

**2014005697**

TRANSYLVANIA CO, NC FEE \$102.00

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12-30-2014 02:49:00 PM

CINDY M OWNBEY

REGISTER OF DEEDS

BY: KARIN SMITH

DEPUTY REGISTER OF DEEDS

BK: DOC 713**PG: 291-324**

After recording please return to:
 North American Land Trust
 P.O. Box 467
 Chadds Ford, PA 19317

**NOTICE OF CONVEYANCE
 AND TRANSFER FEE PAYMENT
 REQUIRED – SEE ARTICLE 7**

**CONSERVATION EASEMENT
 AND
 DECLARATION OF RESTRICTIONS AND COVENANTS**

THIS CONSERVATION EASEMENT AND DECLARATION OF RESTRICTIONS AND COVENANTS ("Conservation Easement") first executed on December 20, 2014, to be effective on December 30, 2014, is made by and between **PPW, LLC**, a North Carolina limited liability company ("Owner"), having an address of 27 West Main Street, Brevard, NC 28712, and **NORTH AMERICAN LAND TRUST ("Holder")**, a Pennsylvania non-profit corporation having an address of Post Office Box 467, Chadds Ford, PA 19317.

ARTICLE 1. BACKGROUND

- 1.1 Owner is the owner of certain real property in Gloucester Township, Transylvania County, North Carolina that consists of approximately 58.83 acres (hereinafter called the "Property") as most recently described in a deed granted by William A. Case as Executor of the Estate of Mildred Price Rice (Deceased) to Owner on August 6, 2013 and recorded in the office of the Register of Deeds of Transylvania County on August 6, 2013 as Instrument# 2013004310 and at Book: DOC665, Page 473.
- 1.2 The Property includes, within its boundaries, land consisting of 30.53 acres, more or less, (hereinafter called the "Conservation Area") on the south side of Richland Creek Road described, depicted and identified as the "Conservation Easement Area" on A Conservation Easement Survey for PPW, LLC by Kee Mapping and Surveying, recorded on December 23, 2014 in the office of the Register of Deeds of Transylvania County at Plat File 16, Slide 285 (a copy of which is attached to this Conservation Easement as Exhibit "A" and incorporated herein) EXCLUDING from the Conservation Area the three areas depicted on the aforesaid Conservation Easement Survey as "Exclusion Area #1", "Exclusion Area #2" and "Exclusion Area #3" (Exclusion Area #1

and Exclusion Area #2 are hereinafter individually called a "Building Area" and collectively the "Building Areas").

- 1.3 Holder is a non-profit corporation, having a tax-exempt status under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (hereinafter called the "Code"), which has been established as a public charity for the purpose of preserving and conserving scenic landscapes, natural habitats and environmentally sensitive areas and for other charitable, scientific and educational purposes and which is a "qualified organization" under Section 170(h)(3) of the Code (hereinafter a "Qualified Organization").
- 1.4 Preservation of the Conservation Area by this Conservation Easement shall serve the following purposes pursuant to 26 U.S.C. § 170 (h)(4)(a) and 26 CFR §1.170A-14(d)(i), (the "Conservation Purposes"):
 - 1.4.1 Preservation of the Conservation Area as a relatively natural habitat of fish, wildlife, or plants or similar ecosystem; and
 - 1.4.2 Preservation of the Conservation Area as open space which provides scenic enjoyment to the general public and yields a significant public benefit; and
 - 1.4.3 Preservation of the Conservation Area as open space which, if preserved, will advance a clearly delineated Federal, State or local governmental conservation policy and will yield a significant public benefit.
- 1.5 The Conservation Purposes and the natural, physical or other characteristics of the Conservation Area that support and justify the Conservation Purposes (which may be hereinafter called the "Conservation Values") have been documented and established in the reports, plans, photographs, and documents assembled by, and retained in the offices of, North American Land Trust (collectively called the "Baseline Documentation"), pursuant to 26 CFR §1.170A-14(g)(5). The Baseline Documentation describes the following Conservation Values of the Conservation Area, among others:
 - 1.5.1 The Conservation Area is highly visible from Richland Creek Road and Silversteen Road, thus providing a natural scenic view to the general public.
 - 1.5.2 The Conservation Area includes wet areas and seasonal and perennial waterways providing aquatic breeding habitats for obligate amphibian and insect species.
 - 1.5.3 The Conservation Area contains intact examples of two natural communities including: Montane Oak-Hickory Forest and Acidic Cove Forest.
 - 1.5.4 The Conservation Area is contiguous to land previously conserved by donation of conservation easements to Holder thus enlarging the amount of preserved open space and natural habitat in the area and therefore the preservation of the Conservation Area in a substantially natural, forested condition will enlarge the area of wildlife habitat for forest dwelling species

and flora and fauna protected and tracked by the North Carolina Natural Heritage Program (NCNHP) and the North Carolina Department of Environment and Natural Resources (NCDENR).

- 1.5.5 The Conservation Area provides the natural ecological requirements for at least one hundred species of plants.
 - 1.5.6 The Conservation Area supports and provides suitable habitat for important wildlife and game species such as Black Bear, Ruffed Grouse, Whitetail Deer and Wild Turkey.
 - 1.5.7 The Conservation Area provides wildlife corridors, breeding habitat, foraging habitat and shelter for at least 40 animal species.
 - 1.5.8 Important hydrologic features include Richland Creek and a perennial tributary of Richland Creek which flow into the West Fork French Broad River. Protection of the Conservation Area will help insure the continued health of these high quality mountain streams.
 - 1.5.9 The subject property adjoins Pisgah National Forest and therefore the Conservation Easement will assist the preservation of that forest and its habitat by protecting its edges from encroachment by development and by adding to its habitat area.
- 1.6 The following government conservation policies are supported by the grant of this Conservation Easement and the Conservation Values described above achieve a significant public benefit towards the fulfillment of these conservation policies:
- 1.6.1 The following goals are presented in the Transylvania County Comprehensive Plan as a guide for Transylvania County's future development and growth: "Preserve Transylvania County's distinctive rural character, mountain heritage, natural environment and ambiance, while promoting proactive planning and economic growth" and "Conserve the valuable land, water and air resources within the county, for present and future generations." (p 1) "Conserve the valuable land, water and air resources within the county for present and future generations. Objectives 1. Develop strategies that promote continued physical development of Transylvania County with minimal damage to the environment. 2. Encourage well-designed and thought-out residential, commercial and industrial developments to take place in areas that have readily available access to water, sewer and well-maintained roads to increase density while minimizing the impact on existing residential and sensitive environmental areas such as floodplain, water supply watersheds, steep slopes, wetlands, etc." (p 41) "8. Promote voluntary farmland preservation and encourage farmers and landowners (including timber, nursery crops and trout producers) to work with the NC State University and the NC Cooperative Extension Service to understand and implement best management practices. 9.

Planning Department to monitor and advise the Planning Board and County Commissioners on the status of Federal and State Stormwater Control Phase II legislation that may impact the County. 10. Planning Board should develop recommendations on ways to encourage the preservation of aesthetically and economically valuable views and green spaces. 11. Work with landowners to develop riparian conservation along the French Broad River and its tributaries.” (p 42) “Safe and adequate water supply throughout the County is fundamental to the County's future economic growth and environmental protection. In addition, the health and safety of the residents is dependent on water for domestic and commercial use as well as for fire fighting.” (p 52)

- 1.6.2 NCDENR has designated the Conservation Area and its surrounding land as a “High Quality Water/Outstanding Resource Water Management Zone” in the French Broad River Basin. These areas were designated “to enhance planning, siting and impact analysis in areas directly affecting waters considered as having excellent (high) water quality or designated as an outstanding resource. Point and non-point source pollution management strategies are applicable to these waters”.
- 1.6.3 Richland Creek and a tributary flow, within less than one-quarter mile, into a section of the West Fork French Broad River which NCDENR has designated as Class B, meaning it is suitable for “swimming . . . and similar uses involving human body contact with water” on a “frequent basis”. It is also designated as a trout water meaning the designation was “intended to protect (these) freshwaters for natural trout propagation and survival of stocked trout on a year round basis”. The protection of the Conservation Area from development and thus the attendant risks of water pollution directly protect the water quality of this important river.
- 1.6.4 Two-tenths of a mile east of the Conservation Area is the West Fork French Broad River riparian zone, into which the Richland Creek flows after leaving the Conservation Area, and which the NC Natural Heritage Program indicates has a significant element occurrence of Bog Jack-in-the-pulpit (*Arisaema stewardsonii*) and which was found by Holder’s Conservation Biologist, Lee Echols in 2005.
- 1.6.5 Among all National Forests, the Forests in North Carolina are projected to experience the highest increases in surrounding housing density which has potential adverse implications in regard to native fish and wildlife habitats, invasive plant species, usage increases, fire management, water quality, and boundary management. “National Forests on the Edge: Development Pressures on America’s National Forests and Grasslands”, U.S.D.A, Forest Service, August 2007. The reduction of development potential and protection of natural habitat accomplished by this Conservation Easement will directly reduce the potential impacts on the Pisgah National Forest that could have occurred by unchecked development of the Conservation Area.

- 1.7 Owner and Holder desire to perpetually accomplish, fulfill and protect the Conservation Purposes and conserve the Conservation Values.
- 1.8 Owner intends to grant the easement and impose the restrictive covenants on the Conservation Area as set forth in this Conservation Easement to accomplish the Conservation Purposes.
- 1.9 Owner and Holder intend that this document be a "conservation agreement" as defined in Chapter 121, Article 4, Section 121-34 et seq. of the General Statutes of North Carolina, known as the Historic Preservation and Conservation Agreement Act (the "State Conservation Easement Law").

NOW, THEREFORE, for no consideration and as an absolute charitable gift and further in consideration of the above premises, the mutual covenants, terms, conditions, restrictions, and promises contained in this Conservation Easement, and intending to be legally bound hereby, Owner hereby voluntarily, unconditionally and absolutely grants and conveys unto Holder, its successors and assigns, the easements, covenants, prohibitions, and restrictions set forth in this Conservation Easement, in perpetuity, to accomplish the Conservation Purposes. Holder hereby accepts the grant of such easement and the right to enforce such covenants, prohibitions and restrictions and agrees to hold such easements and rights exclusively for the Conservation Purposes and to enforce the terms of the covenants, prohibitions and restrictions set forth in this Conservation Easement.

ARTICLE 2. GRANT OF EASEMENT

Owner hereby voluntarily, unconditionally and absolutely grants and conveys unto Holder, its successors and assigns, a perpetual conservation easement and easement in gross over the Conservation Area for the purpose of preserving and protecting the Conservation Purposes and enforcing the restrictive covenants set forth below. In addition, Owner hereby grants and conveys unto Holder, its successors and assigns, pursuant to 26 CFR §1.170A-14(g)(5)(ii), the easement and right of Holder and its agents to enter upon and inspect the Conservation Area for compliance with this Conservation Easement at any time and from time to time, with a right of access over and across the Property if reasonably necessary. Holder shall make a reasonable effort to give Owner notice of any such entry and inspection at least seven (7) days in advance, except in instances when Holder reasonably suspects or knows of a violation of this Conservation Easement.

**ARTICLE 3. OWNER'S DECLARATION OF
COVENANTS AND RESTRICTIONS**

Owner, for Owner and Owner's heirs, successors and assigns, covenants and declares that the Conservation Area shall be, and hereby is, bound by and made subject to the following covenants and restrictions in perpetuity, SUBJECT TO AND EXCEPTING however the Reserved Rights which are reserved to Owner and Owner's heirs, successors and assigns, as set forth in Article 4 of this Conservation Easement:

- 3.1 **Use Restrictions.** The Conservation Area shall not be used for a residence or for any commercial, institutional, industrial or agricultural purpose or purposes. Among the uses prohibited by the preceding sentence are, without limiting the meaning or interpretation of the preceding sentence, any of the following: (1) construction or occupancy of any dwellings; (2) manufacture or assembly of any products, goods, equipment, chemicals, materials or substances of any kind or nature whatsoever; (3) sale of any products, goods, equipment, chemicals, materials, substances or services of any kind or nature whatsoever; (4) storage of any products, goods, equipment, chemicals, materials or substances of any kind or nature, except if stored for use upon the Conservation Area in connection with activities not prohibited by this Conservation Easement; and (5) offices for persons involved in the sale, manufacture or assembly of goods or services or for the performance of services.
- 3.2 **Structures Prohibited.** No Structure (hereinafter defined) of any kind shall be built, erected, installed, placed, affixed or assembled within or upon the Conservation Area or upon any trees or other natural features upon the Conservation Area. "**Structure**" shall mean any assembly of material forming a construction for occupancy or use for any purpose and erected upon or attached to the ground including, for example but not to limit the foregoing definition, the following: building; platform; shed; bin; shelter; dam; dike; tower; tank; antenna; bulkhead; or paved, stone or concrete street, driveway or vehicle parking area.
- 3.3 **Removal of Ground or Surface Water from Conservation Area.** No ground or surface water from the Conservation Area shall be removed, collected, impounded, stored, transported, diverted or otherwise used except for uses within the real property owned by Owner on the date of this Conservation Easement, including but not limited to the Conservation Area, unless approved by Holder in its sole discretion without obligation to do so nor for any purpose or use within the Conservation Area that is prohibited by this Conservation Easement.
- 3.4 **Roads, Driveways, Etc.** There shall not be constructed, cut, created, paved with impervious material or placed on the Conservation Area any road, driveway, cartway, path or other means or right of passage across or upon the Conservation Area. No road, driveway, cartway, path or other means or right of passage located on the Conservation Area shall be used for access to any use (whether or not upon the Conservation Area) which is prohibited by this Conservation Easement.

- 3.5 Live Trees. No cutting, removal or destruction of live trees shall be permitted upon or within the Conservation Area.
- 3.6 Signs and Similar Structures. No signs, billboards or outdoor advertising structures shall be placed, erected or maintained within the Conservation Area.
- 3.7 Land Disturbance; Mineral Extraction. There shall be no filling, excavating, dredging, surface mining, drilling or any removal of topsoil, sand, gravel, rock, peat, gas, oil, coal, other minerals or other materials, upon or from the Conservation Area; provided however that this Conservation Easement shall not prohibit production of natural gas, oil and accompanying liquids from beneath the Conservation Area provided that (a) only horizontal or similar drilling methods from surface locations not within the Conservation Area are used; (b) within the Conservation Area no surface mining or drilling methods are used, and no pipeline construction, equipment or water storage, or other land disturbance occurs; (c) no visible or discernible impact on the surface of the Conservation Area occurs; (d) no methods shall be permitted which enter or interfere with the water bearing zones under the Conservation Area; and (e) any impact upon the biological, aquatic, hydrologic or other natural resources of the Conservation Area is prohibited.
- 3.8 Dumping and Pollution. There shall be no dumping of ashes, trash, garbage, or any other unsightly or offensive materials at any place on, under or within the Conservation Area. There shall be no discharge of chemicals, waste water or other pollutants onto the Conservation Area or into any permanent or intermittent water course within the Conservation Area.
- 3.9 Change of Topography. There shall be no change in the topography of the Conservation Area by any means or method.
- 3.10 Water Courses. There shall be no dredging, channelizing or other manipulation of natural water course or of any other water course existing within the Conservation Area as of the date of this Conservation Easement except that manmade drainage swales, ditches or storm water management facilities may be dredged or otherwise altered for maintenance purposes or to maintain its function for its intended purpose on the date of this Conservation Easement.
- 3.11 Wetland and Riparian Protection Area.
- 3.11.1 “Wetland and Riparian Protection Area” shall mean that part of the Conservation Area that lies within 30 feet of Richland Creek and its tributary within the Conservation Area.
- 3.11.2 There shall be no clearing, cutting or removal of live or dead trees, other clearing or removal of vegetation, clearing or removal of leaf litter or other natural detritus, or digging, earth movement or other alteration of the earth surface or topography within the Wetland And Riparian Protection Area,

except that areas within the Wetland And Riparian Protection Area that are predominantly in grasses on the date of this Conservation Easement.

- 3.11.3 Owner shall be responsible for ascertaining the boundaries of the Wetland And Riparian Protection Area, at Owner's expense, in consultation with Holder, before undertaking any action that is or may be prohibited in the Wetland And Riparian Protection Area. If the banks of a water course are not clearly defined then Holder shall, in its reasonable discretion, establish a line of the mean water elevation to substitute for that purpose upon request by Owner, relying on available topographic, hydrologic information, and other maps and relevant information. Owner shall bear the expense of any survey or field work necessary to establish the line.
- 3.11.4 Any approvals by Holder of Reserved Rights to be conducted within the Wetland And Riparian Protection Area, if permitted under this Conservation Easement subject to approval by Holder, shall be granted by Holder only if Holder concludes that the Reserved Rights shall have no material adverse effect on the habitat within the Wetland And Riparian Protection Area and thus on the Conservation Values and Conservation Purposes pertaining to the Wetland And Riparian Protection Area.
- 3.12 Soil Erosion and Sedimentation Control. All activity on the Conservation Area shall be conducted so as to avoid the occurrence of soil erosion and sedimentation of streams or other water courses. Without limitation of the foregoing, Owner and Holder shall, in identifying practices that will prevent soil erosion and sedimentation, refer to the soil conservation practices as then established or recommended by the Natural Resources Conservation Service of the United States Department of Agriculture or any successor governmental office or organization performing the same function within the United States government, as approved by Holder.
- 3.13 Non-Native Plant Species. There shall be no introduction of plant species within the Conservation Area except those that are native to the area in which the Conservation Area is located or that are recognized as non-invasive horticultural specimens or fruit orchard trees.
- 3.14 Transfers of Development Rights or Development Density Credits. The Conservation Area may not be used as open space for purposes of obtaining or qualifying for governmental approval of any subdivision or development on lands outside the boundaries of the Conservation Area nor, without limitation of the foregoing, may the Conservation Area be used in the calculation of the amount or density of housing units or other construction for development or other impervious ground coverage on lands outside the boundaries of the Conservation Area or for sale by Owner.
- 3.15 No Subdivision. There shall be no subdivision or other division of the Conservation Area into one or more lots, tracts or parcels of land under separate ownership.

- 3.16 Notice of Exercise of Reserved Rights. As required by 26 C.F.R. § 1.170A-14(g)(5)(ii), Owner shall notify Holder in writing before exercising any Reserved Right that may impair the conservation interests associated with the Conservation Area.
- 3.17 Preservation of Conservation Area. The parties recognize that this Conservation Easement cannot address every circumstance that may arise in the future, and the parties agree that the purpose of this Conservation Easement is to preserve the Conservation Values of the Conservation Area and to fulfill the Conservation Purposes in accordance with 26 U.S.C. § 170(h). Without limiting the preceding covenants and restrictions, and in fulfillment of the requirements of 26 CFR §§1.170A-14(g)(i) and 170A-14(e)(2), any right, use or activity which is not reserved in Article 4 of this Conservation Easement and which is inconsistent with the Conservation Purposes or which materially threatens the Conservation Purposes is prohibited.
- 3.18 Restrictions Cumulative. The prohibitions and restrictions in this Conservation Easement shall be considered cumulative. No prohibition or restriction contained herein shall be interpreted as a limitation on the meaning, effect, interpretation or enforceability of another prohibitive or restrictive provision.

ARTICLE 4. RESERVED RIGHTS

Owner reserves for Owner and Owner's successors and assigns who may now or hereafter be an owner of all or part of the Conservation Area the rights set forth in this Article 4 (the "Reserved Rights"). Owner and Holder intend that these Reserved Rights and the activities and uses which are described below as the Reserved Rights are exceptions to the prohibitions and restrictions set forth in Article 3 and, hence, may be conducted as described below without having an adverse effect on the Conservation Purposes; except, however, that none of the Reserved Rights shall supersede the protections of the Wetland And Riparian Protection Area set forth in Article 3 unless expressly permitted below and with the approval of Holder in its discretion. A Reserved Right to "construct" a Structure or other improvement shall include the right to maintain, repair, replace, use, and occupy such Structure or improvement for the purpose and within the limitations stated in this Article.

- 4.1 Driveway. Owner may construct and pave with pervious or impervious material (such as bituminous asphalt, concrete or crushed stone) a driveway for access to each Building Area in a location approved by Holder or to another permitted building. The width of the driveway and any area of land disturbance, grading or tree removal for such driveway shall be no greater than the minimum necessary to meet any legal requirements or, to the extent no legal requirements apply or are lawfully waived, the minimum practicable consistent with sound engineering techniques and methods. A driveway constructed pursuant to this Section may be the subject of a grant of Right-of-Way for use for the purposes permitted in this Section.
- 4.2 Alternative Energy Structures. Owner may construct Structures to generate hydro energy, provided that substantially all of the energy produced is consumed on the Conservation Area or a Building Area or Exclusion Area #3 as shown on Exhibit A and not sold or

otherwise transferred for use off of the Conservation Area, Building Area or Exclusion Area #3, and the location and appearance of any such Structures are approved by Holder so as to assure no adverse effect on the Conservation Purposes or Conservation Values.

- 4.3 Picnic Shelters and Areas. Owner may construct in locations approved by Holder roofed shelters for outdoor picnicking and similar outdoor recreation uses provided they are open, without walls, on at least three sides and that the aggregate ground coverage area of all such shelters shall not exceed 1,000 square feet for all shelters. Insect screens are permitted on the roofed shelters and will not be considered a wall for purposes of these restrictions. Owner may construct picnic tables and benches, charcoal cooking grills, fire pits or rings, and similar Structures commonly associated with outdoor picnicking and similar outdoor recreation.
- 4.4 Accessory Buildings and Structures. Owner may construct, in locations approved by Holder, buildings for storage of equipment and materials used in the maintenance of the Conservation Area, provided that the aggregate ground coverage area of all such buildings shall not exceed 500 square feet. Boxes for postal service or similar deliveries to the Conservation Area or Building Areas are permitted.
- 4.5 Trails and Raised Walkways. Owner may construct trails or paths for nature education and outdoor recreation purposes if the following requirements and conditions are satisfied: (a) the surface of the trail shall remain pervious (such as dirt, wood chips or gravel); (b) the trail shall be located, to the extent possible, in the path of a trail or forestry road existing on the date of this Conservation Easement; (c) the width of the area cleared and improved for the trail shall be designed not to exceed the width necessary for pedestrian or equestrian use or for passage by small all terrain vehicles; and (d) the trail shall be otherwise constructed in a manner to avoid unnecessary tree removal, grading and other land disturbance. Owner may construct raised walkways (but not bridges or similar structures for motor vehicle use) for access to any or all of the land within the Conservation Area or adjoining properties if the following requirements and conditions are satisfied: (a) it can be demonstrated to Holder that it is not feasible to use any existing walkway or pathway or to improve any existing walkway or pathway for such access purpose; (b) Owner shall comply with all other covenants and restrictions of this Conservation Easement; and (c) Holder approves the proposed walkway based on the foregoing requirements.
- 4.6 Permitted Work within a Wetland And Riparian Protection Area. Owner may, with the approval of Holder, dredge or otherwise manipulate previously-altered natural or manmade water courses within the Wetland And Riparian Protection Area or perform work, including the removal of vegetation or disturbance of land, within the Wetland And Riparian Protection Area if necessary to (a) maintain wetlands existing on the Conservation Area, (b) restore wetlands previously existing on the Conservation Area, (c) restore natural stream channel morphology and natural wetland hydrology, (d) provide walking access to or across the creek, (e) repair or prevention of erosion damage, and (f) to restore habitat.

- 4.7 **Subdivision and Allocation of Reserved Rights.** Owner may, with prior approval from Holder, subdivide the Conservation Area into lots for separate conveyance and ownership. Holder's review and decision whether to approve subdivision shall take into consideration the effect of the proposed lot boundaries and intended transfer upon the Conservation Purposes, the lot size and combination with any Building Area that would be most likely to promote the long term care, maintenance and stewardship of the Conservation Area, and the burdens of monitoring and enforcing this Conservation Easement. Subdivision shall result in no addition to or other amendment of the Reserved Rights and any parcel subdivided from out of the Conservation Area shall remain under and subject to this Conservation Easement. Owner acknowledges that, if the Conservation Area is subdivided, Reserved Rights which are limited in number or area must be allocated between the lots resulting from such subdivision. In connection with any subdivision or partition of the Conservation Area by any means, the following procedures shall apply:
- 4.7.1 Owner shall allocate, but not increase, such Reserved Rights between or among the lots resulting from such subdivision. Such allocation shall be set forth in a document which shall be subject to review and approval by Holder and which shall be recorded in the place of public record in which this Conservation Easement has been recorded before any conveyance of an interest in the lots resulting from such subdivision. Such allocation shall specifically identify, with respect to number or the allowable ground coverage, how much of the unused coverage or other Reserved Rights permitted by this Conservation Easement will be allocated to the respective lots.
- 4.7.2 If Owner fails to make such allocation in a written document for such purpose before conveying title to or any beneficial interest in any of the lots resulting from such subdivision, then the Reserved Rights, whether or not built, shall be allocated proportionately among the lots resulting from such subdivision, in proportion to the relative area of such lots, as determined by Holder in its discretion, it being understood that this allocation shall not result in allowing any increase in the Reserved Rights or have any material adverse effect on the Conservation Purposes.
- 4.7.3 After any subdivision of the Conservation Area and conveyance of one or more lots resulting from such subdivision, and subject to Holder's prior approval thereof (such approval not to be unreasonably withheld, consistent with and taking into consideration the fulfillment of the Conservation Purposes and the preservation of the Conservation Values), the owners of such respective lots may mutually agree among themselves to re-allocate, but not increase, such Reserved Rights in a manner different from the original allocation as determined above, provided that such allocation or re-allocation of Reserved Rights as among such lots does not result in any increase in Reserved Rights, is reflected in a document that is signed by all owners of such lots and by Holder and is recorded in the place of public record in which

this Conservation Easement has been recorded. The form and content of any such document shall be subject to Holder's review and approval.

- 4.8 Fences. Owner may construct fences, provided that no fence shall be permitted if, in the reasonable opinion of Holder, it impairs the scenic view into the Conservation Area in any material respect. Any fence that shall be visible from a public road or a waterway accessible to the public shall be approved by Holder before construction.
- 4.9 Wildlife Stands, Nests and "Blinds". Owner may construct a reasonable number of wildlife hunting or observation stands and "blinds" and houses, nests or perches for birds or other wildlife; provided that in the construction of any such Structure Owner shall comply with all other covenants and restrictions of this Conservation Easement.
- 4.10 Utility Installations. Owner may construct facilities normally used in connection with supplying utilities, removing sanitary sewage effluent and controlling storm water runoff if the following requirements and conditions are satisfied: (a) such facilities may only be constructed and used to serve the uses, Structures and improvements permitted under the terms of this Conservation Easement or within a Building Area; (b) all such facilities be located underground to the extent feasible; (c) all such construction and maintenance is conducted in a manner designed to produce no material adverse effect on the Conservation Purposes; and (d) Holder approves the proposed utility facility based on the foregoing requirements.
- 4.11 Wildlife Harvesting Not Prohibited. Nothing in this Conservation Easement shall be construed to limit the right of Owner and Owner's guests and invitees to hunt, trap, and otherwise harvest fish and other wildlife.
- 4.12 Tree Cutting and Forest Management. Owner shall have the right, for the benefit of Owner and Owner's representatives, agents, contractors, subcontractors, licensees, and lessees, to conduct the following activities within the Conservation Area if the requirements of this Section are met:
- 4.12.1 A live tree that has been damaged or disturbed by forces of nature or by disease or that is evidently at risk of falling may be cut and removed if such tree presents a threat of injury to persons or livestock or other property or blocks a trail, road or other means of access to any part of the Conservation Area or a Building Area.
- 4.12.2 Careful and selective pruning of trees may be conducted to create a view from a dwelling on a Building Area or from an approved trail. Pruning must be performed according to a plan approved by Holder and by a professional arborist, nurseryman or forester so as not to expose the health of the tree to unnatural risk. Trees may be felled or removed for this purpose only with the approval of Holder in its discretion.

- 4.12.3 Trees may be cut and removed to the most limited extent necessary to construct the Structures and other improvements expressly permitted in this Conservation Easement, according to a plan approved in advance by Holder.
- 4.12.4 “Forestry Activities” shall mean (i) harvesting, cutting, removal and sale of trees and forest products (including, but not limited to, trees, logs, poles, posts, pulpwood, firewood, chips, seeds, bark, pinestraw, stumps and other forest products); (ii) planting and growing of trees for the foregoing purposes; (iii) treating trees with herbicides, pesticides and fertilizer customarily used in the forest industry; (iv) constructing forest skid trails in connection with tree harvesting operations; (v) placing or storing sawdust, bark, sawtimber, logs, or other forest products in the Conservation Area; (vi) conducting prescribed burning; and (vii) undertaking such activities as may be necessary to facilitate production of forest products or to protect forest health. Owner may conduct Forestry Activities only if all of the following requirements are met:
- (a) Forestry Activities shall only be conducted within the Conservation Area for the purpose of promoting the maturing and ecological enhancement of forest conditions.
 - (b) Before conducting Forestry Activities Owner shall prepare a tree harvest and forest management plan (the “Forest Management Plan”). The Forest Management Plan shall be submitted to and approved by Holder.
 - (c) The Forest Management Plan must address and provide information regarding the following matters in such detail as Holder may reasonably request: the proposed location of harvesting activity, wetland delineation within the harvest area, harvesting plans and protocols, proposed road locations and design standards, erosion control measures, and replanting plans and schedule. The Forest Management Plan shall also contain: a statement of Owner’s forest management objectives and goals, including the Forest Management Objectives (hereinafter defined); forest stand descriptions, including species composition, age classes and, where available, soil types; a forest stand map; and an outline of proposed silvicultural practices.
 - (d) The Forest Management Plan must be prepared at Owner’s expense by qualified natural resource personnel (e.g. a registered forester), who are experienced in the preparation of forest management plans.
 - (e) The Forest Management Plan shall be prepared in a manner that is designed to achieve the following purposes and forest management objectives (collectively, the “Forest Management Objectives”): (i) minimizing insect infestation; (ii) identifying and protecting habitat for exceptionally rare, threatened or endangered species; (iii) avoidance of

water pollution from Forestry Activities, erosion or sedimentation; (iv) protection of the Conservation Values and fulfillment of the Conservation Purposes; (v) promotion of sustainable forestry; (vi) assuring artificial or natural regeneration of the forest in both sufficient quantity and quality; (vii) compliance with all applicable federal, state and local laws, rules, orders and regulations; (viii) identifying strategies to promote wildlife habitat and private recreational activities permitted by this Conservation Easement; (ix) compliance with then-current best management practices published by the North Carolina Forest Service or its successor ("BMPs"); and (x) promoting the maturing and ecological enhancement of forest conditions. In the event of a conflict between the preceding Forest Management Objectives, the protection of the Conservation Values and fulfillment of the Conservation Purposes shall be the paramount consideration.

- (f) All Forestry Activities shall be conducted in accordance with (a) the Forest Management Plan; (b) BMPs; and (c) this Conservation Easement.

4.13 Signs. Owner may construct a reasonable number of signs of the following types:

- 4.13.1 regulatory or directional signs including, for example but not for limitation of the foregoing, "no trespassing" signs, "no gunning" signs, or "no hunting" signs;
- 4.13.2 signs stating the common name of the Conservation Area or either Building Area, the names and addresses of the occupants or both;
- 4.13.3 signs advertising or directing participants to an activity permitted under the provisions of this Conservation Easement;
- 4.13.4 signs identifying the interest of Owner or Holder in the Conservation Area; and
- 4.13.5 signs educating the public as to the ecology of the area.

Notwithstanding the foregoing, any sign that is greater than four square feet in surface area and visible from any public road or waterway accessible to the public shall be prohibited unless such sign shall have no material adverse effect upon the Conservation Purposes and such sign is approved in writing by Holder.

4.14 Maintenance of Roads, Trails, Etc. Owner may maintain in passable condition the Structures, roads, trails or walkways existing within the Conservation Area at the date of this Conservation Easement or, if applicable, constructed pursuant to the Reserved Rights in this Article 4, by such activities as the following: the pruning trees or other vegetation

which threaten the safety of persons who may use or maintain the road, trail or walkway; installing or applying materials necessary to correct or impede erosion; grading earth to maintain a passable condition or to control or impede erosion; replacing existing culverts, water control structures and bridges; and dredging roadside swales and ditches. The right of maintenance in this section includes the right to, and therefore allows the Owner to, re-pave roads or driveways that are paved with bituminous asphalt, concrete or similar impervious material on the date of granting this Conservation Easement but does not include the right to pave with impervious material a road or driveway that is not paved on the date of granting this Conservation Easement unless such paving is permitted under another provision of this Conservation Easement.

4.15 Notice and Approval Before Exercise of Certain Reserved Rights. None of the Reserved Rights for which the approval of Holder is expressly required in any Section of this Article 4 may be exercised or undertaken unless Owner has first satisfied the following conditions and requirements:

4.15.1 Owner shall notify Holder in writing before exercising any of such Reserved Rights.

4.15.2 Holder must be satisfied, as evidenced by its prior written approval of Owner's proposed exercise of a Reserved Right, that any use or activity done in the exercise of the Reserved Right will meet the requirements and conditions for such Reserved Right, will have no material adverse effect on the Conservation Purposes or on the Conservation Values or other significant environmental features of the Conservation Area, will not alter or permit the alteration, disturbance or destruction of the use of the Conservation Area that is intended to be protected by this Conservation Easement.

4.15.3 Notwithstanding anything in this Conservation Easement to the contrary, if Owner undertakes to exercise a Reserved Right or other action, without prior approval of Holder, where such approval is expressly required under this Conservation Easement, then such exercise of the Reserved Right by Owner may be treated by Holder, in Holder's sole discretion, as an action that was prohibited by this Conservation Easement as fully as if the Reserved Right or other right was not contained in, or reserved to Owner under, this Conservation Easement. Should Holder elect, in its discretion, to decline to assert this prohibition and to waive a violation of the Conservation Easement arising solely from Owner's failure to seek and obtain Holder's approval before exercising a Reserved Right or other right where such approval is required, Holder shall not be thereby obligated to do so in any future circumstance or event and Holder's waiver shall not be construed to require any waiver in a subsequent instance.

4.15.4 Notwithstanding the foregoing, in the event the Conservation Area is affected or in imminent danger of being affected by casualty damage resulting from an Act of God, fire or other event beyond Owner's control then the prior approval

requirements of this Section shall be waived as to any action that would otherwise require such approval but which must be undertaken by Owner immediately in order to prevent loss, damage or injury to persons or property or to prevent ecological damage to the Conservation Area or neighboring property (an "Emergency Restoration Action"); provided that Owner makes a good faith effort to notify Holder prior to undertaking such Emergency Restoration Action and to keep Holder informed of its ongoing actions.

4.15.5 Holder's prior written approval of the exercise of Reserved Rights for which approval of Holder is required shall be obtained, conditionally obtained or declined according to the procedure provided in this Section. At least forty-five (45) days before Owner begins, or allows, any exercise of Reserved Rights on the Conservation Area Owner must notify Holder in writing of Owner's intentions to do so; provided, however that Holder may, upon written request, reduce the period of time for notice of the proposed exercise of Reserved Rights for simpler requests, in Holder's discretion. Such notice must include plans depicting, in such detail as Holder requests, the construction or other use or activity, and location thereof, which Owner intends to undertake. Owner may also be required to present to Holder for review any applications to, and approvals or permits issued by, any governmental entity that is required for the exercise of the Reserved Right for which Holder's approval is sought. Holder may request additional information or details not provided by Owner regarding Owner's proposed exercise of Reserved Rights as Holder reasonably believes necessary to determine compliance with this Article. Holder shall not be obligated to accept or respond to any request for approval of a Reserved Right if the Owner is then in violation of this Conservation Easement in any material respect. Holder shall have thirty (30) days from receipt of the notice or, if later, any additional information regarding the proposed use or activity requested by Holder, in which to make one of the following determinations:

- (a) Approve Owner's proposed exercise of a Reserved Right in accordance with the materials submitted by Owner ("Approval"). Approval on such terms shall constitute a covenant by Owner to exercise the Reserved Right solely in accordance with the notice and other information submitted to Holder; which covenant shall be enforceable by Holder as fully as if set forth in this Conservation Easement.
- (b) Approve Owner's proposed exercise of a Reserved Right in accordance with the materials submitted by Owner but subject, however, to such qualifications and conditions as Holder may impose in its notice of approval. Such qualifications and conditions shall be limited to those which Holder deems necessary to: assure compliance by Owner with any of the express covenants or restrictions of this

Conservation Easement, preserve and protect the Conservation Purposes or restrict Owner's exercise of the Reserved Rights to that which Owner has represented to Holder. Approval on such terms shall constitute a covenant by Owner to exercise the Reserved Right, if at all, only in accordance with the notice and other information submitted to Holder, as modified or supplemented by the qualifications and conditions that Holder imposed; which covenant shall be enforceable by Holder as fully as if set forth in this Conservation Easement.

- (c) Decline to grant approval of Owner's proposed exercise of a Reserved Right on the basis of the notice and other materials submitted. Should Holder decline to grant approval Holder shall set forth in writing its reasons.

- 4.15.6 Holder shall exercise reasonable judgment in applying the standards of review and approval for the exercise of Reserved Rights, consistent with and taking into consideration the fulfillment of the Conservation Purposes and the preservation of the Conservation Values.
- 4.15.7 Holder may grant, with or without conditions, approval for recurrent exercises of Reserved Rights, particularly but not necessarily limited to activities of a de minimis nature, if Holder concludes that doing so will have no material adverse effect on the Conservation Purposes or on the burden on, and effectiveness of, Holder's monitoring and enforcement. Such approval must be in writing and shall, as with other approvals of the exercise of Reserved Rights, be limited to the description of the proposed exercise of Reserved Rights in Owner's proposal as modified or limited by the conditions in Holder's written approval.
- 4.15.8 In the event that Holder's approval is required and Holder fails to respond within the time period specified above and further fails to respond within ten days after a second written request by Owner to Holder, then the Holder shall be deemed to have granted Approval (as defined above) unless the activity for which approval is required is plainly prohibited by this Conservation Easement.
- 4.15.9 Owner shall be responsible for obtaining all necessary government permits and approvals for any activity for which Holder's approval is required and Holder shall have the right, but not the obligation, to require that such permits and approvals be produced for inspection by Holder before Holder's approval is granted or as a condition to approval.
- 4.15.10 Owner shall be responsible, as a condition of the right to exercise the Reserved Rights for which the approval of Holder is expressly required, for payment of Holder's reasonable costs and expenses, including legal and consultant fees, associated with review of Owner's request for approval;

provided, however, that (a) Holder shall not incur expenses for its own staff or administrative time for review that can be conducted in Holder's office and (b) Holder will notify Owner before incurring any costs or expenses which it believes Owner may be obligated to pay under this Section though Holder shall not be required to predict the exact amount of the cost or expense. Holder may condition consideration of a proposal for exercise of Reserved Rights upon the deposit of a sum of money with Holder to secure payment of Holder's reasonable costs of review. The time period for Holder's consideration of Owner's request shall not run until such deposit is made.

- 4.15.11 While the parties believe that each of the Reserved Rights as to which Holder's prior approval is required can be exercised in some manner without adverse effect on the Conservation Purposes of this Conservation Easement, no assurance is given that the above Reserved Rights may be exercised in specifically the manner as Owner might initially propose without having an adverse effect on the Conservation Purposes or other significant ecological values of the Conservation Area. The foregoing procedure is established for the purpose of making that determination.
- 4.15.12 In consideration for Holder accepting the perpetual responsibility and obligation to review the proposed exercise of Reserved Rights by Owner, Owner hereby waives, for Owner, and Owner's heirs, successors, legal representatives, and assigns, to the fullest extent allowed by law, any and all right to seek or recover damages from Holder in any litigation or other legal action arising from a dispute over Holder's exercise of its rights, obligations or interpretations under this Article 4 and agrees that the sole remedy or legal right to seek redress arising from any decision of Holder pursuant to this Article 4 shall be to seek a declaratory judgment or other legal declaration by a court of competent jurisdiction as to the rights of Owner hereunder.
- 4.16 Rights of Ownership Generally. Owner retains, not as a Reserved Right but incidental to its ownership of the Conservation Area, in addition to the Reserved Rights set forth in this Article, all rights accruing from ownership of the Conservation Area, including the right to engage in or permit others to engage in all uses of the Conservation Area except to the extent prohibited, restricted, limited or conveyed to Holder according to the terms of this Conservation Easement, including the rules of construction and interpretation of this Conservation Easement; subjected to procedures set forth in this Conservation Easement; or provided in applicable law.

ARTICLE 5. HOLDER'S COVENANTS

- 5.1 Best Efforts to Enforce. Holder shall use its best efforts to enforce both the rights granted to it and the restrictions imposed upon the Conservation Area under this Conservation Easement.

- 5.2 **Inability to Enforce: Procedure.** If at any time Holder is unable to enforce this Conservation Easement or if Holder or any successor or assignee of Holder's rights under this Conservation Easement ceases to exist or ceases to be a Qualified Organization and if, within a reasonable period of time after the occurrence of any of these events, Holder or any successor or assignee fails to assign all of its rights and responsibilities under this Conservation Easement to a Qualified Organization and "holder", then the rights and responsibilities under this Conservation Easement shall become vested in and fall upon another Qualified Organization in accordance with a proceeding before, and the order of, any court of competent jurisdiction.
- 5.3 **Assignment by Holder.** Notwithstanding the foregoing or anything else in this Conservation Easement to the contrary, Holder and its successors and assigns shall have the right to assign, either wholly or partially, its right, title and interest hereunder provided that (a) the assignee is a Qualified Organization; (b) the assignee shall hold the Conservation Easement exclusively for the Conservation Purposes; and (c) the assignee agrees that the Conservation Purposes continue to be carried out. Holder agrees to notify Owner of its intent to assign the Conservation Easement, including disclosing the identity of the intended assignee, at least 30 days prior to such assignment and to offer Owner, during such period after notice and until assignment, an opportunity to comment on, but not approve or disapprove, such assignment.

ARTICLE 6. REMEDIES AND ENFORCEMENT

- 6.1 **Remedies Generally.** Holder shall have the right to enforce by proceedings at law or in equity each and every one of the covenants and restrictions set forth in this Conservation Easement. The foregoing shall not limit any of the rights or remedies available to Holder as specifically set forth in any law or in this Conservation Easement. Holder's remedies described in this Conservation Easement shall be cumulative and concurrent and shall be in addition to all remedies now or hereafter available or existing at law or in equity.
- 6.2 **Violation of Conservation Easement.** If Holder determines that this Conservation Easement is being or has been violated or that a violation is threatened or imminent then the following provisions shall apply:
- 6.2.1 Holder must notify Owner of the violation. Holder's notice may, in Holder's discretion, include its recommendations of measures to be taken by Owner to cure the violation and restore features of the Conservation Area damaged or altered as a result of the violation.
- 6.2.2 Holder shall afford Owner a period to cure the violation as set forth below before undertaking action in court to enforce the Conservation Easement, provided, however, that no cure period is required if circumstances require prompt action to prevent or mitigate irreparable harm or alteration to, or destruction of, any natural resource or other feature of the Conservation Area described in the Conservation Purposes and Conservation Values.

- 6.2.3 Owner's cure period, if a cure period is required under the preceding paragraph, shall expire thirty (30) days after the date of Holder's notice to Owner but shall be extended for the time reasonably necessary to cure the violation if, and only if, all of the following conditions are satisfied: (a) Owner ceases the activity constituting the violation promptly upon receipt of Holder's notice; (b) Owner and Holder agree in writing, within the initial thirty (30) day period after Holder's notice to Owner or such longer time as Holder may afford in its discretion, upon the measures Owners will take to cure the violation; (c) Owner commences to cure the violation within the initial thirty (30) day period or such longer time as Holder may afford in its discretion; and (d) Owner continues thereafter to use best efforts and due diligence to complete the cure measures that Holder and Owner have agreed upon in writing. In no event shall Holder be obligated, notwithstanding the foregoing, to allow a cure period of more than 90 days or to refrain from commencing a legal action in court during the cure period if Holder concludes it is necessary to do so in order to preserve its right to enforce the Conservation Easement. Nothing in this paragraph shall require or prohibit settlement of a litigation or threatened litigation arising from an actual or alleged violation.
- 6.3 Remedy of Specific Performance. Without limitation of any other rights of Holder in this Conservation Easement, Holder's right of enforcement of this Conservation Easement shall include the right to seek specific performance by Owner of the restoration of the Conservation Area to its condition at the time of the donation of the Conservation Easement as required by 26 C.F.R. § 1.170A-14(g)(5)(ii) or to its condition prior to any activity that violates this Conservation Easement or as otherwise may be necessary to remedy any violation of any easement, covenant, prohibition or restriction in this Conservation Easement, as Holder may elect.
- 6.4 Remedy of Damages. If Owner violates this Conservation Easement in such a manner as to cause damage to, extract or remove any trees, mineral resources, pond, wetland, stream, or other natural resource protected by this Conservation Easement, including violation resulting from failure to obtain Holder's approval, Holder shall be entitled to payment of damages in the amount of the value of the protected natural resource; provided, however, that if the natural resource effected by the Owner's violation of this Conservation Easement can be restored to its condition prior to the violation and if Owner does restore the natural resource to its condition prior to the violation within a time period accepted by Holder in writing, then Holder shall accept such restoration in lieu of damages. Holder may seek payment and recovery of such damages by any means available at law. The value of the protected natural resource shall be the greater of (a) the market value of the resource or, (b) the cost of immediate restoration of the Conservation Area and all resources to its condition prior to the violation. If such restoration is not reasonably possible then double the market value of the resource shall be the amount of liquidated damages. If the resource does not have a readily determinable market value then the amount of damages shall be the amount which a court having jurisdiction may determine, taking into account the importance of the resource to the fulfillment of the

Conservation Purposes. Nothing in this Section is intended to limit, waive or release Holder's right to seek specific performance or other equitable remedy.

- 6.5 Rights and Remedies in Relation to Third Parties. As the owner of a real property interest under this Conservation Easement, Holder shall have the right, without limitation of any rights herein as against Owner, to assert and enforce any of the rights and remedies in this Conservation Easement against any person or entity other than Owner that engages in any action upon the Conservation Area that constitutes a violation of any of the covenants or restrictions of this Conservation Easement, whether such person or entity enters upon the Conservation Area as a tenant, guest or invitee of Owner, by an act of trespass or by any claim of right and Owner shall cooperate with Holder by joining in any action or proceeding commenced by Holder for such purpose.
- 6.6 Remedy: Failure to Pay Certain Taxes. If Owner fails to pay taxes or other governmental assessments which may become a lien on the Conservation Area or upon this Conservation Easement or the rights it represents or that it grants to Holder, Holder may, but shall have no obligation to, pay such taxes or assessments or any part thereof upon ten (10) days after sending written notice to Owner, according to any bill, statement, or estimate procured from the appropriate public office. Payment made by Holder shall become a lien on the Conservation Area in favor of Holder upon payment by Holder and shall bear interest until Holder is paid by Owner at the rate of twelve percent (12%) per annum or at the highest rate of interest per annum as is allowed by applicable law, whichever is less.
- 6.7 Certain Events Not a Violation. Notwithstanding anything herein to the contrary, Holder shall not bring any action seeking to enforce this Conservation Easement against Owner, nor shall this Conservation Easement be considered to have been violated by Owner, as a result of any damage to the Conservation Area if such damage was solely the result of: (a) a natural event such as an earthquake or flood, wind, lightning or other storm event, including those events commonly referred to as "acts of God"; (b) damage by persons trespassing upon the Conservation Area; or (c) any emergency measures reasonably and prudently taken by Owner to abate or mitigate significant injury to the Conservation Area as a result of any such natural event or trespass.
- 6.8 Enforcement After Permitted Subdivision. If ownership of the Conservation Area has been subdivided in accordance with this Conservation Easement such that the Conservation Area is no longer owned by one Owner and, thereafter, a violation of this Conservation Easement occurs or appears to Holder to have occurred, Holder need only give notice of violation or enforcement action to, and need only undertake legal and other enforcement action against, the owner of that portion of the Conservation Area on which the event, condition or circumstance which constitutes a violation has occurred or exists. Notwithstanding the foregoing, Holder may, in its discretion, give notice of a violation or enforcement action to, undertake enforcement action against and make a party to any legal action, such other Owners or parties as Holder deems necessary or appropriate to the correction of the violation, monitoring or management of the Conservation Area or the

Conservation Easement, protection of Holder's rights, or fulfillment of the Conservation Purposes of this Conservation Easement.

- 6.9 No Third Party Rights of Enforcement. This Conservation Easement may only be enforced by Owner and Holder and no third party beneficiary rights, rights of enforcement or other rights are created or intended to be created or granted by this Conservation Easement in or to any other person or entity, any person or entity that was once an "Owner" but is no longer an owner of the Conservation Area, the public generally or any governmental authority except to the limited extent necessary to undertake an action under Section 5.2 or as required by statute (and only to the extent such statute cannot be waived by agreement of Holder and Owner).
- 6.10 Reimbursement of Expenses of Enforcement. In the event that Holder acts, after violation of the Conservation Easement, to enforce this Conservation Easement or any obligation hereunder, all reasonable expenses incurred by Holder shall be charged to and paid by Owner, including reasonable attorneys' fees regardless of whether an action or proceeding is commenced and whether incurred before or after the expiration of any cure period provided in this Conservation Easement. All such reasonable expenses, together with costs of collection (including reasonable attorneys' fees), shall be recoverable by Holder and be subject to collection by all lawful means for the collection of a debt under the law of the state in which the Conservation Area is located.
- 6.11 No Merger of Title. Notwithstanding anything to the contrary in this Conservation Easement, should Holder become an Owner of any portion of the Conservation Area, this Conservation Easement shall not merge with any interest in the Conservation Area upon conveyance to Holder and title shall be transferred subject to the continued validity and enforceability of this Conservation Easement in accordance with the laws of the State in which the Conservation Area is located. In such event the rights of Holder under this Conservation Easement as to the portion of the Conservation Area owned by Holder shall forthwith be transferred to a Qualified Organization in accordance with Section 5.3. or, if necessary, 5.2.
- 6.12 Reimbursement of Expenses of Litigation. Owner acknowledges that for the fulfillment of Owner's purposes and intentions for this Conservation Easement, Owner requires Holder to accept perpetual obligations for the interpretation and enforcement of this Conservation Easement and that, pursuant to 26 CFR § 1.170A-14(c), Holder must maintain its reserve capacity to enforce this Conservation Easement. It is therefore agreed that, should Owner or anyone acting by, through, under or on behalf of Owner, commence litigation against Holder to enforce any rights hereunder or to dispute any actions or inaction of Holder, to enforce any alleged duty or obligation of Holder hereunder or to seek damages or specific performance against Holder then unless Holder is finally determined by a court of competent jurisdiction, beyond right of appeal, to have acted contrary to the terms of this Conservation Easement and to have failed to exercise reasonable judgment taking into account the Conservation Purposes, the Conservation Values and the circumstances of which Holder had actual knowledge at the relevant time, then Owner shall reimburse Holder on demand for all reasonable costs and expenses,

including attorneys fees, reasonably incurred by Holder in its defense in such litigation. Holder shall not be considered to have failed to exercise reasonable judgment as aforesaid solely based on the fact that Holder did not or does not prevail in legal proceedings or that Holder is determined to have adopted an interpretation of this Conservation Easement not accepted by the court.

- 6.13 No Waiver of Rights of Enforcement. The failure of Holder to exercise any of its rights under this Conservation Easement on any occasion shall not be deemed a waiver of said rights and Holder retains the right in perpetuity to require full compliance by Owner of the covenants and restrictions in this Conservation Easement.

ARTICLE 7. GENERAL PROVISIONS

- 7.1 Owner and Holder Further Defined. The term "Owner" used in this Conservation Easement shall mean and include the above-named Owner and any of Owner's heirs, successors or assigns, whether one or more, that are the legal owners of the Conservation Area or any part thereof. The term "Holder" used in this Conservation Easement shall mean and include the above-named Holder and its successors and assigns, it being understood and agreed that any assignee of the rights of Holder hereunder must be a Qualified Organization and shall carry out the obligations of Holder and the intent of this Conservation Easement.
- 7.2 Vesting of Real Property Interest. This Conservation Easement gives rise to a real property right and interest immediately vested in Holder with a fair market value that is at least equal to the proportionate value that this Conservation Easement at the time of this gift bears to the value of the Property as a whole at that time. That proportionate value of the Holder's property rights shall remain constant. The fair market value of this Conservation Easement shall be the difference between the fair market value of the Property unrestricted by this Conservation Easement and the fair market value of the Property as restricted by this Conservation Easement.
- 7.3 Rules of Construction and Interpretation. The parties recognize the environmental, scenic, and natural values of the Conservation Area and have the common purpose of preserving these values. Any general rule of construction to the contrary notwithstanding, this Conservation Easement shall be liberally construed in favor of the grant to promote, protect and fulfill the Conservation Purposes and the policies and purposes of Holder. If any provision in this Conservation Easement is found to be ambiguous, an interpretation consistent with the Conservation Purposes that would render the provision valid should be favored over any interpretation that would render it invalid. If any provision of this Conservation Easement is determined by final judgment of a court having competent jurisdiction to be invalid, such determination shall not have the effect of rendering the remaining provisions of this Conservation Easement invalid. The parties intend that this Conservation Easement, which is by nature and character primarily prohibitive (in that Owner has restricted and limited the rights inherent in ownership of the Conservation Area), shall be construed at all times and by all parties to promote, protect and fulfill the Conservation Purposes.

- 7.4 **Indemnification.** Owner covenants and agrees to indemnify, defend, reimburse, and hold harmless Holder, its directors, officers and employees (an "Indemnified Party") from, for and against any Loss (hereinafter defined) to the extent such Loss arose from an Indemnified Cause (hereinafter defined). A "Loss" shall mean any loss, cost, liability, penalty, fine, or damage of any kind or nature whatsoever which an Indemnified Party may reasonably be concluded to have suffered, paid or incurred. The term "cost" shall include, but shall not be limited to, reasonable attorneys' fees and witness and court fees. An "Indemnified Cause" shall mean any of the following: the violation or alleged violation of any law in, upon or involving the Conservation Area by Owner or anyone acting by, for, through or under the direction of Owner, including but not limited to any tenant, contractor, agent, licensee or invitee of Owner; any tax or assessment upon the Conservation Area or upon this Conservation Easement or the rights it represents or that it grants to Holder; any death or injury to any person occurring on or about the Conservation Area; any lien or attempts to enforce a lien asserted against the Conservation Area; the costs of performing any work on the Conservation Area; any loss or damage to any property on or about the Conservation Area; or any lawsuit or governmental administrative or law enforcement action which is commenced or threatened against an Indemnified Party or to which any Indemnified Party is made a party or called as a witness; but notwithstanding the foregoing, "Indemnified Cause" shall not, as to an Indemnified Party, include any cause which results from acts which are finally determined by a court to have been the result of bad faith, negligence or willful misconduct by that Indemnified Party. It is further agreed that no person shall have an indemnification obligation or liability under this Section as to any Indemnified Cause which arises entirely and solely from events which occurred after such person is no longer the legal owner of the Conservation Area or any part thereof and is no longer in possession of the Conservation Area or any part thereof (it being understood that one or more subsequent Owners shall have such indemnification, defense, reimbursement, and holding harmless obligation).
- 7.5 **Responsibilities and Liabilities of Owner.** Without limitation of anything herein to the contrary, Owner shall (a) retain all responsibilities and shall bear all costs and liabilities of any kind related to the ownership, operations, upkeep, and maintenance of the Conservation Area, including the general liability insurance coverage and obligation to comply with applicable law and (b) pay all taxes, levies and assessments and other governmental or municipal charges which may become a lien on the Conservation Area or upon this Conservation Easement or the rights it represents or that it grants to Holder.
- 7.6 **Allocating Proceeds Following Extinguishment of Conservation Easement.** It is the intention of the parties that no change in conditions, including for example but not for limitation of the foregoing changes in the use of properties adjoining or in the vicinity of the Conservation Area will at any time or in any event result in the extinguishment of any of the covenants, restrictions or easements contained in this Conservation Easement. If, however, notwithstanding the foregoing intention, any cause or circumstance gives rise to the extinguishment of this Conservation Easement or a material term or provision hereof by judicial proceeding then Holder, on any subsequent sale, exchange or involuntary conversion of the Conservation Area, shall be entitled, as required in 26 CFR 1.170A-

14(g)(6)(ii), to a portion of the proceeds at least equal to the proportionate value that the Conservation Easement at the time of this gift bears to the value of the Property as a whole at that time, unless state law provides that the Owner is entitled to the full proceeds from the conversion without regard to the terms of this Conservation Easement. All such proceeds received by Holder shall be used in a manner consistent with the Conservation Purposes.

7.7 Allocating Proceeds of Condemnation. Whenever all or part of the Conservation Area is taken by exercise of eminent domain by public, corporate or other authority so as to abrogate the restrictions imposed by this Conservation Easement, Owner and Holder shall join in appropriate actions at the time of such taking to recover the full value of the taking and all incidental or direct damages resulting from the taking. All reasonable expenses incurred by Owner and Holder, including reasonable attorneys' fees, in any such action shall be paid out of the recovered proceeds. Holder shall be entitled to a portion of the recovered proceeds proportioned to Holder's real property interest and shall use such proceeds in a manner consistent with the Conservation Purposes. The respective rights of the Owner and Holder set forth in Section 7.6 and this Section 7.7 shall be in addition to and not in limitation of, any rights they may have in common law with respect to a modification or termination of this Conservation Easement by reason of changed conditions or the exercise of powers of eminent domain as aforesaid.

7.8 Amendment. Owner and Holder recognize that applicable law of the state in which the Conservation Area is located may permit amendment of conservation easements but that, notwithstanding any such right, Holder and Owner agree that there shall be no amendment to this Conservation Easement except that which Holder approves in its sole and unlimited discretion and that Holder concludes: (a) will not impair, reduce or interfere with the fulfillment of the Conservation Purposes; (b) will not result in the destruction of any significant Conservation Values or other conservation interests of the Conservation Area; (c) does not cause this Conservation Easement to fail to qualify as a valid conservation easement or conservation agreement, as applicable, under the State Conservation Easement Law, as the same may be hereafter amended; (d) does not cause this Conservation Easement to fail to meet the requirements to be a qualified conservation contribution under Section 170(h) of the Internal Revenue Code and applicable regulations; (e) will not alter or permit the alteration, disturbance or destruction of the use of the Conservation Area as it is intended to be protected by this Conservation Easement or (f) does not violate any other law or regulation to which Holder is subject. If the Conservation Area has been subdivided then the Owner approving and executing an amendment to this Conservation Easement need only be the Owner of that portion of the Conservation Area that Holder concludes shall be materially affected by the amendment. This Section supersedes any provision in this Conservation Easement that may be to the contrary.

7.9 Covenants, Etc. Run With The Land. This Conservation Easement and all of the covenants, indemnifications, releases, easements and restrictions set forth in this Conservation Easement shall run with the land and be binding upon Owner and Owner's

heirs, successors and assigns, unless otherwise expressly provided in this Conservation Easement.

- 7.10 Limitation on Owner Liability. An Owner shall be and remain liable, even after ownership has been transferred, for any breach or violation of this Conservation Easement if, but only if, such breach or violation occurred during such time as such Owner was the legal or equitable owner of, or is in possession of, the entire Conservation Area or that part of the Conservation Area on which the breach or violation occurred.
- 7.11 Effect On Mortgages and Other Liens. All mortgages, deeds of trust and other liens or encumbrances upon all or any part of the Conservation Area which either come into existence or are recorded in the place for the recording of such liens or encumbrances after the date of this Conservation Easement will be subject to and subordinate to this Conservation Easement.
- 7.12 Right of Conveyance Retained; Notice Required. Nothing in this Conservation Easement shall limit the right of Owner, Owner's heirs, successors or assigns to grant or convey the Conservation Area, provided that any such grant or conveyance shall be under and subject to this Conservation Easement. Owner shall notify Holder in writing of any sale, transfer, lease or other disposition of the Conservation Area or any part thereof, whether by operation of law or otherwise, not later than 30 days after such disposition and such notice shall include a copy of the deed, lease, or other declaration of transfer, the date of transfer, and the name or names and addresses for notices of the transferee.
- 7.13 Transfer Fee. In consideration of the perpetual obligations assumed by Holder in this Conservation Easement, the costs of which are unpredictable, including, but not necessarily limited to, the obligations to travel to and inspect the Conservation Area for compliance with this Conservation Easement, communicate with present and future owners and respond to questions and other matters, and maintain financial resources for the enforcement of compliance when necessary in fulfillment of Holder's obligation to be a Qualified Organization under 26 CFR §1.170A-14(c)(1), and in consideration of Owner's desire to support Holder in its charitable mission with respect to the Conservation Area and other properties in which Holder may have accepted conservation easement restrictions, Owner agrees for itself, Owner's heirs, successors and assigns, that there shall be paid to Holder the Transfer Payment (hereinafter defined) at the time of each Qualifying Transfer (hereinafter defined) in the manner set forth herein.
- 7.13.1 The "Transfer Payment" shall be the amount equal to one percent (1.0%) of the Purchase Price (hereinafter defined) of the Conservation Area or part thereof, the improvements on the Conservation Area and all of the other land and improvements that are included in the Qualifying Transfer.
- 7.13.2 A "Qualifying Transfer" shall mean the conveyance of legal title to the Conservation Area or any part thereof, the improvements on the Conservation Area, and any other land and improvements which are conveyed by the same deed of conveyance with which the Conservation Area or part thereof is

conveyed; however, a conveyance by PPW, LLC only, and not its successors and assigns, to a person or entity that is an ownership member of PPW, LLC shall not be a Qualifying Transfer.

- 7.13.3 The “Purchase Price” shall be the sum of all of the following given in consideration for a Qualifying Transfer: (a) payment of money, (b) transfer of real or personal property or other tangible consideration, (c) purchase money indebtedness, and (d) the assumption of indebtedness. Owner shall be obligated to provide to Holder a true and correct copy of the agreement of sale pertaining to the Qualifying Transfer or other documents verifying the Purchase Price to the reasonable satisfaction of Holder.
- 7.13.4 In the event of a Qualifying Transfer in which all or part of the consideration to seller is in the form of real or personal property rather than the payment of money, purchase money indebtedness or assumption of indebtedness, the Purchase Price shall include an amount equal to the fair market value of such real or personal property given in consideration for the Qualifying Transfer as determined by a qualified appraiser approved by Holder in its reasonable judgment. Appraisals used in the determination of the Purchase Price shall be based upon the guidelines and ethical standards of the Appraisal Institute, as then in effect, for the type of property involved. However, Owner and Holder may, if they so elect in their discretion, without obligation to do so, accept an alternate method of establishing the value of property including by contemporaneous agreement.
- 7.13.5 Purchase Price shall not impute fair market value to that portion of a Qualifying Transfer that is a gift, devise, bequest or other transfer not involving consideration by the payment of money, transfer of real or personal property, purchase money indebtedness or assumption of indebtedness.
- 7.13.6 The Transfer Payment shall not be applicable to a Qualifying Transfer into a corporation, limited liability company or general or limited partnership where the Owner that is the transferor receives all of the shares of the transferee entity as consideration and receives no other consideration.
- 7.13.7 The obligation for payment of the Transfer Fee shall be binding upon the Owner that is the transferor in the Qualifying Transfer and the purchaser or grantee that is the transferee in the Qualifying Transfer, all of whom shall be jointly and severally liable for the payment of the Transfer Fee, and also shall be binding upon their respective heirs, successors and assigns, and shall run with the land until paid.
- 7.13.8 The Transfer Payment shall be paid to Holder at or before the time of transfer of legal title as aforesaid. The amount of any Transfer Payment not paid in the amount and at the time required herein shall, (a) accrue interest payable to Holder in the amount of twelve percent (12%) per annum and (b) constitute,

together with the accrued interest, to the extent permitted by applicable law, a lien on the Conservation Area in favor of the Holder until paid in full, provided that such lien shall not be superior to any mortgage, deed of trust or other lien that was executed, recorded and otherwise validly established against the Conservation Area prior to the date of the Qualifying Transfer.

- 7.13.9 Owner shall be liable for reasonable attorneys' fees and other costs of collection reasonably incurred by Holder in the enforcement of this Section.
- 7.13.10 If and to the extent the law of the state in which the Conservation Area is located so requires in order to preserve the validity of this Section, it is agreed that the Transfer Payment shall not apply to any Qualifying Transfer that occurs after the lifetime plus twenty-one (21) years of any biological child of Andrew L Johnson, President of the North American Land Trust.
- 7.13.11 Without limitation of any other provision of this Conservation Easement, neither the validity of this Section nor compliance with or enforcement of this Section shall have any bearing whatever on the validity or enforceability of any other provision of this Conservation Easement.
- 7.14 Managerial Control Retained by Owner. Nothing in this Conservation Easement shall be construed as giving rise to any right or ability of Holder to exercise physical or managerial control over day-to-day operations of the Conservation Area, or any of Owner's activities on the Conservation Area, or otherwise to become an operator with respect to the Conservation Area within the meaning of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended.
- 7.15 Compliance With Law. Notwithstanding provisions hereof to the contrary, if any, Owner shall be solely responsible for complying with all federal, state and local laws and regulations in connection with the conduct of any use of the Conservation Area or the erection of any Structure permitted hereunder, and Owner shall be solely responsible for obtaining any required permits, approvals from the relevant governmental authorities in connection therewith.
- 7.16 Public Access Not Created. Nothing in this Conservation Easement shall be construed to create any right of access to the Conservation Area by the public.
- 7.17 Notices. All notices required of Owner under the terms of this Conservation Easement, and all requests for the approval by Holder, shall be in writing shall be deemed to have been given when either served personally or when sent by certified mail, with return receipt requested and postage prepaid, addressed to Holder at the address set forth on the first page of this Conservation Easement or such other address provided by notice from Holder or Owner to the other for the purpose. Notices by Holder to an Owner need only be given to the Owner of the portion of the Conservation Area that is the subject of the notice.

- 7.18 Headings. The underlined headings preceding the Sections in this Conservation Easement are intended for convenience of reference only and shall not be applied in the construction or interpretation of the substance of this Conservation Easement nor shall any such headings be construed to add to, detract from or otherwise alter the substance, meaning, force or effect of any of the Sections in this Conservation Easement.
- 7.19 Availability or Amount of Tax Benefits. Holder makes no warranty, representation or other assurance regarding the availability, amount or effect of any deduction, credit or other benefit to Owner or any other person or entity under United States or any state, local or other tax law to be derived from the donation of this Conservation Easement or other transaction associated with the donation of this Conservation Easement. This donation is not conditioned upon the availability or amount of any such deduction, credit or other benefit. Holder makes no warranty, representation or other assurance regarding the value of this Conservation Easement or of the Conservation Area. As to all of the foregoing, Owner is relying upon Owner's own legal counsel, accountant, financial advisor, appraiser or other consultant and not upon Holder or any legal counsel, accountant, financial advisor, appraiser or other consultant of Holder. In the event of any audit or other inquiry of a governmental authority into the effect of this donation upon the taxation or financial affairs involving Owner or Owner's heirs, successors or assigns or other similar matter then Holder shall be reimbursed and indemnified for any cost or expense of any kind or nature whatsoever incurred by Holder in responding or replying thereto.
- 7.20 Warranties and Representations of Owner. By signing this Conservation Easement, Owner acknowledges, warrants and represents to Holder that:
- 7.20.1 Owner has received and fully reviewed the Baseline Documentation in its present form in its entirety.
- 7.20.2 The Baseline Documentation includes, among other things:
- Photographs of current site conditions on the Conservation Area.
 - Narrative description of the significant ecological and other conservation values and characteristics of the Conservation Area.
 - Supportive Mapping of the Conservation Area including, but not limited to, location maps, aerial photographs and topography.
 - Existing Conditions Report prepared by a biologist/naturalist describing the conservation values and purposes, and any other significant ecological characteristics of the Conservation Area.
- 7.20.3 The Baseline Documentation is an accurate representation of the condition of the Conservation Area at the time of granting this Conservation Easement.

- 7.20.4 Owner has had the opportunity to be represented by counsel of Owner's selection, and fully understands that Owner is hereby permanently relinquishing property rights which would otherwise permit Owner to have a fuller use and enjoyment of the Conservation Area.
 - 7.20.5 The undersigned individual or individuals signing as or on behalf of Owner has all legal authority to enter into this Conservation Easement and perform all of the obligations of Owner hereunder, as the binding act of Owner.
 - 7.20.6 Owner is seized of the Conservation Area in fee simple title. Owner has the right to grant and convey this Conservation Easement. The Conservation Area is free and clear of any Deed of Trust, Mortgage and any other liens and monetary encumbrances except: (a) liens for taxes not yet due and payable and (b) Deed of Trust or Mortgage liens that are subordinate to this Conservation Easement by virtue of the executed form of Joinder and Consent of Beneficiary attached hereto and incorporated herein.
 - 7.20.7 There are no recorded or unrecorded leases or other agreement for the production of minerals or removal of timber from the Conservation Area which would, if any of the activities permitted under such lease or other agreement was undertaken by Owner, violate the covenants or restrictions in this Conservation Easement or otherwise defeat the Conservation Purposes.
- 7.21 Governing Law. This Conservation Easement shall be governed by and construed under the law of the state in which the Conservation Area is located.

TO HAVE AND TO HOLD the easements and rights set forth in this Conservation Easement unto Holder, its successors and assigns, for its own use and benefit forever.

IN WITNESS WHEREOF, and intending to be legally bound hereby, Owner and Holder have executed this Conservation Easement intending this Conservation Easement to be effective on the date of the last signature below.

PPW, LLC, by Conservation Advisors of North Carolina, Inc., its Manager

By: 
Alfred F. Platt, Jr., President

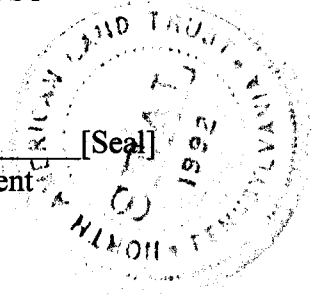
NORTH AMERICAN LAND TRUST

Attest:

JAMIN WILSON
#157 6827

By:

Andrew L. Johnson
Andrew L. Johnson, President



STATE OF PENNSYLVANIA

:

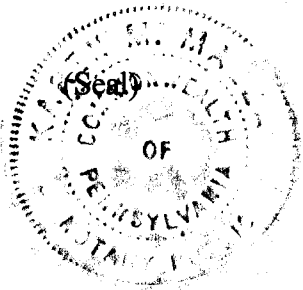
COUNTY OF CHESTER

:

:

On this, the 20th day of December, 2014, before me, a Notary Public in and for the State of Pennsylvania, the undersigned officer, personally appeared Andrew L. Johnson, who acknowledged himself to be the President of North American Land Trust, a Pennsylvania Non-Profit Corporation, and that he as such officer, being authorized to do so, executed the foregoing conservation easement for the purposes therein contained by signing the name of the corporation by himself as President.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.



Karen M. Mazza
Notary Public

My commission expires: AUG. 22, 2018

COMMONWEALTH OF PENNSYLVANIA
NOTARIAL SEAL
Karen M. Mazza, Notary Public
Pennsbury Twp., Chester County
My Commission Expires Aug. 22, 2018
MEMBER, PENNSYLVANIA ASSOCIATION OF NOTARIES

State of North Carolina

County of Transylvania

I, the undersigned Notary Public of the County and State aforesaid, certify that Alfred F. Platt, Jr. personally appeared before me this day and acknowledged that he is President of Conservation Advisors of North Carolina, Inc., a North Carolina corporation, described in and which executed the foregoing instrument, that said corporation is the Manager of PPW, LLC, a North Carolina limited liability company, that the foregoing instrument was duly executed by said corporation on behalf of said limited liability company, and that by authority duly given and as the act of such entities he signed the foregoing instrument in the name of said entities on their behalf as their act and deed.

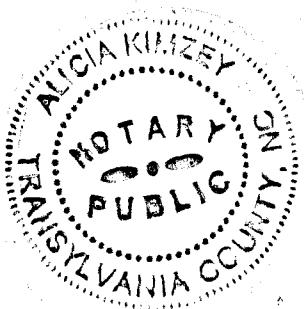
Witness my hand and Notarial stamp or seal, this 23rd day of December, 2014.

Alicia Kimzey (Signature)

Alicia Kimzey (Printed or Typed Name)
Notary Public

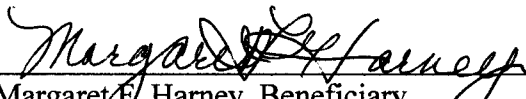
My Commission Expires: 7/11/2017

(SEAL - STAMP)

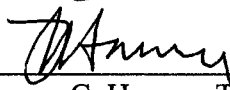


JOINDER AND CONSENT OF BENEFICIARY

MARGARET F. HARNEY ("Beneficiary"), the holder of the Deed of Trust dated August 6, 2013 encumbering the Conservation Area in the amount of \$250,000 recorded at Book DOC665, page 476 in the office of the Register of Deeds of Transylvania County, State of North Carolina (the "Lien"), and THOMAS C. HARNEY, TRUSTEE ("Trustee"), hereby consent to the terms of this Conservation Easement and agree that the Lien shall be fully subordinate to this Conservation Easement and the rights of the Holder to enforce this Conservation Easement. Without limitation of the foregoing, Beneficiary and Trustee agree that, in the event of foreclosure of the Lien or a judgment obtained under the Lien or any promissory note secured thereby, the Conservation Area described in the Conservation Easement shall remain under and subject to the covenants and restrictions in this Conservation Easement, as fully as if the Lien was executed, delivered and recorded after the dates of execution, delivery and recording of this Conservation Easement. Beneficiary and Trustee further agree that Beneficiary's consent shall not be required for Owner to request or for Holder to approve the exercise of any of the Reserved Rights in this Conservation Easement. This Joinder and Consent of Beneficiary shall be binding upon Beneficiary's successors and assignees as holders of the Lien and any amendment thereof.



Margaret F. Harney, Beneficiary



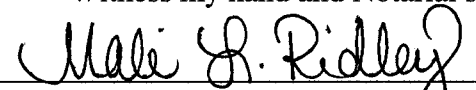
Thomas C. Harney, Trustee


State of Georgia

County of Fulton

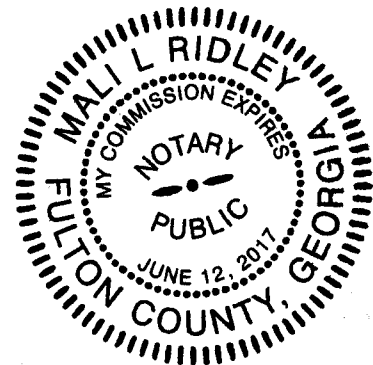
I, the undersigned Notary Public of the County and State aforesaid, certify that Margaret F. Harney and Thomas C. Harney, Trustee personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

Witness my hand and Notarial stamp or seal, this 23 day of December, 2014.



Notary Public
My Commission Expires: ~~June 23, 2014~~ 

(SEAL - STAMP) June 12, 2017



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.

File 10 Slide 285

