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JOANNE S. HUNSLEY
ANSON COUNTY, N.C.
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ANSON COUNTY NC
Real Estate Excise Tax Paid
$ 1,726.00

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STATE OF NORTH CAROLINA

P.I.N. # 657000493589
657100232220

COUNTY OF ANSON

PREPARED BY: Lisa Glover
Assistant Attorney General
North Carolina Department of Justice

RETURN TO: The LandTrust for Central North Carolina
P.O. Box 4284
Salisbury, NC 28145-4284

DEED OF CONSERVATION EASEMENT

This Deed of Conservation Easement and Easement of Ingress and Egress ("Conservation Easement") is granted on this 3rd day of Feb., 2004, by ROCKY PEE DEE, LLC, having an address of P.O. Box 210, Kannapolis, North Carolina, 28082 ("Grantor"), to THE LANDTRUST FOR CENTRAL NORTH CAROLINA ("LTCNC"), a North Carolina non-profit corporation having an address of P.O. Box 4284, Salisbury, NC 28145-4284; THE NORTH CAROLINA DEPARTMENT OF TRANSPORTATION ("NCDOT"), having an address of 1548 Mail Service Center, Raleigh, NC 27699-1548 (collectively, "Grantees"); and the UNITED STATES ("Beneficiary"), as administered by the Natural Resources Conservation Service,

United States Department Of Agriculture ("USDA"), having an address of 4405 Bland Road, Suite 205, Raleigh, NC 27609.

The designation Grantor and Grantees 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.

WHEREAS:

Grantor is the sole owner in fee simple of certain farm property more particularly described in Deed Book 668, Pages 122-123, and Deed Book 601, Page 334 of the Anson County Registry, and described in Exhibit A, attached hereto and incorporated herein (hereafter the "Property"), which consists of approximately 603 acres, more or less, located in Ansonville Township, Anson County, North Carolina. The Property, which currently includes four residential and five agricultural buildings or other improvements, and is comprised of two tracts (the "northern" and "southern" tracts), is shown on Exhibit B and Exhibit C, attached hereto and incorporated herein.

The Property provides exceptional natural wildlife habitat for a wide variety of land, air and aquatic species because of the streams that run through the Property; many of these species, which rely on the streams, are of great importance to the Grantor and the people of North Carolina. Also, the Property contains outstanding scenic qualities that can be enjoyed by the general public; namely the views along Pinkston River and Carpenter Roads. It is therefore a purpose of this Conservation Easement to protect these natural, wildlife habitat, and scenic resources through, among other things, maintaining and preserving, in perpetuity, the condition of the restored and/or enhanced streams on the Property.

The Property consists primarily of productive agricultural land. The Natural Resources Conservation Service ("NRCS"), United States Department of Agriculture ("USDA") (also referred to as "the United States"), has classified the majority of the soils on the Property as "prime" farmland or of statewide importance, and has provided funds for the acquisition of the Farmland Conservation Area portion of this Conservation Easement. It is a further purpose of this Conservation Easement to protect the agricultural soils and agricultural viability and productivity of the Property.

The agricultural resources, including the protection of soils; natural resources; wildlife habitat for land, air and aquatic species; aquatic resources, including streams, rivers, ponds, and wetlands; and scenic resources of the Property to be preserved by this Conservation Easement are collectively referred to as the "conservation values" of the Property.

The Conservation Easement will be granted over the entire Property, except for an approximately 40 acre area (the "Exclusion Area") formed by extending a line perpendicular 300 feet from either side of the centerline of Carpenter Road (State Road 1629) (a total of 600 feet in width), but excluding an approximately 4.2 acre area where the Stream Conservation Area (as described below) comes within 300 feet of the centerline of Carpenter Road. This 4.2 acre area

will be subject to this Conservation Easement and its provisions regarding the Stream Conservation Area. The Exclusion Area, which is not subject to this Conservation Easement, is shown generally in Exhibit B. Global Positioning System (GPS) coordinates for the centerline of Carpenter Road (State Road 1629) are contained in Exhibit D, attached hereto and incorporated by reference. It is hereby agreed that prior to commencement of any new construction within the Exclusion Area, Grantor shall obtain a complete and accurate survey of the Exclusion Area, as such area is defined in this Conservation Easement, and including the Permanent Access Easement described below in Paragraph 4, and provide a copy to LTCNC. Grantor agrees that this survey will be recorded in the Anson County Registry upon approval by the Grantees and the United States, and this Conservation Easement will be amended and re-recorded to incorporate the survey, as described in Paragraph 19 below.

The portion of the Property that is subject to this Conservation Easement is hereinafter referred to as "the Protected Area." For purposes of administering this Conservation Easement, the Protected Area will be divided into two geographic areas: a "Farmland Conservation Area," and a "Stream Conservation Area." The Stream Conservation Area is comprised of Easement Area 1 (31.33 acres), Easement Area 2 (20.93 acres), Easement Area 3 (43.55 acres), Easement Area 4 (6.01 acres), and Easement Area 5 (38.21 acres), as depicted on Exhibit E, a survey entitled "Conservation Easement Survey for The State of North Carolina," dated January 21, 2004 by Mulkey Engineers and Consultants and recorded in Plat Hanger A194, Pages 1 and 2, of the Anson County Registry. Any further reference to the Stream Conservation Area is a reference to the five Easement Areas as depicted on Exhibit E. The Farmland Conservation Area is comprised of all lands in the Protected Area excluding the Stream Conservation Area.

Administration of this Conservation Easement includes stewardship, monitoring, and enforcement. The LTCNC will administer the Conservation Easement in the Farmland Conservation Area, while the NCDOT will administer the Conservation Easement in the Stream Conservation Area until the U.S. Army Corp of Engineers (USACE) has provided final approval of the Stream Mitigation Project (defined below). After such approval, LTCNC will administer the Conservation Easement in the Stream Conservation Area.

The LTCNC is a tax-exempt nonprofit organization and a qualified organization under Sections 501(c)(3) and 170(h) of the Internal Revenue Code, and is qualified to hold the Conservation Easement under the applicable laws of the State of North Carolina;

> The LTCNC desires to hold a conservation easement as described herein, with administrative authority over the Farmland Conservation Area of the Protected Area, as described below in paragraph 3, for the purpose of protecting the conservation values of the Protected Area and preventing conversion of the Protected Area to non-agricultural uses;

The NCDOT is an agency of the State of North Carolina whose purpose includes the construction of transportation projects for public use and who has the authority to acquire land for the purpose of mitigating environmental impacts of these transportation projects;

The NCDOT desires to restore, enhance or preserve approximately 9200 linear feet of stream and associated streamside wetlands in Anson County on the Protected Area (hereinafter, the "Stream Mitigation Project"), and to hold a conservation easement over said length of stream and surrounding land and wetlands encompassing approximately 140.03 acres and referred to as the Stream Conservation Area;

The NCDOT has provided funds for the acquisition of the Stream Conservation Area portion of the Conservation Easement;

The NCDOT, under a Section 404 permit granted by the USACE, must conduct certain off-site stream and wetland mitigation work to compensate for impacts to streams and wetlands resulting from road construction;

The Stream Mitigation Project will be undertaken pursuant to a Stream Mitigation Plan developed by NCDOT, in coordination with the Grantor, for the restoration, enhancement and preservation of the streams and wetlands on the Protected Area, and kept on file with NCDOT;

The purposes of the Conservation Easement over the Stream Conservation Area are to protect the mitigation activities performed by the NCDOT, to preserve and protect the conservation values of the Stream Conservation Area, to prevent any use of the Stream Conservation Area that will significantly impair or interfere with these purposes, and to maintain permanently the dominant woodland, scenic and natural character of the Stream Conservation Area designated on the Protected Area as hereinafter described.

The specific conservation values of the Protected Area and its current use and state of improvement are described in an Easement Documentation Report dated February 3, 2004, prepared by the LTCNC with the cooperation of the Grantor, and acknowledged by all parties to be accurate as of the date of this Conservation Easement. The Easement Documentation Report may be used by the Grantees to document any future changes in the use or character of the Protected Area in order to ensure the terms and conditions of this Conservation Easement are fulfilled. This Easement Documentation Report, however, is not intended to preclude the use of other evidence to establish the present condition of the Protected Area if there is a controversy over its use. The Grantor and Grantees have copies of this Easement Documentation Report, and said report will remain on file at the main office of the LTCNC.

The Grantor and Grantees agree that the current agricultural use of, and improvements to, the Farmland Conservation Area, as well as the planned stream and wetland restoration, enhancement and preservation activities within the Stream Conservation Area, are consistent with the conservation purposes of this Conservation Easement.

The Grantor intends that the conservation values of the Protected Area be preserved and maintained, and further, Grantor intends to convey to the Grantees the right to preserve and protect the agricultural and other conservation values of the Protected Area in perpetuity.

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

(1) The Uniform North Carolina Conservation and Historic Preservation Agreements Act, N.C.G.S. § 121-34 *et seq.*, which provides for the enforceability of restrictions, easements, covenants or conditions "appropriate to retaining land or water areas predominantly in their natural, scenic, or open condition or in agricultural, horticultural, farming or forest use," N.C.G.S. § 121-35(1); and which provides for tax assessment of lands subject to such agreements "on the basis of the true value of the land and improvement less any reduction in value caused by the agreement," N.C.G.S. § 121-40;

(2) The North Carolina Conservation Tax Credit Program, N.C.G.S. §§ 105-130.34 and 105-151.12 *et seq.*, which provides for state income tax credits for donations of land that are useful for fish and wildlife conservation and other similar land conservation purposes;

(3) Sections 1238H and 1238I of the Food Security Act of 1985, as amended, which authorizes the Farm and Ranch Lands Protection Program, administered through the United States Department of Agriculture, Natural Resources Conservation Service, which provides funds for the acquisition of Conservation Easements or other interests in prime, unique, or other productive soils for the purpose of limiting conversion to nonagricultural uses of that land;

(4) The establishment of the North Carolina Farmland Preservation Trust Fund established in 1986 (N.C.G.S. § 106-744(c)) to preserve important farmland in North Carolina;

(5) The Soil and Water Conservation Districts Act, N.C.G.S. § 139-1, *et seq.*, which provides for the preservation of farm, forest and grazing lands;

(6) North Carolina General Statute § 106-583 *et seq.*, which states that "It is declared to be the policy of the State of North Carolina to promote the efficient production and utilization of the products of the soil as essential to the health and welfare of our people and to promote a sound and prosperous agriculture and rural life as indispensable to the maintenance of maximum prosperity;" and,

(7) The special use assessment of farm and forestland as set forth in N.C.G.S. § 105-277.2 *et. seq.*

Grantor and Grantees have the common purpose of protecting the above-described conservation values and current condition of the Protected Area and preventing conversion of the Protected Area to nonagricultural uses, and Grantor agrees to create and implement a Conservation Plan (hereinafter the "Conservation Plan") that is developed utilizing the standards and specifications of the NRCS field office technical guide and 7 CFR Part 12, and is approved by the local Soil and Water Conservation District.

NOW, THEREFORE, for the reasons given, for valuable monetary consideration, and in consideration of the mutual covenants, terms, conditions and restrictions contained herein, the Grantor hereby grants and conveys unto the Grantees and their successors or assigns forever and in perpetuity a Conservation Easement, pursuant to the USACE Section 404 permit requirements, of the nature and character and to the extent hereinafter set forth, in respect to the previously-defined Protected Area of the Property of the Grantor situated in Anson County, North Carolina, as described in Exhibit A; together with a Permanent Access Easement of Ingress and Egress ("Permanent Access Easement"), as more particularly described below in Paragraph 4 and in Exhibit F, attached hereto and incorporated by reference. For a plat of the above described Stream Conservation Area, please see plat entitled "Conservation Easement Survey for The State of North Carolina," dated January 21, 2004 by Mulkey Engineers and Consultants and recorded in Plat Hanger A194, Pages 1 and 2, of the Anson County Registry. For a plat of the above described Property, please see plat entitled "Boundary Survey Harold Dean Dunlap," dated July 6, 13, and 20, 1996, and prepared by James M. Dennis, RLS (southern tract) and plat entitled "Boundary Survey for John Allan Bishop" and recorded in Plat Hanger A174, Page 2, of the Anson County Registry (northern tract). All subsequent references to the Conservation Easement shall include, where appropriate, reference to the Permanent Access Easement.

The terms, conditions and restrictions of the Conservation Easement are as hereinafter set forth:

1. Grant of Conservation Easement

Grantor hereby voluntarily grants and conveys to the Grantees, and the Grantees hereby voluntarily accept, a perpetual Conservation Easement, which is an immediately vested interest in real property of the nature and character described herein. Grantor agrees that it will not perform, nor knowingly allow others to perform, any act on or affecting the Protected Area that is inconsistent with the covenants herein. Grantor authorizes the Grantees or the United States, as provided in paragraph 16, to enforce these covenants in the manner described below.

Grantor hereby voluntarily grants and conveys to the Grantees all development rights for the Protected Area, except as otherwise reserved and provided by the terms of this Conservation Easement, that are now or hereafter inherent in the Protected Area. The parties agree that such

rights are terminated and extinguished, and may not be used on or transmitted to any portion of the Protected Area, as it now or hereafter may be bounded or described, or to any other property.

2. Statement of Purpose

The primary purposes of this Conservation Easement are: (1) to protect the NCDOT's mitigation activities within the Stream Conservation Area, including the restored, enhanced, and preserved stream areas; (2) to protect the Farmland Conservation Area by enabling the Protected Area to remain in agricultural use by preserving and protecting its agricultural soils and agricultural viability and productivity; and (3) to protect the remaining conservation values as set forth above. Except as specifically permitted herein, no activity that shall significantly impair the actual or potential agricultural use or the condition of the restored, enhanced or preserved stream areas on the Protected Area shall be permitted. To the extent that the preservation and protection of other natural, historic, recreational, habitat or scenic values referenced in this Conservation Easement are consistent with the primary purposes stated above, it is within the purpose of this Conservation Easement to also protect those values, and, except as specifically permitted herein, no activity which shall significantly impair those values shall be permitted.

This Conservation Easement shall be perpetual. It is an easement in gross, runs with the land and is enforceable by Grantees or the United States, as provided in Paragraph 16, against the Grantor, its representatives, heirs, successors and assigns, lessees, agents, and licensees.

3. Description of Stream Conservation Area and Farmland Conservation Area

The Stream Conservation Area encompasses perennial streams, wetlands and surrounding land located on the Protected Area, as more particularly depicted in Exhibit E, a survey entitled "Conservation Easement Survey for The State of North Carolina," dated January 21, 2004 by Mulkey Engineers and Consultants and recorded in Plat Hanger A194, Pages 1 and 2, of the Anson County Registry, and comprised of Easement Area 1 (31.33 acres), Easement Area 2 (20.93 acres), Easement Area 3 (43.55 acres), Easement Area 4 (6.01 acres), and Easement Area 5 (38.21 acres). The Farmland Conservation Area consists of all land in the Protected Area excluding the Stream Conservation Area.

4. Permanent Access Easement

Grantor hereby grants and conveys to the Grantees and Beneficiary a Permanent Access Easement of Ingress and Egress (the "Permanent Access Easement") over the Property to the Farmland and Stream Conservation Areas, continuing in perpetuity. As depicted in Exhibit F, access to the Farmland and Stream Conservation Areas in the northern tract to the east of Carpenter Road (State Road 1629) will be by way of Carpenter Road to an existing farm road on the Property that passes near one modern residence, one historical residence, and associated agricultural structures contained within one of the Farmstead Areas (described below in Paragraph 13); while access to the Farmland Conservation Area in the northern tract to the west of Carpenter Road will be by way of Carpenter Road to an existing farm road that serves the fields on that portion of the Property. As also depicted in Exhibit F, access to the Farmland and

Stream Conservation Areas in the southern tract will be by way of Pinkston River Road (State Road 1627) to an existing farm road on the Property that passes near the one modern residence contained within the one acre Farmstead Area located on the southern tract.

The NCDOT and its authorized representatives shall have the right to access the Stream Conservation Area through the Property over this Permanent Access Easement in order to conduct the Stream Mitigation Project. The LTCNC and the NRCS, and their authorized representatives shall have the right to access the Farmland Conservation Area through the Property over this Permanent Access Easement in order to administer this Conservation Easement over the Farmland Conservation Area. The NCDOT, LTCNC, and the NRCS, and their authorized representatives, at all reasonable times and continuing in perpetuity, shall have the right to access the Protected Area for the purpose of inspecting the Protected Area to determine if the Grantor is complying with the terms, conditions, restrictions, and purposes of this Conservation Easement. The Grantees or Beneficiary will notify the Grantor by phone, email, or other correspondence before entering the Property for the purpose of determining compliance. However, if the Grantees or Beneficiary, or either of them, in their sole discretion determine that circumstances require immediate entry, such party is not required to notify Grantor prior to entry but will notify Grantor within two business days of such entry.

Grantor agrees to maintain access to the Farmland and Stream Conservation Areas in perpetuity through use of farm roads on the Property that are accessible by public roads and that traverse the Protected Area and allow Grantees and Beneficiary access to all areas of the Protected Area, including portions of the Stream Conservation Area that may be isolated from other areas.

5. Rights and Responsibilities Retained by Grantor

Subject to the terms and restrictions contained herein, the Grantor reserves to and for itself and its successors all customary rights and privileges of ownership, including without limitation the right to quiet enjoyment of the Protected Area; the rights to sell, lease, encumber, impose restrictions on and devise the Protected Area, provided such transaction is subject to the terms of this Conservation Easement and written notice is provided to the Grantees; together with any rights not specifically prohibited by or limited by this Conservation Easement, and not inconsistent with the Statement of Purpose in Paragraph 2 herein. Unless otherwise specified below, nothing in this Conservation Easement shall require the Grantor to take any action to restore the condition of the Protected Area after any Act of God or other event over which it had no control. Grantor understands that nothing in this Conservation Easement relieves it of any obligation or restriction on the use of the Protected Area imposed by law.

6. Right to Farm

Farming, grazing, horticultural and animal husbandry operations are permitted in the Farmland Conservation Area only if conducted consistently with Best Management Practices promulgated by the State of North Carolina and in conformity with a Conservation Plan as described in Paragraph 10 below. All farming, grazing, horticultural and animal husbandry

operations are prohibited in the Stream Conservation Area in accordance with Paragraph 14 below, and any such activities conducted in the Farmland Conservation Area may not adversely affect the Stream Conservation Area or violate any provision of Paragraph 14 of this Conservation Easement.

7. Right to Privacy

Grantor retains the right to privacy and the right to exclude any member of the public from trespassing on the Protected Area. This Conservation Easement does not create any rights of the public in, on or to the Protected Area.

8. Subdivision

The Protected Area currently consists of two single tracts, the northern and southern tracts as described above and in Exhibit A. Hereafter, the Protected Area may only be subdivided into a maximum total of four (4) separate tracts. All resulting tracts must not be less than 40 acres in size, must have access to public roads, must retain their individual agricultural viability as determined by Grantee, and must be subject to the terms and restrictions set forth in this Conservation Easement. Thereafter, the further subdivision of the Protected Area, or the recording of a subdivision plan, partition, or any other division of the Protected Area, is prohibited. All resulting tracts shall be subject to the terms and provisions set forth in this Conservation Easement, including the impervious surface limitations set forth below in Paragraph 13. This prohibition applies regardless of how many separately described tracts or parcels are contained in the legal description attached as Exhibit A.

9. Prohibited Activities

Any activities, practices, or uses of the Protected Area, that would in any way alter, impede, or interfere with the conservation values, including but not limited to, (1) the agricultural goals within the Farmland Conservation Area as well as (2) the stream restoration, enhancement and preservation goals within the Stream Conservation Area sought to be protected by this Conservation Easement are strictly prohibited. Without limiting the generality of the foregoing, any use or activity that causes or is likely to cause significant soil degradation or erosion or significant pollution of any surface or sub-surface waters, as determined by one or both of the Grantees, is prohibited. Motorized vehicles, including off-road vehicles, are permitted only on existing roads and driveways or allowable roads and driveways (as provided for in Paragraph 13(D)) on the Protected Area, except that they may be used for farming management/maintenance and hunting purposes in the Farmland Conservation Area. Motorized vehicles, including off-road vehicles, are prohibited in the Stream Conservation Area, except when used by NCDOT in accordance with paragraph 14(I) below.

The use of herbicides, insecticides, fungicides, fertilizers or other potentially harmful substances or the use or disposal of agricultural products and by-products on the Protected Area must be controlled and limited so as not to have a material adverse effect on the waters or wildlife habitat associated with the Protected Area, and such substances must be utilized in

accordance with the Conservation Plan. No herbicides, insecticides, fungicides, fertilizers or other potentially harmful substances may be used in the Stream Conservation Area without advance written permission from the NCDOT. No agricultural products or by-products may be disposed of in the Stream Conservation Area or within 100 feet of the streambank, whichever is greater, or result in or cause discharge or runoff directly into the Stream Conservation Area.

10. Conservation Plan

As required by section 1238I of the Food Security Act of 1985, as amended, the Grantor, its heirs, successors, or assigns, shall conduct all agricultural operations on the Protected Area in a manner consistent with a Conservation Plan prepared in consultation with NRCS and approved by the Conservation District. This Conservation Plan shall be developed using the standards and specifications of the NRCS Field Office Technical Guide and 7 CFR Part 12 that are in effect on the date of execution of this Conservation Easement. However, the Grantor may develop and implement a Conservation Plan that proposes a higher level of conservation and is consistent with the NRCS Field Office Technical Guide standards and specifications. NRCS shall have the right to enter upon the Protected Area, with advance notice to the Grantor, in order to monitor compliance with the Conservation Plan.

In the event of noncompliance with the Conservation Plan, NRCS shall work with the Grantor to explore methods of compliance and give the Grantor a reasonable amount of time, not to exceed twelve months, to take corrective action. If the Grantor does not comply with the Conservation Plan, NRCS will inform LTCNC of the Grantor's noncompliance. The LTCNC shall take all reasonable steps (including efforts at securing voluntary compliance and, if necessary, appropriate legal action) to secure compliance with the Conservation Plan following written notification from NRCS that (a) there is a substantial, ongoing event or circumstance of non-compliance with the conservation plan, (b) NRCS has worked with the Grantor to correct such noncompliance, and (c) Grantor has exhausted its appeal rights under applicable NRCS regulations.

If the NRCS standards and specifications for highly erodible land are revised after the date of this Conservation Easement based on an Act of Congress, NRCS will work cooperatively with the Grantor to develop and implement a revised Conservation Plan. The provisions of this paragraph apply to the highly erodible land conservation requirements of the Farm and Ranch Lands Protection Program and are not intended to affect any other natural resources conservation requirements to which the Grantor may be or become subject.

11. Water Rights

Grantor shall retain and reserve the right to use any appurtenant water rights sufficient to maintain the agricultural productivity of the Protected Area subject to the prohibitions contained in Paragraph 14(L). Grantor shall not transfer, encumber, lease, sell or otherwise separate such water rights from title to the Protected Area itself.

12. Natural Resource Restoration and Enhancement Activities; Passive Recreational Use

Notwithstanding any terms contained within this Conservation Easement, Grantors may engage or contract others to engage in any activity designed to repair, restore, or otherwise enhance the natural resources found or once present on the Farmland Conservation Area. However, this right does not in any case allow for any activities that would substantially impair the predominant agricultural viability of the Protected Area. Further, no such activities may take place within the Stream Conservation Area.

Grantor further retains the right to engage in passive recreational uses of the Protected Area (requiring no surface alteration of the land and posing no threat to the conservation values set forth herein), including, without limitation, walking, fishing, hunting or animal and plant observation as long as such activity is consistent with the purposes of this Conservation Easement, does not adversely impact the soils or agricultural operations and is not prohibited by Paragraph 14. Grantor reserves the right to extend existing hunting leases and to grant additional hunting leases on or over the Protected Area.

13. Permitted and Restricted Activities in the Farmland Conservation Area

Within that area identified as the Farmland Conservation Area, the following activities and uses are expressly prohibited, restricted or reserved as indicated hereunder:

A. *Right to Use the Farmstead Areas for Customary Rural Enterprises*

Within the Farmland Conservation Area there are two, five (5) acre "Farmstead Areas" in the northern tract and one, one (1) acre "Farmstead Area" in the southern tract, as depicted on Exhibit B and Exhibit C. The two, five acre Farmstead Areas shall be centered around each of the two historical residences located on the northern tract, and shall form a five acre polygon around those residences. The one acre Farmstead Area shall be centered around the modern residence located on the southern tract, and shall form a one acre polygon around that residence. The Farmstead Areas are more particularly described in the Easement Documentation Report. In the event of any future construction permitted herein, a complete and accurate survey of the Farmstead Areas, to include the Permanent Access easement, where applicable, shall be obtained and provided to LTCNC prior to commencement of any construction activities. This survey shall be recorded in the Anson County Registry upon approval by the Grantees and the United States, and this Conservation Easement will be amended and re-recorded to incorporate the survey, as described in Paragraph 19 below.

Grantor retains the right to use the Farmstead Areas for otherwise lawful and customary rural enterprises, such as, but not limited to, a winery, bed and breakfast, saw mills, farm machinery repair enterprises, or educational programs so long as such uses are subordinate to the agricultural operations conducted on the Protected Area, and do not significantly interfere with or diminish the conservation purposes of this Conservation Easement as described in Paragraph 2. Conducting customary rural commercial enterprises on any other part of the Farmland

Conservation Area is not permitted. Customary Rural Enterprises are not permitted in the Stream Conservation Area.

B. *Procedure to Construct Buildings and Other Improvements*

The Grantor's rights to construct or reconstruct buildings and other improvements are described in subparagraphs (i) through (vi) below. Any construction or reconstruction not permitted below is prohibited. No construction or reconstruction will be permitted in the Stream Conservation Area.

(i) *Fences* - Existing fences may be repaired and replaced, and new fences may be built anywhere on the Farmland Conservation Area for purposes of reasonable and customary management of livestock and wildlife, without notice to the Grantees.

(ii) *Agricultural Structures and Improvements* – There are currently five agricultural structures, including two (2) well houses and three (3) barns/sheds, located in the northernmost Farmstead Area of the northern tract as depicted on Exhibit B and Exhibit C. Grantor shall retain the right to perform upkeep and maintenance activities on these existing structures. New buildings, barns, sheds and other structures and improvements to be used solely for agricultural activity purposes, including the processing or sale of farm products predominantly grown or raised on the Property, may be built within the Farmstead Areas in the Farmland Conservation Area shown on Exhibit B and Exhibit C, and more particularly described in the Easement Documentation Report. This also includes the right to build one dwelling, to be located in either of the Farmstead Areas upon the Grantor's discretion, for farm labor tenants, employees or others engaged in agricultural production on the Property.

(iii) *Single Family Residential Dwelling* – There are currently four (4) residential dwellings on site, two modern dwellings and two dwellings of historical significance. Grantor is permitted to repair, restore and reconstruct the four current residences within the Farmstead Areas. All such construction shall be in keeping with the rural, agricultural character of the surrounding community. Nothing in this Conservation Easement shall prohibit Grantor from seeking and obtaining National Register of Historic Places certification on the historical dwellings.

Prior to the commencement of the construction of any such structure, the Grantor shall notify the LTCNC at least thirty (30) days prior to the intended construction of such improvement with the understanding that the maintenance of existing or approved structures will not require further permission from LTCNC. In the event of any future construction permitted herein, a complete and accurate survey of the Farmstead Areas, to include the Permanent Access easement, where applicable, shall be obtained and provided to LTCNC prior to commencement of any

construction activities. This survey shall be recorded in the Anson County Registry upon approval by the Grantees and the United States, and this Conservation Easement will be amended and re-recorded to incorporate the survey, as described in Paragraph 19 below.

(iv) *Rural Enterprise Improvements* – Grantor may construct four (4) improvements or buildings in conjunction with the Rural Enterprises permitted by Paragraph 13(A) above in the Farmstead Areas. Furthermore, Grantor must obtain advance written permission from LTCNC, which shall not unreasonably be withheld, at least thirty (30) days prior to the commencement of construction of any such improvement.

(v) *Utility Services and Septic Systems* -- Installation, maintenance, repair, replacement, removal and relocation of electric, gas, and water facilities, sewer lines and/or other public or private utilities, including telephone or other communication services over or under the Farmland Conservation Area for the purpose of providing electrical, gas, water, sewer, or other utilities to serve improvements permitted herein, and the right to grant easements over and under the Farmland Conservation Area for such purposes, is permitted, except that no such work may take place in the Stream Conservation Area. Maintenance, replacement, repair or improvement of a septic system(s) or other underground sanitary system which exists on the Protected Area at the time of this Conservation Easement, or the construction of a septic or other underground sanitary system, for the benefit of any of the improvements permitted herein, is permitted, except that no such work may take place in the Stream Conservation Area. In no event shall cellular or other obtrusive communication towers be allowed on the Protected Area.

(vi) *Impervious Surface* – All current and new improvements permitted by this Paragraph 13(B) shall be prohibited from exceeding two (2) percent, or approximately 11 acres, of impervious surface, as compared to the total area subject to this Conservation Easement. For purposes of this Conservation Easement impervious surfaces shall refer to all areas that do not allow rainfall to directly reach the soil such as, but not limited to, roofs, paved roads, and concrete driveways. The impervious surface limitations set forth herein shall apply to the entire Protected Area regardless of any subsequent subdivision. Further, it is hereby understood that the Farmstead Areas shall be the site of all impervious surface structures. If the Property is subdivided, the cumulative development on the resulting subdivided parcels may not exceed the original 2% impervious surface limit, which is based upon the total acreage of the Protected Area (approximately 563 acres) on the day that this Conservation Easement was recorded.

None of the activities described in this Paragraph 13(B) may take place within or impair the Stream Conservation Area. If there is any damage to the Stream Conservation Area as a result

of the above activities all practicable and reasonable steps will be taken to repair and restore the conservation values impaired by said activities.

C. *Silvicultural Use and Land Clearing*

Grantor may remove, cut and otherwise manage trees in the Farmland Conservation Area to control insects and disease, to prevent personal injury and property damage, to remove non-native species, for pasture restoration, for salvage operations, for firewood and other non-commercial uses, including construction of permitted improvements and fences on the Farmland Conservation Area. The cutting, removal or harvesting of trees, including clearing land for cultivation, or use of livestock or commercial timber harvesting, may only be undertaken if in accordance with either the Conservation Plan or a written forest management plan that is consistent with the above-referenced Conservation Plan and is prepared by a professional forester approved by LTCNC, such approval to not be unreasonably withheld.

D. *Paving and Road Construction*

Construction and maintenance of unpaved farm roads that may be reasonably necessary and incidental to carrying out the improvements and uses permitted on the Protected Area by this Conservation Easement are permitted in the Farmland Conservation Area. No portion of the Farmland Conservation Area shall be paved or otherwise covered with concrete, asphalt, or any other impervious paving material.

E. *Dumping and Trash*

Dumping or storage of soil, trash, refuse, debris, ashes, garbage, waste, abandoned vehicles or parts, appliances, machinery, or hazardous substances, or toxic or hazardous waste, or any placement of underground or aboveground storage tanks or other materials on the Farmland Conservation Area is prohibited. Provided, however, that the storage of agricultural products generated on the Property and byproducts (including the composting of biodegradable material for on-farm use) and agricultural equipment used on the Property (other than in the Stream Conservation Area) is permitted in the Farmland Conservation Area, so long as such storage is done in accordance with all applicable government laws and regulations and in such a manner so as to not impair the conservation values of the Protected Area.

F. *Mineral Use, Excavation, and Dredging*

There shall be no filling, excavation, dredging, mining or drilling, removal of topsoil, sand, gravel, rock, peat, minerals or other materials; and no change in the topography of the land in any manner except as necessary for the purpose of combating erosion or flooding in accordance with the Conservation Plan.

G. *Signs*

"No trespassing" signs; local, state or federal traffic or similar informational signs; and "for sale or lease" signs are permitted on the Farmland Conservation Area. No other signs shall be permitted in the Farmland Conservation Area except interpretive signs describing activities and the conservation values of the Farmland and Stream Conservation Areas, signs identifying the owner of the Protected Area and the holder of the Conservation Easement, and signs giving directions or proscribing rules and regulations for the use of the Farmland and Stream Conservation Areas.

14. Permitted and Restricted Activities in the Stream Conservation Area

Within that area identified as the Stream Conservation Area in Exhibit E, comprised of Easement Area 1 (31.33 acres), Easement Area 2 (20.93 acres), Easement Area 3 (43.55 acres), Easement Area 4 (6.01 acres), and Easement Area 5 (38.21 acres), the following activities and uses are expressly prohibited, restricted or reserved as indicated hereunder:

A. *Disturbance of Natural Features*

Any changes, disturbance, alteration or impairment of the natural, scenic and aesthetic features of the Stream Conservation Area or any introduction of non-native plants and/or animal species is prohibited unless the NCDOT gives its prior written consent or unless otherwise expressly permitted herein.

B. *Agricultural, Grazing, and Horticultural Use and Fencing*

Agricultural, grazing and horticultural use, including landscaping, of the Stream Conservation Area is prohibited. However, upon prior written approval by NCDOT, Grantor will be allowed to implement "wildlife plantings" of vegetation during the 2004 Anson County growing season (March 15 to November 15, 2004). Livestock shall only cross or access water at areas appointed and agreed upon in the Stream Mitigation Plan. Grantor may have limited access to the Stream Conservation Area for the purpose of operating irrigation pumps. In an emergency situation, in which no other water source is available, livestock may access the stream for water at areas designated in the Stream Mitigation Plan. Such emergency access is limited to one side of the stream for a length not to exceed 30 linear feet and the Grantor shall notify the NCDOT in writing at the address shown above within 3 business days of such access. Existing fences may be repaired and replaced, and new fences may be built as described in the Stream Mitigation Plan.

C. *Silvicultural Use and Land Clearing*

There may be no destruction or cutting of trees or plants in the Stream Conservation Area, except in accordance with the Stream Mitigation Plan, or upon written approval of NCDOT. The gathering of firewood in the Stream Conservation Area shall be limited to dead trees, such that the gathering is consistent with the purposes of this Conservation Easement.

Removal of large live trees, or thinning of the forest or removal of brush for fire management, may be allowed in some cases provided that any such request is consistent with the purposes of the Stream Conservation Area and the Grantor obtains prior written approval from the NCDOT.

D. *Dumping and Storage*

Dumping or storage of soil, trash, refuse, debris, ashes, garbage, waste, abandoned vehicles or parts, appliances, machinery, or hazardous substances, or toxic or hazardous waste, or any placement of underground or aboveground storage tanks or other materials on the Stream Conservation Area is prohibited. No agricultural products or by-products, or agricultural equipment, may be dumped or stored in the Stream Conservation Area.

E. *Mineral Use, Excavation, and Dredging*

There shall be no filling, excavation, dredging, mining or drilling; no removal of topsoil, sand, gravel, rock, peat, minerals or other materials, and no change in the topography of the land in any manner on the Stream Conservation Area, or on the Farmland Conservation Area which would cause erosion or siltation on the Stream Conservation Area.

F. *Industrial Use*

Industrial activities on the Protected Area are prohibited.

G. *Residential Use*

Residential use of the Stream Conservation Area is prohibited.

H. *Commercial Use*

Commercial activities in the Stream Conservation Area are prohibited.

I. *Construction, Roads and Road Building*

There shall be no building, shed, facility, mobile home, or other structure constructed or placed in the Stream Conservation Area. Further, no new roads, either paved or unpaved, may be constructed in the Stream Conservation Area except as allowed and described in the Stream Mitigation Plan. However, the NCDOT expressly reserves the right to install, operate, and maintain structures or unpaved roads, and to use motorized vehicles in any manner necessary, for the purpose of reestablishing, protecting, and enhancing stream functional values, including those described in the Stream Mitigation Plan, for the Stream Conservation Area. All structures allowed under this paragraph, but not necessary for maintenance of the stream mitigation activities, will be removed once the USACE has given final approval of the Stream Mitigation Project.

J. *Signs*

No signs shall be permitted in the Stream Conservation Area except interpretive signs describing activities and the conservation values of the Stream Conservation Area, signs identifying the owner of the Protected Area and the holder of the Conservation Easement, and signs giving directions or proscribing rules and regulations for the use of the Stream Conservation Area, which shall specifically include "No Trespassing," "No Hunting," and "Posted" signs.

K. *Utilities*

The installation of utility systems, including, without limitation, water, sewer, power, fuel, and communication lines and related facilities, is prohibited. If there are existing utility easements located in the Stream Conservation Area or affecting the Stream Conservation Area, Grantor shall notify the NCDOT if right-of-way clearing or other work in the Stream Conservation Area is scheduled by the utility. Any such clearing should be in keeping with the intent of the Stream Conservation Area.

L. *Water Quality and Drainage Patterns*

Grantor shall conduct no activities in the Stream Conservation Area that would be detrimental to water quality or to any of the plants or habitats within the Stream Conservation Area, or that would alter natural water levels, drainage, sedimentation and/or flow in or over the Stream Conservation Area, or cause soil degradation or erosion. Diking, dredging, alteration, draining, filling or removal of wetlands or stream by the Grantor is prohibited. In addition, Grantor is prohibited from diverting or causing or permitting the diversion of surface or underground water into, within or out of the Stream Conservation Area by any means; polluting or discharging into waters, springs, seeps, or wetlands; or using pesticides or biocides in the Stream Conservation Area unless agreed to in writing by the NCDOT.

M. *NCDOT's Rights*

The NCDOT reserves the right to use the Stream Conservation Area in any way necessary, consistent with the terms herein, to undertake any activities to protect, restore, manage, maintain, or enhance stream or wetland functional values, and monitor the mitigation work, as described in the Stream Mitigation Plan for the Stream Conservation Area, in order to mitigate for impacts to streams or wetlands resulting from road construction. These mitigation activities include, but are not limited to, construction of new stream channels; restoration/stabilization of existing stream channels; installation of natural and manmade materials as needed to direct in-stream, above ground, and subterraneous water flow; planting of trees, shrubs and herbaceous vegetation; and utilization of heavy equipment to grade, fill, and prepare the soil. The NCDOT further reserves the right to monitor the results of the mitigation activities in perpetuity and to repair or restore any damage to the Stream Conservation Area occurring after initial completion of the construction associated with mitigation activities.

15. Ongoing Responsibilities of Grantor

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

A. *Taxes*

The Grantor shall continue to be solely responsible for payment of all taxes and assessments levied against the Property. If the Grantees are ever required to pay any taxes or assessments on their interest in the Property, the Grantor will reimburse the Grantees for the same.

B. *Upkeep and Maintenance*

The Grantor retains all responsibilities and shall bear all costs and liabilities of any kinds related to the ownership, operation, upkeep and maintenance of the Property, including the maintenance of adequate comprehensive general liability insurance coverage. The Grantees shall have no obligation for the upkeep or maintenance of the Property. Specifically, Grantor will remain responsible for upkeep, maintenance, and repairs to any impoundments located on the Property.

C. *Liability and Indemnification*

Grantor agrees to indemnify and hold Grantees and the United States harmless from any and all costs, claims or liability, including but not limited to reasonable attorney's fees arising from any personal injury, accidents, negligence or damage relating to the Property, or any claim thereof, unless due to the intentional misconduct or negligence of Grantees or their agents, in which case liability shall be apportioned accordingly. In addition, Grantor warrants that LTCNC is a named insured on Grantor's liability insurance policies covering the Property.

16. Enforcement

With reasonable advance written notice to the Grantor, the Grantees shall have the right to enter the Protected Area through the Permanent Access Easement for the purpose of inspecting for compliance with the terms of this Conservation Easement. Such written notice shall be deemed reasonable if given at least five (5) working days prior to the visit. The Grantees, or either of them, shall have the right to prevent violations and remedy violations of the terms of this Conservation Easement through judicial action, which shall include, without limitation, the right to bring proceedings in law or in equity against any party or parties attempting to violate the terms of this Conservation Easement. Except when an ongoing or imminent violation could irreversibly diminish or impair the conservation values of the Protected Area, the Grantees shall give the Grantors written notice of the violation and thirty (30) days to cure the violation, before commencing any legal proceedings. If a court with jurisdiction determines that a violation may

exist or has occurred, the Grantees may obtain an injunction to stop the violation, temporarily or permanently. The parties agree that a court may issue an injunction or order requiring the Grantor to restore the Protected Area to its condition prior to the violation as restoration of the Protected Area may be the only appropriate remedy. In any case where a court finds that a violation has occurred, the Grantor shall reimburse the Grantees for all their expenses incurred in stopping and correcting the violation, including but not limited to court costs, attorneys' fees, and any other costs incurred with onsite remediation. If legal action is brought by the Grantees, or either of them, and the court finds that no violation has occurred, each party shall bear its own costs. The failure of the Grantees to discover a violation or to take immediate legal action shall not bar it from doing so at a later time for that violation or any subsequent violations.

In the event that the Grantees fail to enforce any of the terms of this Conservation Easement as to the Farmland Conservation Area, as determined in the sole discretion of the Secretary of the United States Department of Agriculture, the said Secretary of Agriculture and his or her successors and assigns shall have the right to enforce the terms of the Conservation Easement as to the Farmland Conservation Area through any and all authorities available under Federal or State law. In the event that LTCNC attempts to terminate, transfer, or otherwise divest itself of any rights, title, or interests of this Conservation Easement without the prior consent of the Secretary of the United States Department of Agriculture and payment of consideration to the United States, then, at the option of such Secretary, all right, title, and interest of LTCNC in this Conservation Easement shall become vested in the United States.

17. Transfer of Conservation Easement

Subject to the contingent rights of the United States as specified in Paragraph 16, and with timely written notice to and approval by the United States Department of Agriculture, the Grantees, or either of them, shall have the right to transfer this Conservation Easement to any public agency or private nonprofit organization that, at the time of transfer, is a qualified organization under §170(h) of the U.S. Internal Revenue Code, as amended and under NCGS §121-34 *et seq.*, provided the agency or organization expressly agrees to assume the responsibility imposed on the transferring party or parties by this Conservation Easement. As a condition of such transfer, Grantees shall require that the conservation purposes intended to be advanced hereunder shall be continued to be carried out. If the Grantees ever cease to exist or no longer qualify under §170(h) of the U.S. Internal Revenue Code, or applicable state law, and the United States declines to exercise its contingent right set forth in paragraph 16 herein, a court with jurisdiction shall transfer this Conservation Easement to another qualified organization having similar purposes that agrees to assume the responsibility imposed by this Conservation Easement. Further, NCDOT may transfer its interest in the Conservation Easement at any time to the LTCNC without notice to or consent by the United States Department of Agriculture.

18. Transfer of Property

Grantor agrees to incorporate by reference the terms of this Conservation Easement and Permanent Access Easement in any deed or other legal instrument by which it transfers or divests itself of any interests, including leasehold interests, in all or a portion of the Protected Area.

Failure of Grantor to comply with this section shall not impair the validity of this Conservation Easement as to successor owners or limit its enforceability in any way, nor shall Grantor's failure to comply with this section constitute a default under this Conservation Easement.

19. Amendment of Conservation Easement

This Conservation Easement may be amended by a written instrument executed by the Grantees and the Grantor. Any such amendment shall be consistent with the Statement of Purpose of this Conservation Easement and its terms, and shall comply with Section 170(h) of the Internal Revenue Code or any regulations promulgated in accordance with that section. Any such amendment shall be duly recorded. Grantees shall give notice of any amendment to, and secure prior approval from, the United States.

All parties agree that this Conservation Easement shall be amended and re-recorded upon completion of a survey of the Exclusion Area or of the Farmstead Areas, as described above. Said survey(s) shall be prepared by the Grantor, his assigns or successors in interest, prior to any construction activity within the Exclusion Area or the Farmstead Areas. Said survey must be approved by the Grantees and USDA prior to recording. The purpose of the survey and amendment is to provide the Grantor, Grantees and USDA (the "parties") a more detailed, precise delineation of the agreed to Exclusion Area and Farmstead Areas. The parties agree that said amendment will not otherwise affect any of the interests or obligations to which the parties herein agree.

20. Procedure in the Event of Termination of Conservation Easement

If it determines that conditions on or surrounding the Protected Area change so much that it becomes impossible to fulfill the conservation purposes of this Conservation Easement, a court with jurisdiction may, at the joint request of both the Grantor and the Grantees and with prior consent of the United States as provided herein, terminate or modify this Conservation Easement in accordance with applicable state law. Grantor, Grantees, and the United States agree that the Conservation Easement is a currently vested real property right with a value equal to the proportionate value of the Conservation Easement to the unencumbered value of the fee, as of the date of this Conservation Easement; and that the United States contributed $499,000 towards the purchase of this Conservation Easement, while NCDOT contributed $364,000 towards the purchase of this Conservation Easement.

Disbursal of any proceeds from the sale of the Property and the termination of this Conservation Easement shall be based on each party's relative contribution to the purchase of this Conservation Easement, taking into consideration that the United States provided funds intended for the protection of the Farmland Conservation Area, while NCDOT provided funds intended for the protection of the Stream Conservation Area. All termination related expenses incurred by the Grantor, the Grantees, and the United States shall be paid out of any recovered proceeds prior to distribution of the net proceeds.

21. Procedure in the Event of Condemnation or Eminent Domain

If condemnation or a taking by eminent domain of a part of the Property or the entire Property by a public authority renders it impossible to fulfill any of the conservation purposes of this Conservation Easement on all or part of the Protected Area, the Conservation Easement may be terminated or modified accordingly through condemnation proceedings. Grantor and Grantees agree that this Conservation Easement is a currently vested real property right with a value equal to the proportionate value of the Conservation Easement to the unencumbered value of the fee, as of the date of this Conservation Easement; and that the United States contributed $499,000 towards the purchase of this Conservation Easement, while NCDOT contributed $364,000 towards the purchase of this Conservation Easement. The United States must be notified before any condemnation action is initiated.

Disbursal of any proceeds from the condemnation or extinguishment or release of the Property and the termination of this Conservation Easement shall be based on each party's relative contribution to the purchase of this Conservation Easement, taking into consideration that the United States provided funds intended for the protection of the Farmland Conservation Area, while NCDOT provided funds intended for the protection of the Stream Conservation Area. If after the condemnation or eminent domain proceedings, a court of competent jurisdiction does not include in the just compensation awarded as a result of the taking the amount of the Conservation Easement value, then the Grantor shall not be responsible to share any proceeds awarded. All condemnation-related expenses incurred by the Grantor and the Grantee shall be paid out of any recovered proceeds prior to distribution of the net proceeds.

22. Interpretation

This Conservation Easement shall be interpreted under the laws of the State of North Carolina and the laws of the United States, resolving any ambiguities and questions of the validity of specific provisions so as to give maximum effect to its conservation purposes.

23. Perpetual Duration; Severability

This Conservation Easement and Permanent Access Easement shall be servitudes running with the land in perpetuity. Every provision of this Conservation Easement and Permanent Access Easement that applies to the Grantor or the Grantees shall also apply to their respective agents, heirs, executors, administrators, assigns, and all other successors as their interests may appear. Invalidity of any of the covenants, terms or conditions of this Conservation Easement or Permanent Access Easement, or any part thereof, by court order or judgment shall in no way affect the validity of any of the other provisions hereof, which shall remain in full force and effect.

24. Notices

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

To Grantor:
P.O. Box 210
Kannapolis, NC 28082

To Grantee LTCNC:
P.O. Box 4284
Salisbury, NC 28145-4284

To NRCS:
State Conservationist
4405 Bland Road, Suite 205
Raleigh, NC 27609

To Grantee NCDOT:
Office of Natural Environment
1548 Mail Service Center
Raleigh, NC 27699-1548

In any provision of this Conservation Easement in which the Grantor is required to provide advance notice to the Grantees, or either of them, of any activity on the Property, such notice shall be given not less than thirty days prior to the planned commencement of the activity. If the Grantees' approval is required, such approval shall be deemed withheld unless Grantees provide to the Grantor written notice of approval within 30 days of receipt of said request. If Grantor has received no response after said 30 days, Grantor may send a second written notice to Grantees requesting a statement of the reasons for the disapproval and the Grantees shall respond within 30 days with an explanation for the specific reasons and basis for its decision to disapprove.

25. Grantor's Title Warranty

The Grantor covenants and represents that the Grantor is the sole owner and is seized of the Property in fee simple and has good right to grant and convey the aforesaid Conservation Easement and Permanent Access Easement; that the Farmland Conservation Area, Stream Conservation Area, and Permanent Access Easement are free and clear of any and all encumbrances, except easements and leases of record or in effect by prescriptive rights as of the date hereto; and that there is legal access to the Property; and Grantor covenants that the Grantees shall have the use of and enjoy all of the benefits derived from and arising out of the aforesaid easements conveyed.

26. Subsequent Liens on Protected Area

No provisions of this Conservation Easement should be construed as impairing the ability of Grantor to use the Protected Area as collateral for subsequent borrowing. Any such liens shall be subordinated to this Conservation Easement.

27. Subsequent Easements/Restrictions on the Protected Area

The grant of any easements or use restrictions that might diminish or impair the agricultural viability or productivity of the Protected Area or otherwise diminish or impair the conservation values of the Protected Area are prohibited. Any such easements or restrictions shall be subordinated to this Conservation Easement.

28. Grantor's Environmental Warranty

The Grantor warrants that it has no actual knowledge of a release or threatened release of hazardous substances or wastes on the Property, as such substances and wastes are defined by applicable federal and state law, and hereby promises to defend and indemnify Grantees and United States against all litigation, claims, demands, penalties and damages, including reasonable attorneys' fees, arising from or connected with any release of hazardous waste caused by the intentional or negligent act of the Grantor or violation of federal, state or local environmental laws caused by the negligent or intentional act of the Grantor. Without limiting the generality of the foregoing, nothing in this Conservation Easement shall be construed as giving rise to any right or ability in Grantees or the United States, nor shall Grantees or the United States have any right or ability, to exercise physical or managerial control over the day-to-day operations of the Property, or otherwise to become an operator with respect to the Property within the meaning of The Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended.

29. Entire Agreement

This instrument sets forth the entire agreement of the parties with respect to the Conservation Easement and Permanent Access Easement and supersedes all prior discussions, negotiations, understandings or agreements relating to the said easements.

30. Recording

The Grantees shall record this instrument and any amendment hereto in timely fashion with the Office of the Register of Deeds of Anson County, North Carolina, and may re-record it at any time as may be required to preserve their rights under this Conservation Easement.

31. Merger

The Parties agree that the terms of this Conservation Easement shall survive any merger of the fee and easement interest in the Property.

TO HAVE AND TO HOLD this Deed of Conservation Easement and Permanent Access Easement unto Grantees, their successors and assigns, forever.

IN WITNESS WHEREOF, the Grantor and Grantees, intending to legally bind themselves, have set their hands on the date first written above.

GRANTOR: ROCKY PEE DEE, LLC.

_____ (Seal)
John A. Bishop, Manager

NORTH CAROLINA
Anson COUNTY

I, Courtney E Pace, a Notary Public of Anson County, North Carolina do hereby certify that John A. Bishop personally appeared before me this day and acknowledged that he is the Manager of Rocky Pee Dee, LLC, and that by authority duly given and as an act of the corporation he executed the foregoing instrument.

Witness my hand and official stamp or seal this the 3rd day of February, 2004.

COURTNEY E. PACE NOTARY PUBLIC RICHMOND COUNTY, NC

Courtney E Pace
Notary Public (SEAL)
My commission expires: 9-18-08

Accepted:

GRANTEE:

THE LANDTRUST FOR CENTRAL NORTH CAROLINA, INC. a North Carolina Non-profit Corporation

By: John E. Wear, Jr.
President

Attest:

By: Jason A. Walser
Assistant Secretary

(Corporate Seal)

NORTH CAROLINA
ROWAN COUNTY

I BARBARA MARTIN LAWHORN Notary Public of ROWAN County, North Carolina do hereby certify that Jason A. Walser personally appeared before me this day and acknowledged that he is the Assistant Secretary of The Land Trust for Central North Carolina, Inc., a non-profit corporation, and that by authority duly given and as an act of the corporation the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by himself as its Assistant Secretary.

Witness my hand and official stamp or seal this the 3 day of FEBRUARY, 2004.

My commission expires:

FEBRUARY 24, 2004

(SEAL)

BARBARA MARTIN LAWHORN
NOTARY PUBLIC
ROWAN COUNTY, N.C.

BARBARA MARTIN LAWHORN
(Notary Seal)

GRANTEE:
THE NORTH CAROLINA DEPARTMENT
OF TRANSPORTATION

By: A.D. Allison, II
Assistant Manager, Right of Way Branch

NORTH CAROLINA
WAKE COUNTY

I, FRED LAMAR, a Notary Public of DURHAM County, North Carolina do hereby certify that A.D. Allison, II personally came before me this day and acknowledged that he is the Assistant Manager of the Right of Way Branch of the North Carolina Department of Transportation, an agency of the State of North Carolina, and that by authority duly given he executed the foregoing instrument.

Witness my hand and official stamp or seal this the 2nd day of FEBRUARY, 2004.

Notary Public (SEAL)
My commission expires: NOVEMBER 30, 2008

FRED LAMAR NOTARY PUBLIC DURHAM COUNTY, NC

ACCEPTANCE OF PROPERTY INTEREST BY THE NATURAL RESOURCES CONSERVATION SERVICE

The Natural Resources Conservation Service, an agency of the United States Government, hereby accepts and approves the foregoing Conservation Easement deed, and the rights conveyed therein, on behalf of the United States of America.

Dick J. Fowler, Assist. State Conservationist
Authorized Signatory for the NRCS Feb. 2, 2004

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STATE OF NORTH CAROLINA
Anson COUNTY

The Foregoing (or annexed) Certificate(s) of Courtney E. Pacey and Barbara Martin Lawther, and Fred Lamar, Notaries Public,
Notary(ies) Public (is)(are) Certified to be correct.
This instrument was filed for Registration on the Day and Hour in the Book and Page shown in the First page hereof.

Joanne D Huntley
, Register of Deeds

This instrument should be returned to:

The LandTrust for Central North Carolina
PO Box 4284
Salisbury, NC 28145-4284

EXHIBIT A

PROPERTY DESCRIPTION

TRACT ONE (the "southern tract"): BEGINNING at an existing one-inch iron pipe (bent) on the eastern side of State Road 1627 and being the westernmost corner of the property hereinafter described, and from said beginning point running with the Elaine Morton, Et Al, property, described in Deed Book 215, page 182 (formerly Lucy L. Dunlap) North 72-38-47 East 2,779.38 feet to an existing one-inch iron pipe; thence North 72-41-50 East 1,080.69 feet to an existing one-inch square steel shaft; thence North 55-25-00 East 1,023.00 feet to a new rebar northwest of spring; thence with the Brickyard Spring Run South 51-10-01 East 24.24 feet; North 52-19-59 East 120.12 feet; North 72-04059 East 215.82 feet; North 39-19-59 East 102.96 feet; North 09-40-01 West 179.52 feet; North 18-04-59 East 65.34 feet; North 61-34-59 East 180.84 feet; and North 74-34-59 East 124.74 feet to a point in Walker's Gut; thence with Walker's Gut as follows: South 54-40-01 East 95.04 feet; South 48-25-01 East 198.00 feet; South 34-10-01 East 74.58 feet; South 06-25-01 East 105.60 feet; and South 31-25-01 East 171.60 feet to a point in a ditch; thence with the ditch as follows: North 33-04-59 East 165.66 feet; North 88-19-59 East 198.00 feet; North 58-49-59 East 66.00 feet; North 11-04-59 East 85.80 feet; and North 47-04-59 East 66.00 feet to appoint at the intersection of the river and the thorofare; thence with Rocky River South 24-25-41 East 730.13 feet (chord) to a new #5 rebar; thence South 19-48-07 East 1,582.64 feet (chord) to a point on Buzzard Island; thence South 18-40-32 West 139.20 feet to a new rebar on the west bank of Rocky River at the mouth of a big thorofare; thence along the west bank of a big thorofare as follows: North 25-37-53 West 136.83 feet; North 32-42-16 West 280.15 feet; North 42-52-10 West 221.09 feet; North 37-53-53 West 178.19 feet; North 47-13-29 West 154.19 feet; and North 16-48-30 West 211.77 feet to a new #5 rebar at the mouth of drain; thence North 58-18-36 West 318.34 feet to an old corner in a corn field (not set); thence South 54-01-16 West 561.00 feet to an old corner in water; thence South 50-32-28 West 198.00 feet to a new rebar and passing over a rebar on line at 9.73 feet; thence South 75-55-29 West 595.92 feet to an existing ½" galvanized pipe at an old stump; thence crossing a farm road and running South 23-34-54 West 273.78 feet to a new rebar set on the south edge of a branch in a washout (agreed upon by Harold Dunlap and Robert Watkins 08/03/96); thence continuing with the Watkins property in Book 148, page 15, South 86-26-19 West 1,225.75 feet to an existing one-inch pipe; thence South 79-39-23 West 2,375.96 feet to an existing steel trap I a ditch; thence South 79-06-56 West 549.76 feet to an existing two-inch iron pipe (formerly a pear tree); thence South 49-09-30 West 330.00 feet; and passing over a rebar at 310.00 feet; thence with State Road 1627 (River Road) North 59-04-23 West 770.23 feet to the point of Beginning and containing 139 acres, more or less, according to that certain plat, plan and survey entitled "Boundary Survey Harold Dean Dunlap" dated July 6, 13 and 20, 1996, and prepared by James M. Dennis, RLS.

The aforementioned legal description was obtained from the Register of Deeds Office, Anson County, North Carolina, from Deed Book 668, Pages 122-123;

TRACT TWO (the "northern tract"): Lying and being in Wadesboro Township, Anson County, NC, and being that 463.76 acre tract known as Henry & Rosa P. Simpson Estate as

shown on survey entitled "Boundary Survey for John Allan Bishop" as recorded in the Anson County Registry in Plat Hanger A174, Page 2.

The aforementioned legal descriptions was obtained from the Register of Deeds Office, Anson County, North Carolina, from Deed Book 601, Page 334.

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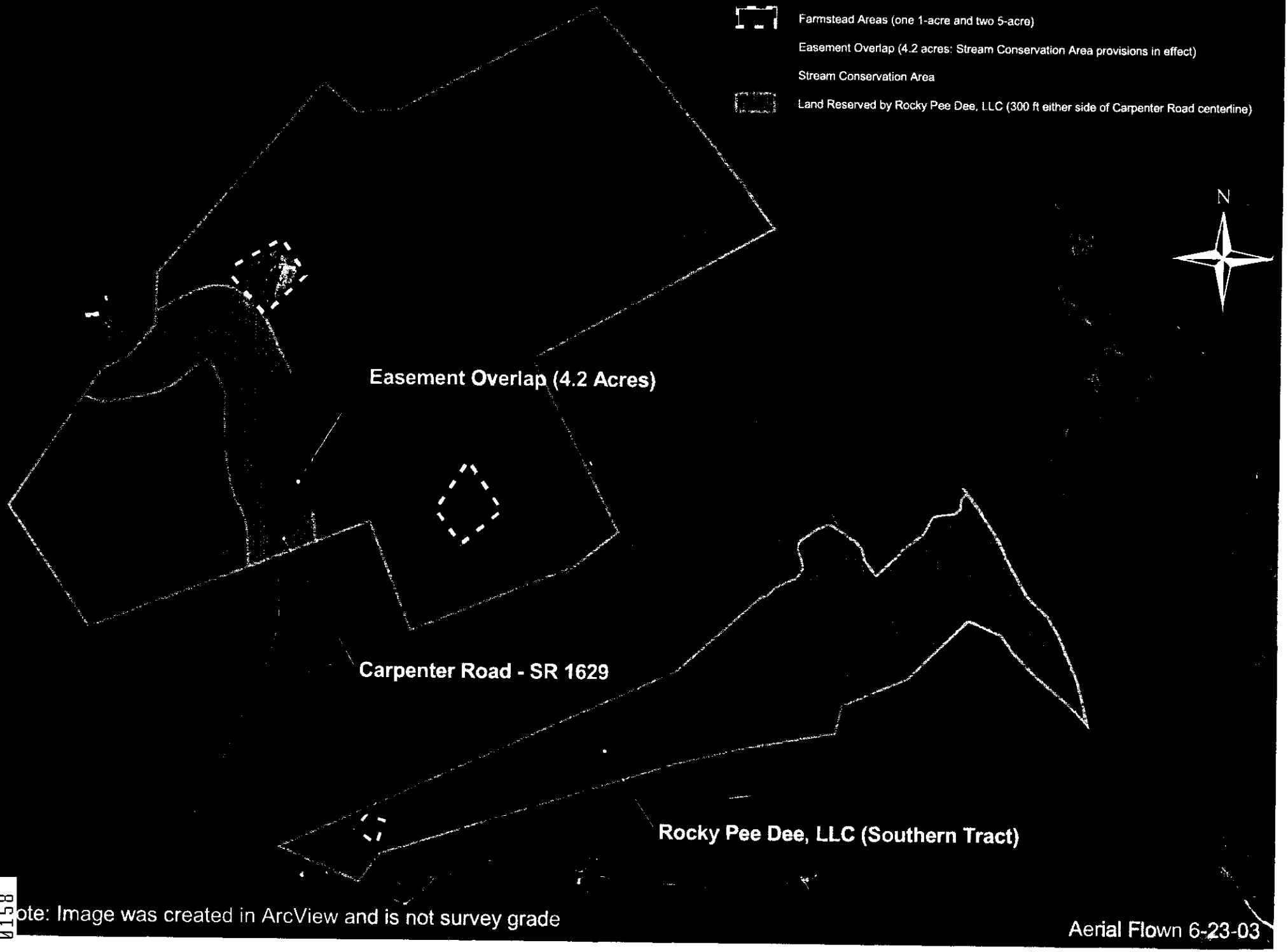
Exhibit B - Rocky Pee Dee, LLC - Anson County, NC

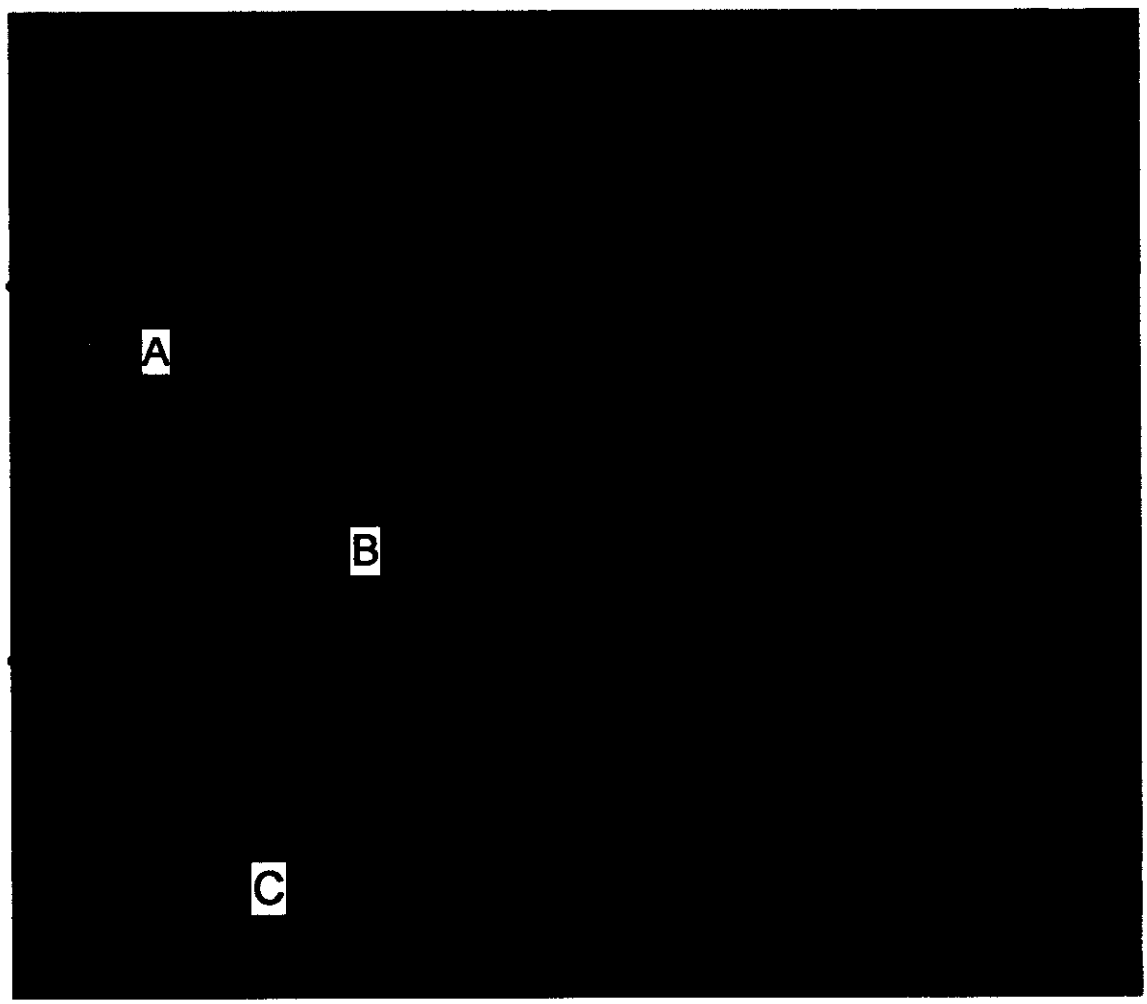


Note: Image was created in ArcView and is not survey grade

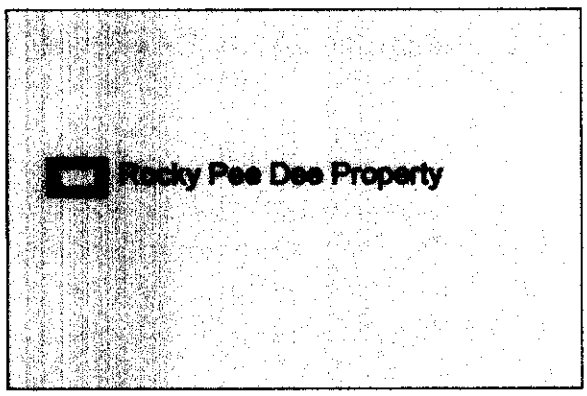
Book 678 PAGE 158

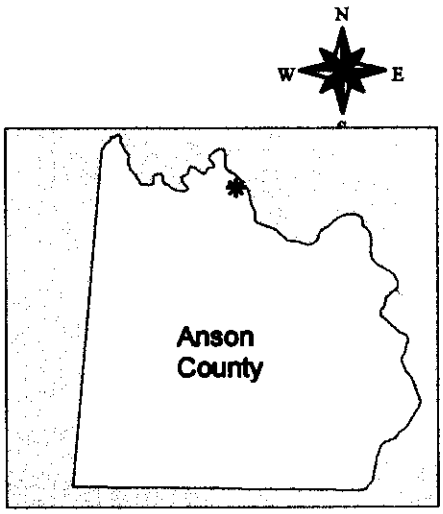
0678 0158

Exhibit C
Existing Structures



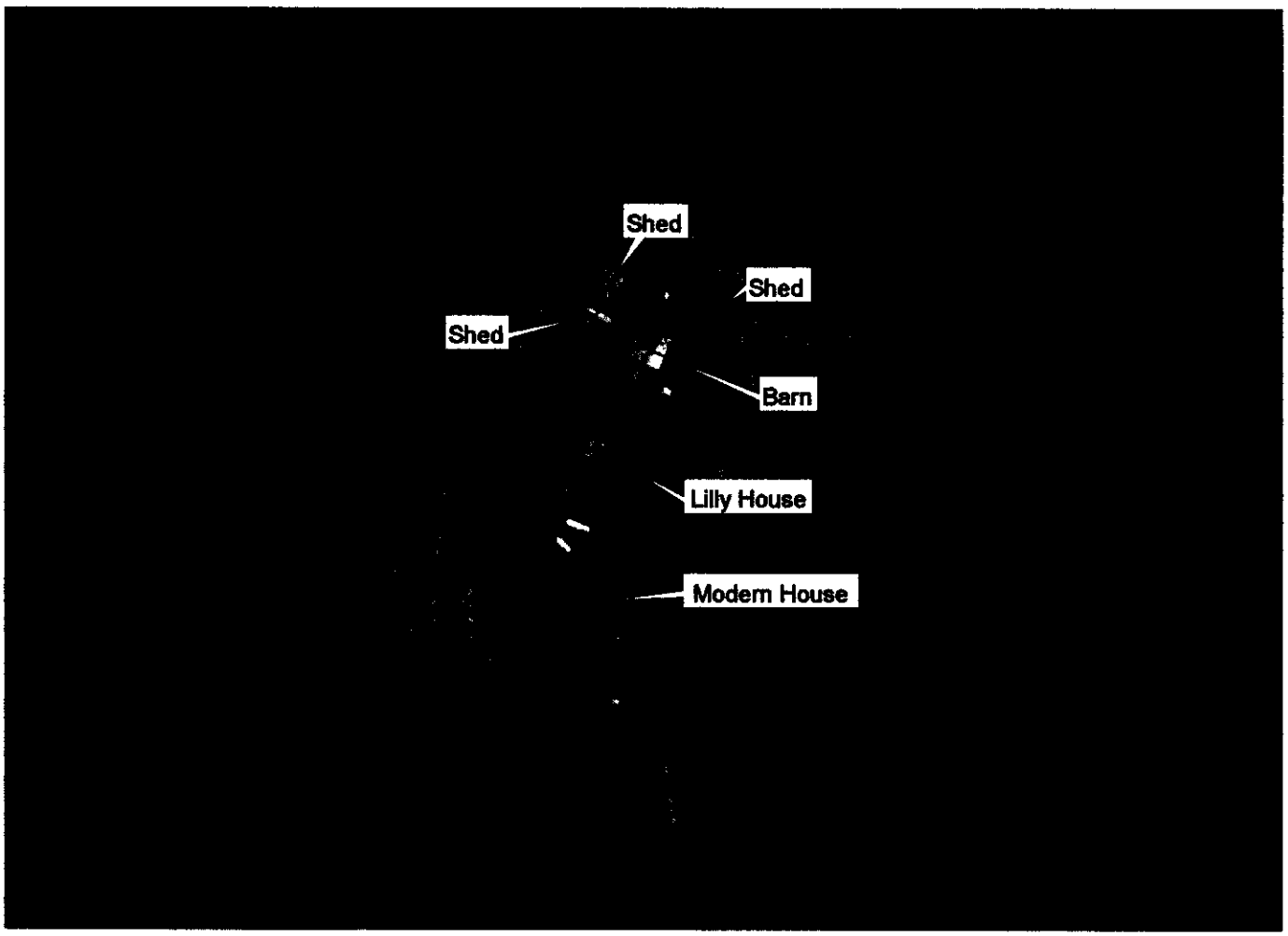
2000 0 2000 4000 Feet





Map Prepared by The LandTrust for Central NC

Exhibit C, inset A



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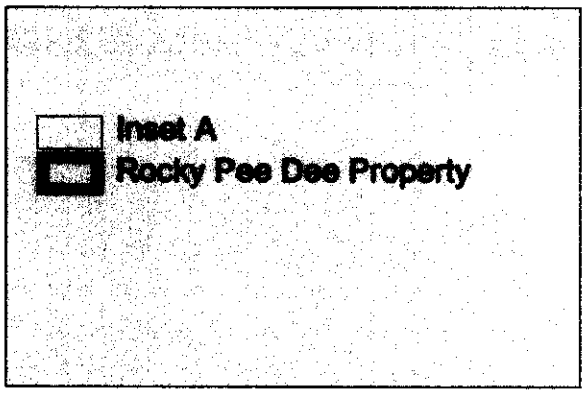
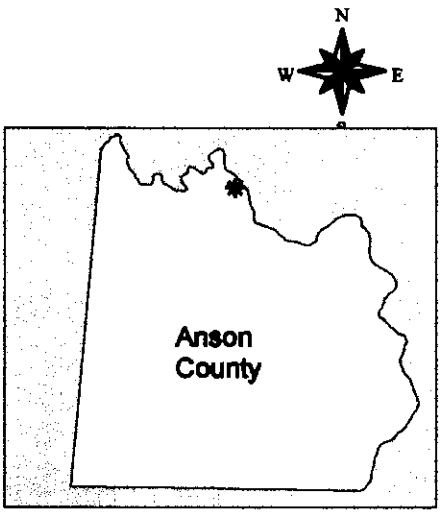
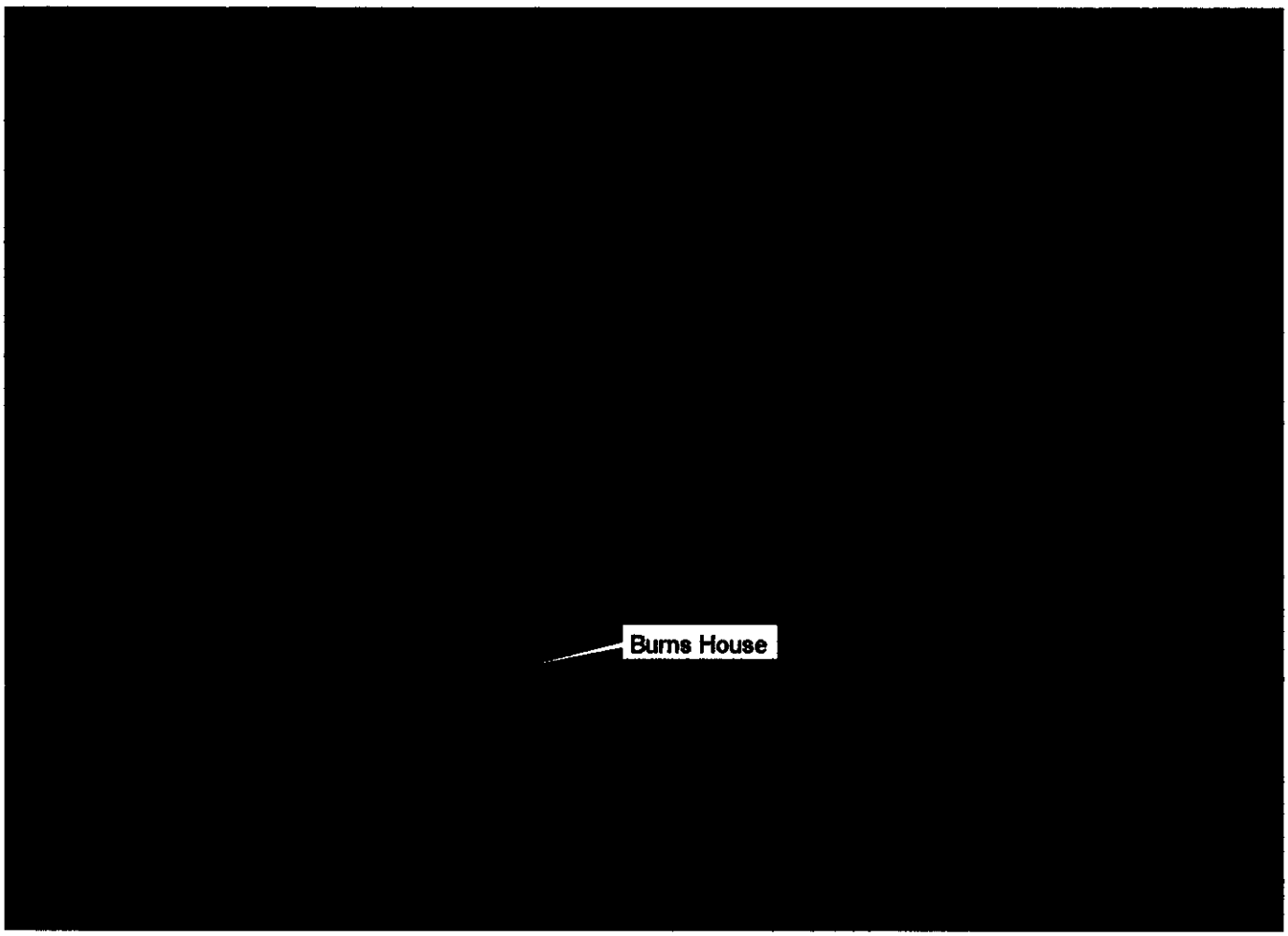


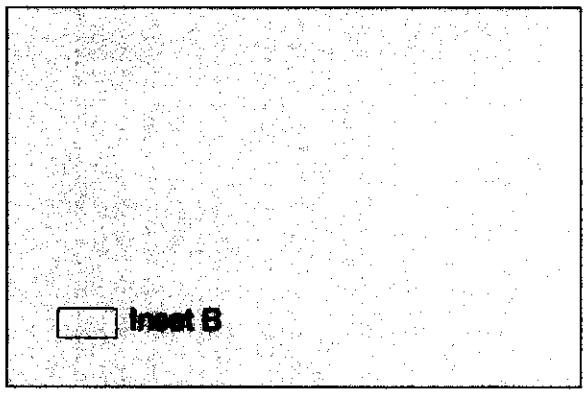


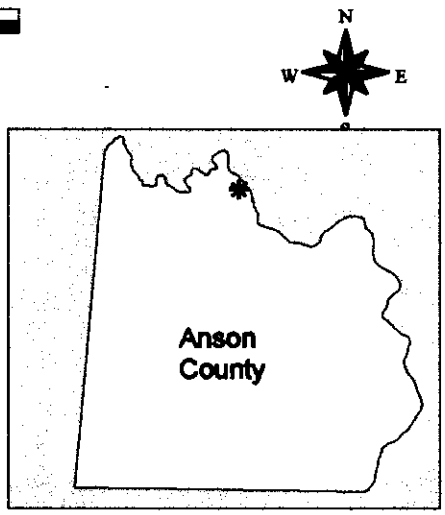
Map Prepared by The LandTrust for Central NC

Exhibit C, inset B



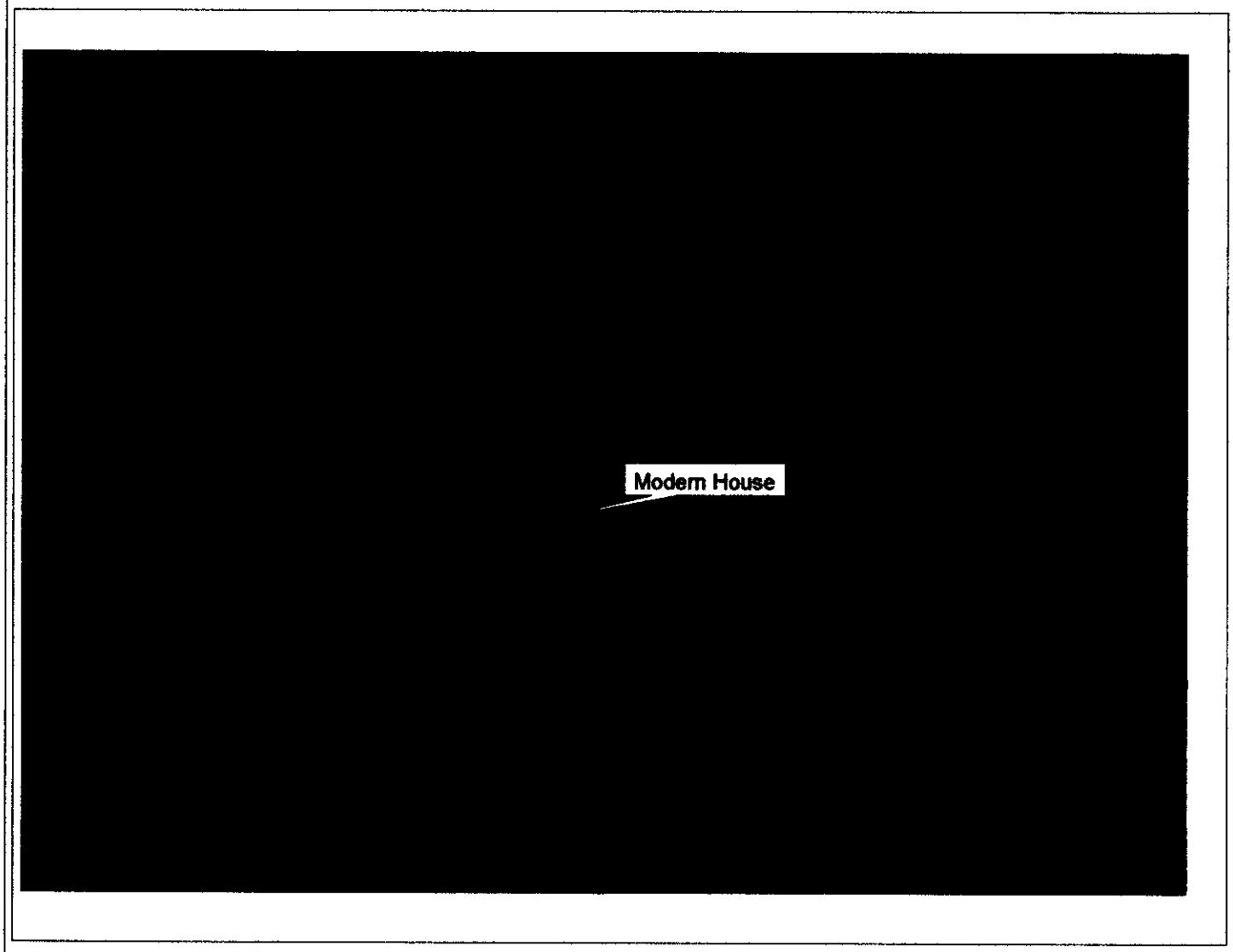
200 0 200 400 Feet





Map Prepared by The LandTrust for Central NC

Exhibit C, inset C



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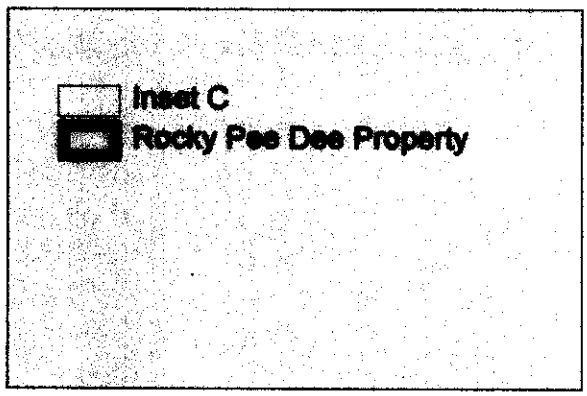
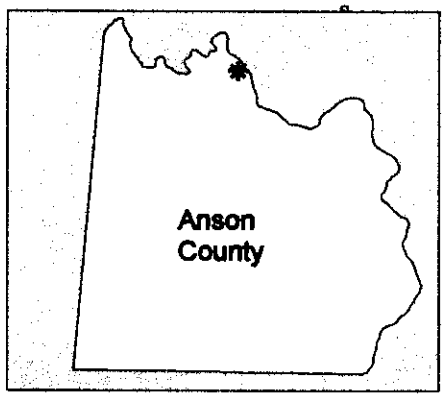




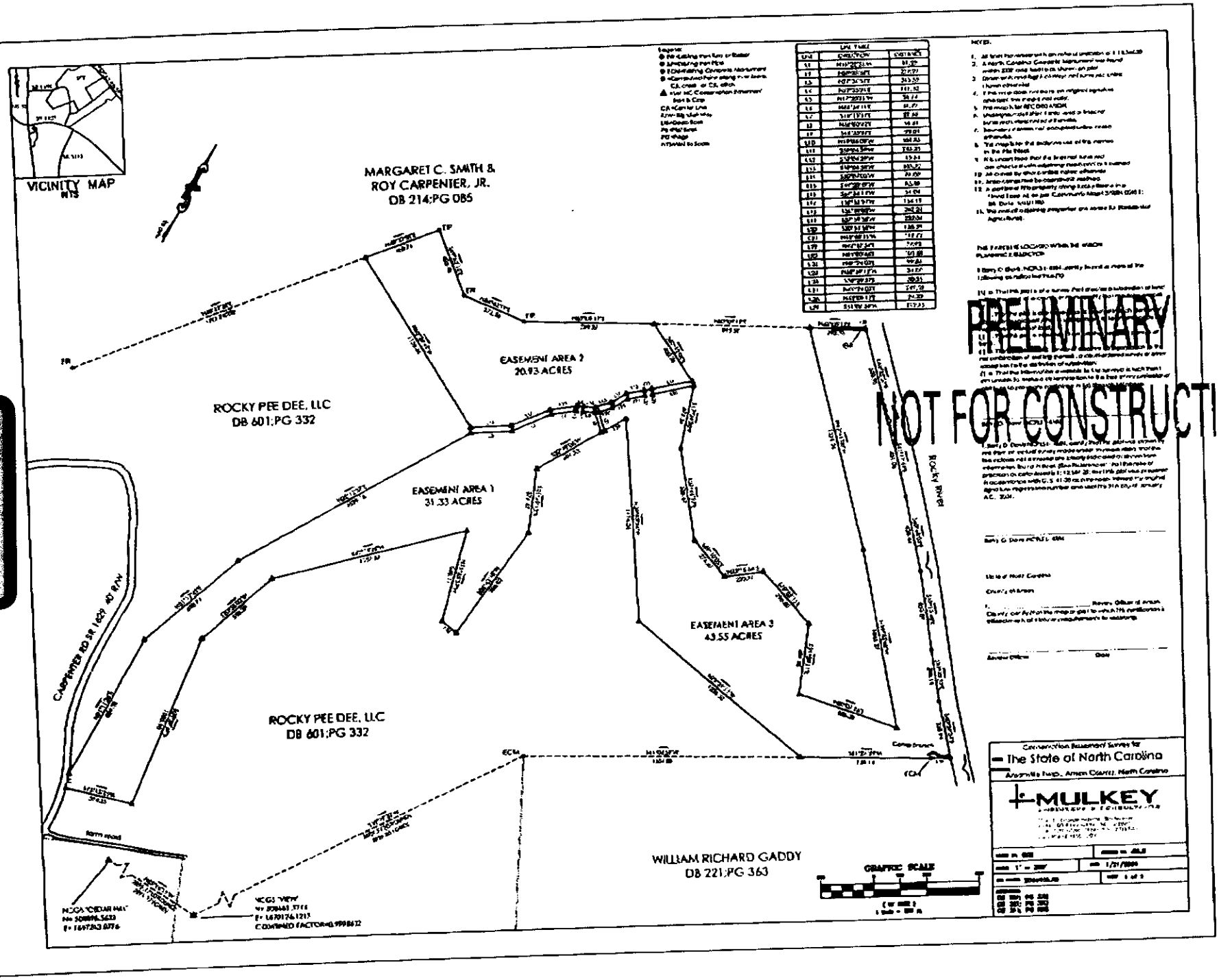
Map Prepared by The LandTrust for Central NC

EXHIBIT D

Beginning at the southernmost intersection of Carpenter Road (State Road 1629) with the northern tract of the Property and heading generally in a northerly direction to the northernmost intersection of Carpenter Road with the northern tract of the Property, the following are the Global Positioning System (GPS) coordinates for the centerline of Carpenter Road (longitude and latitude) as recorded on January 30, 2004 by The LandTrust for Central North Carolina:

35°08.948 N, 80°06.077 W;
35°08.974 N, 80°06.078 W;
35°09.000 N, 80°06.084 W;
35°09.030 N, 80°06.098 W;
35°09.055 N, 80°06.114 W;
35°09.081 N, 80°06.121 W;
35°09.109 N, 80°06.124 W;
35°09.144 N, 80°06.125 W;
35°09.181 N, 80°06.123 W;
35°09.209 N, 80°06.128 W;
35°09.232 N, 80°06.145 W;
35°09.262 N, 80°06.164 W;
35°09.281 N, 80°06.182 W;
35°09.288 N, 80°06.203 W;
35°09.282 N, 80°06.225 W;
35°09.263 N, 80°06.265 W;
35°09.253 N, 80°06.282 W;
35°09.231 N, 80°06.312 W;
35°09.224 N, 80°06.331 W;
35°09.220 N, 80°06.353 W;
35°09.217 N, 80°06.372 W;
35°09.214 N, 80°06.392 W;
35°09.211 N, 80°06.417 W.

EXHIBIT


VICINITY MAP
MARGARET C. SMITH &
ROY CARPENTER, JR.
DB 214;PG 085
ROCKY PEE DEE, LLC
DB 601;PG 332
EASEMENT AREA 2
20.93 ACRES
EASEMENT AREA 1
31.33 ACRES
EASEMENT AREA 3
43.55 ACRES
ROCKY PEE DEE, LLC
DB 601;PG 332
WILLIAM RICHARD GADDY
DB 221;PG 363
CARPENTER RD SR 1609 40' R/W
ROCKY RIVER
PRELIMINARY
NOT FOR CONSTRUCTION
GRAPHIC SCALE
The State of North Carolina
MULKEY

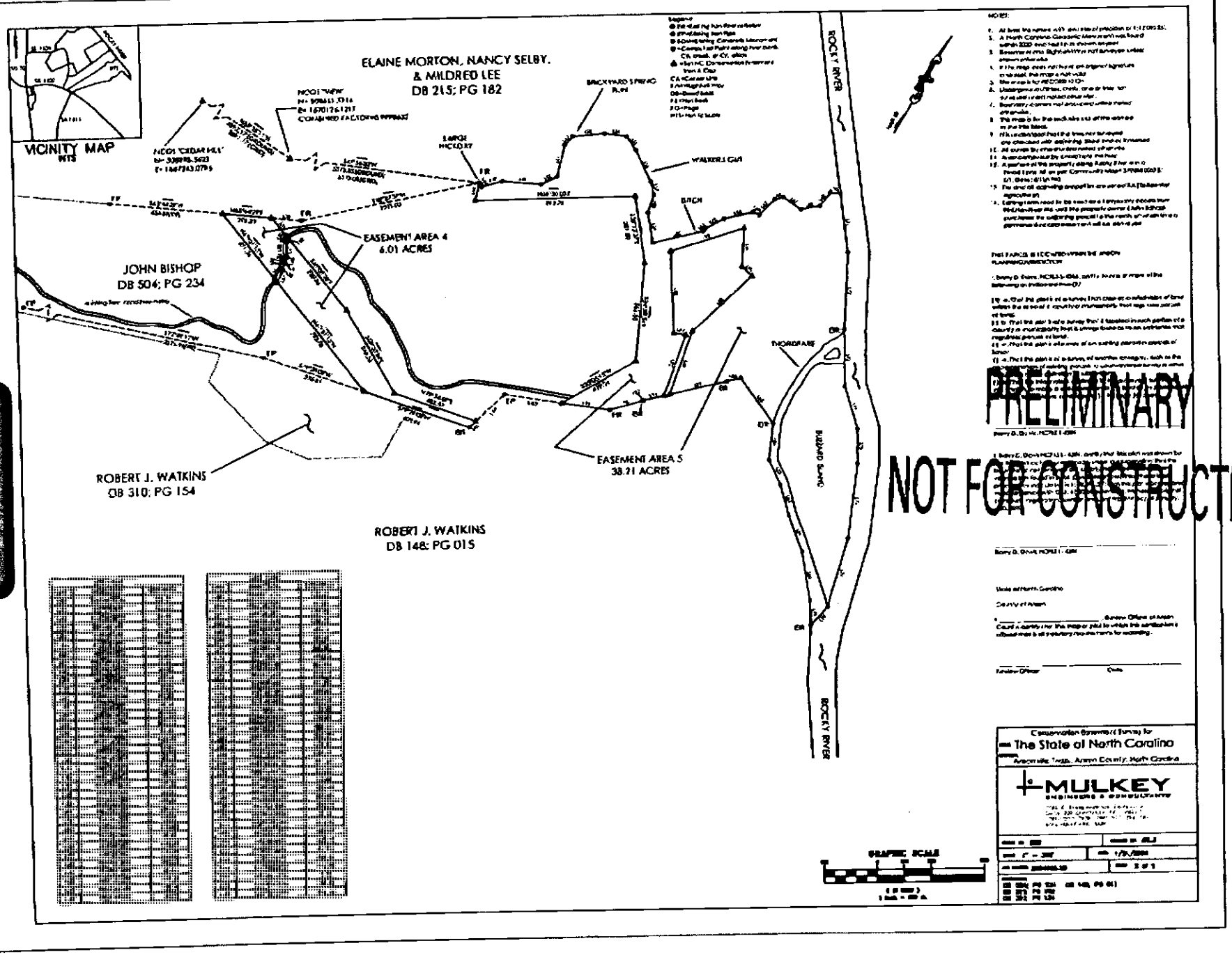
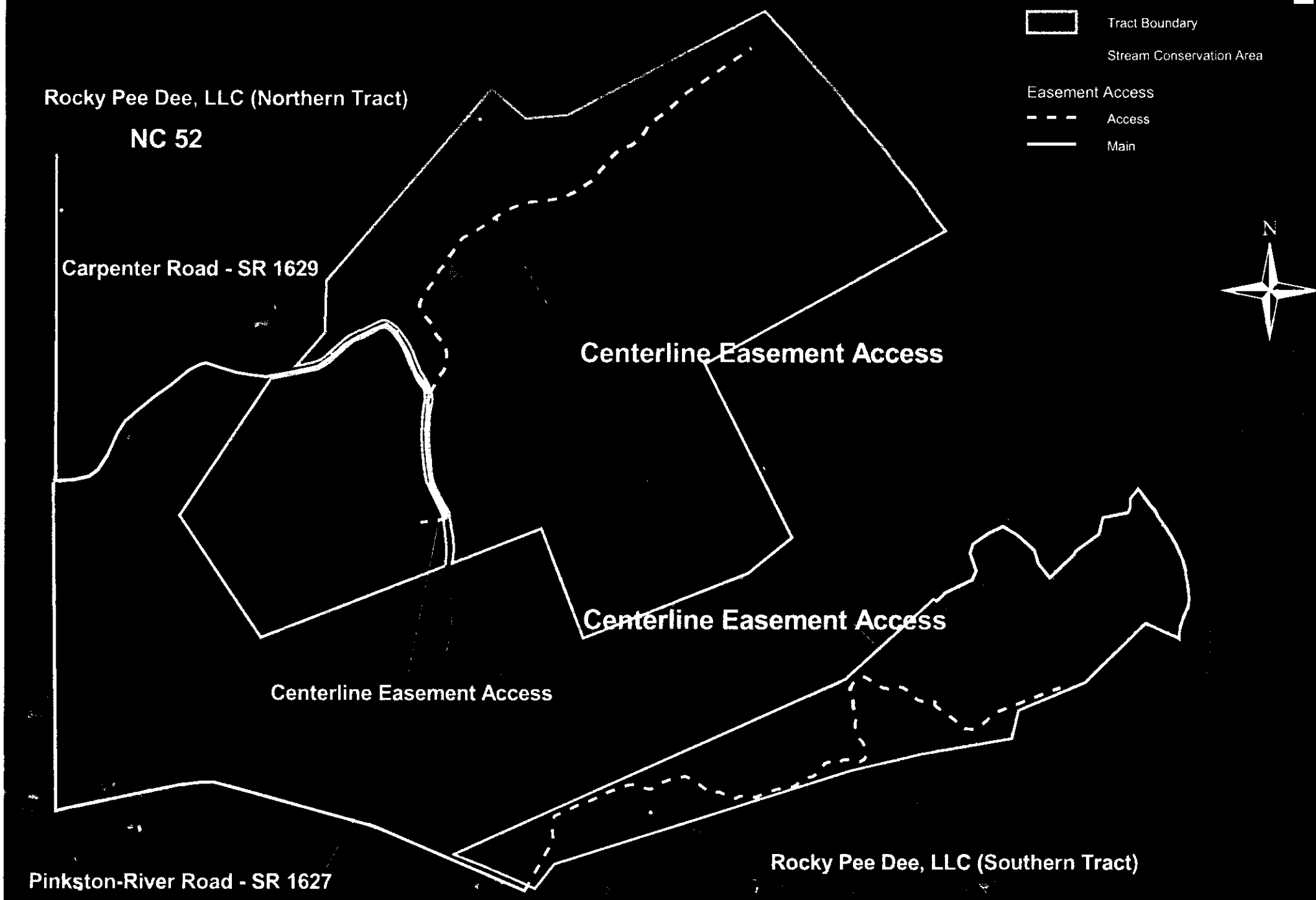

VICINITY MAP
NTS
ELAINE MORTON, NANCY SELBY,
& MILDRED LEE
DB 215; PG 182
NOOS "VIEW"
NOOS "CEDAR HILL"
LARGE HICKORY
BRICKYARD SPRING RUN
WALKER'S GAP
BIRCH
EASEMENT AREA 4
6.01 ACRES
JOHN BISHOP
DB 504; PG 234
ROBERT J. WATKINS
DB 310; PG 154
ROBERT J. WATKINS
DB 148; PG 015
EASEMENT AREA 5
38.21 ACRES
THOROFARE
BUZZARD SWAMP
ROCKY RIVER
ROCKY RIVER
PRELIMINARY
NOT FOR CONSTRUCTION
GRAPHIC SCALE
The State of North Carolina
MULKEY

Exhibit F - Rocky Pee Dee, LLC - Anson County, NC



Note: Image was created in ArcView and is not survey grade

Aerial Flown 6-23-03