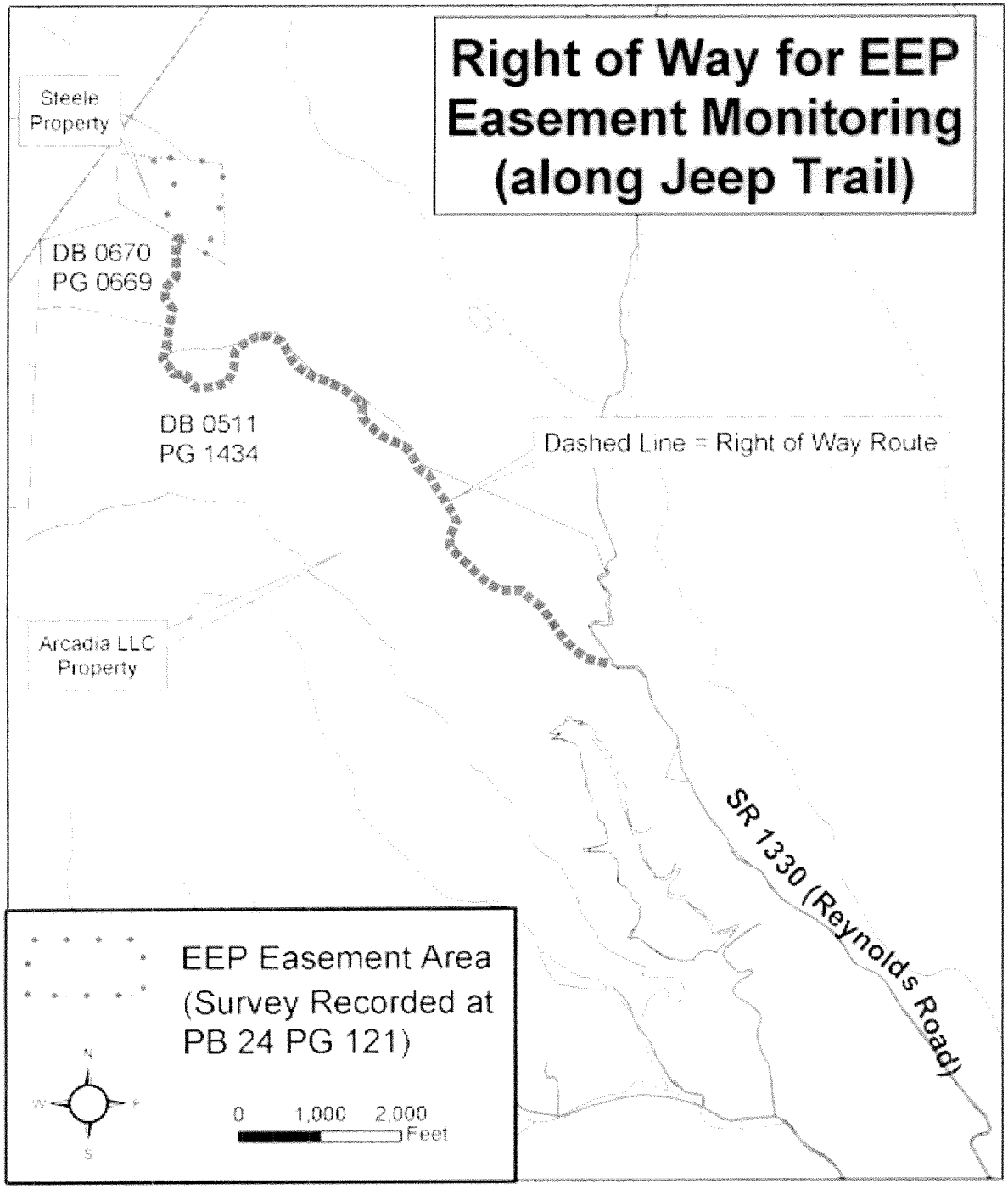
IN WITNESS WHEREOF, I have hereunto set my hand and Notary Seal this 18th day of May, 2007.

Lisa Young, Notary Public

My Commission Expires: April 20, 2009
Stamp/Seal

LISA YOUNG
NOTARY PUBLIC
WAKE COUNTY, N.C.

EXHIBIT A



* THIS MAP IS NOT A CERTIFIED SURVEY AND HAS NOT BEEN REVIEWED BY A LOCAL GOVERNMENT AGENCY FOR COMPLIANCE WITH ANY APPLICABLE LAND DEVELOPMENT REGULATIONS.