Ecosystem Enhancement PROGRAM

December 14, 2010

Mrs. Nancy Ketner Contreras
Mr. Moises Contreras
459 County Road #135
Riceville, TN 37370

Re: Letter of Intent regarding Excess Soil Agreement
Portion of a 161.28 +/- Acre Tract on Crisp Road (NCSR 1576)
PIN #459001369006000, Deed Book 1038 Page 494
EEP Project No. 92766 – UT to Martin Creek (Contreras)

Dear Mr. and Mrs. Contreras:

This letter is to memorialize the excess soil agreement entered into by the North Carolina Ecosystem Enhancement Program ("NCEEP") with yourselves regarding the UT to Martin Creek (Contreras) stream and wetland restoration project in Cherokee County (the "Project"). The NCEEP has been charged with administrating the UT to Martin Creek stream and wetland restoration site by the conservation easement holder, the State of North Carolina. This agreement is a result of discussions between you and Paul Wiesner, the NCDENR Ecosystem Enhancement Program Project Manager, regarding the verbal agreement to accept excess soil generated from excavation work to be performed on NCEEP stream restoration projects (# 92766 and # 92633) located on Martins Creek Road and Crisp Road in Cherokee County for the purpose of spreading spoil material on a portion your property (PIN #459001369006000) as shown on "Exhibit A."

If you are willing to take ownership of the excess soil that is generated as a result of excavation conducted as a part of the Project, and agree with the terms of the Letter of Intent, Acknowledgement and Agreement Form (**"Agreement"**), please sign both copies of the Agreement, have your signature notarized, and return one copy in the included self-addressed stamped envelope to Paul Wiesner at the address shown on the first page of this letter.

Please note that the soil is to be removed from the Martin Creek II project area which is located at the corner of Crisp and Martins Creek Roads. The soil will be transported via dump trucks along Crisp Road and across an area of your property outside the established conservation area, and relocated to an area along Crisp Road as shown on "Exhibit A" to the Agreement. After the excess soil has been deposited on your property in accordance with the terms of the Agreement, these areas of fill material will be reseeded and mulched for stabilization and in accordance with N.C. Land Quality regulations. It is understood and agreed to by the parties that this soil will not be tested, the State makes no warranties or representations as to the suitability of this soil for use as fill dirt or for any other use, and you agree that this soil will not be used in any manner that would be environmentally unsafe or illegal. If you have any questions regarding the terms of the Agreement, please contact Paul Wiesner at (828) 273-1673 or via email at Paul.Wiesner@ncdenr.gov.

Please be aware that any amenities, such as soil, received by you in accordance with this agreement may have property tax implications. Please check with your tax attorney regarding the effects of any improvement to your land value.

It is our hope that this letter establishes a clear understanding of our agreement regarding excess soil material generated from the project.

Sincerely,

Marc Recktenwald
Watershed Planning and Implementation Director

cc: Paul Wiesner– EEP Project Manager
Marion Patrick-State Property Office

Letter of Intent Acknowledgement and Agreement Form

EEP Project Identification # 92766
SPO File #: Out of 20-D

County: Cherokee

Property: PIN 459001369006000 DB 1038 PG 494

Project: UT to Martins Creek (Contreras)

Owner: Nancy Ketner Contreras and Moises Contreras

1. We ("Landowner") have reviewed the letter of intent from EEP and agree with all the terms of the Agreement set forth therein. This Agreement Form incorporates the Letter of Intent, dated 12/14/10, into this document as if fully set forth herein. The Landowner agrees to accept up to 6,500 cubic yards of excess soil that will be excavated from the UT to Martins Creek and Martins Creek II stream and wetland restoration project areas by EEP.

2. The Landowner hereby agrees to coordinate with EEP and its stream and wetland designer, Baker Engineering, to spread spoil material over an area approximately 1,200 +/- feet x 150 +/- feet, hereafter referred to as the "spoil area," an area no greater than 4.5 acres in size and within 1/2 mile of the stream project areas, which will be of sufficient size to stockpile up to 6,500 cubic yards of excess soil which will be removed from the UT to Martin Creek and Martin Creek II project areas as a result of the stream and wetland restoration construction.

3. The Landowner agrees to allow dump trucks to transport the excess soil to the spoil area along an existing 30-foot access road and across the area lying between the Project area and the spoil site on the Landowner's property. The project area, the existing access road, and the spoil area are shown in greater detail on the attached map marked as Exhibit A.

4. The Landowner hereby agrees to indemnify and hold the State of North Carolina (the State), its contractors, successors and assigns, harmless for any loss or damages resulting to us, our successors or assigns as a result of our acceptance and use of this excess soil.

5. The Landowner hereby acknowledges and agrees that the State makes no warranties or representations as to the final amount or as to the content or the material makeup of the soil that will be placed in the spoil area, and further acknowledges that the State has not and will not test this soil for heavy metals or any other contaminants. The Landowner hereby agrees to accept the soil as-is, and assumes any and all liability for its content and use.

6. The Landowner hereby agrees not to move or remove soil from the spoil area until receiving notification in writing by NCEEP that soil excavation is complete and the disposal site in the spoil area has been stabilized in accordance with the requirements of the North Carolina Department of Environment and Natural Resources, Division of Land Quality.

The party signing this Agreement on behalf of the Landowner certifies that he/she is authorized to execute documents and hereby legally commits and binds the Landowner to the terms set out in this Letter of Intent Acknowledgement and Agreement Form.

This the 6 day of January 2011.

By: _____ Date: 1-6-11
Nancy Ketner Contreras

By: _____ Date: 1-6-11
Moises Contreras

~~NORTH CAROLINA~~ Tennessee
COUNTY OF McMinn

I, Holly Walsh, a Notary Public in and for the aforesaid County and State, do hereby certify that Moises Contreras and Nancy Contreras, personally came before me this day and acknowledged the due execution of the foregoing instrument.

IN WITNESS WHEROF, I have hereunto set my hand and Notarial Seal this 6 day of Jan, 2010.

HOLLY J. WALSH
STATE OF TENNESSEE NOTARY PUBLIC
MONROE COUNTY

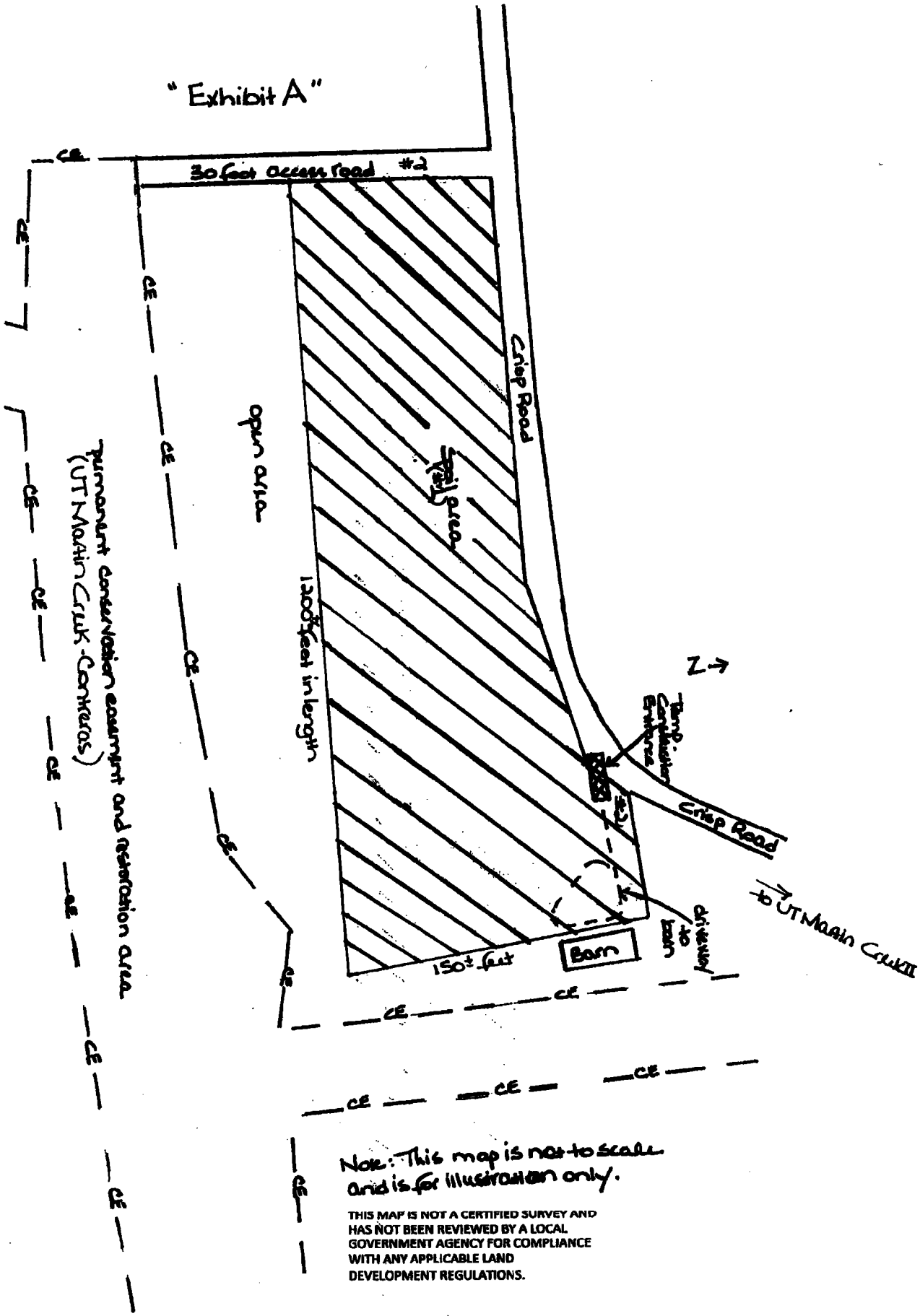
(Notary Seal)

Holly Walsh
Notary Public

Holly J Walsh
(Type or print Notary Public Name)

My commission expires: Oct 17 2011

" Exhibit A"



Note: This map is not to scale and is for illustration only.

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.