

Vannoy -

STATE OF NORTH CAROLINA
COUNTY OF WATAUGA

RESOLUTION TO ACCEPT A CONSERVATION EASEMENT

WHEREAS Blue Ridge Rural Land Trust, whose address is P.O. Box 2557, Boone, N.C. 28607, is a North Carolina non-profit corporation whose Articles of Incorporation allow the corporation to "acquire rights to property, including scenic and conservation easements", and

WHEREAS the late Beulah Blackburn Vannoy, of 720 Catherine Court, Fleetwood, N.C. 28626, wished to donate a conservation easement on her tract of about 157 acres lying at the end of Catherine Court road in Ashe County, and

WHEREAS Mrs. Beulah Blackburn Vannoy in her Last Will and Testament dated 14 August 2001 designated First Citizens Bank & Trust Co. as Executor of her estate and directed the Executor to donate the conservation easement on her property if such donation was not accomplished before her passing, and

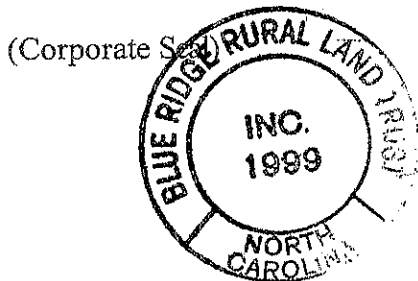
WHEREAS the Executor of the estate of the late Beulah Blackburn Vannoy has agreed to cover all transactional and monitoring costs associated with this conservation easement donation,

THEREFORE, the Board of Directors of Blue Ridge Rural Land Trust at its regularly scheduled Meeting of 25 February 2002 does **RESOLVE** to accept the conservation easement on the above-mentioned Property of the late Beulah Blackburn Vannoy and to execute and perform all obligations of the Grantee under the conservation easement.

Blue Ridge Rural Land Trust

By: Kelly Hopy
Title: President

ATTEST: Paul Gashick
Secretary



STATE OF NORTH CAROLINA

PARCEL ID# 15-231-011

COUNTY OF ASHE

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 by: SHIRLEY B. WALLACE
 REGISTER OF DEEDS
 BOOK 274 PAGE 197-227

GRANT OF CONSERVATION EASEMENT

By: Deaett B. Raten, Deputy

This Grant of Conservation Easement (hereinafter "Conservation Easement") is made the 28th day of February, 2002, by the Estate of Beulah Blackburn Vannoy through its duly qualified Executor, First-Citizens Bank & Trust Co. of 100 South Elm Street, Greensboro, North Carolina 27401, (hereinafter "Grantor") and BLUE RIDGE RURAL LAND TRUST, a North Carolina nonprofit corporation, of Post Office Box 2557, Boone, N.C. 28607 (hereinafter "Grantee").

The designation Grantor and Grantee as used herein shall include said parties, their heirs, successors and assigns, and shall include singular, plural, masculine, feminine or neuter pronouns as required by context. Specifically, the designation Grantor shall include The Blackburn-Vannoy Foundation which will be created at the death of E. Reeves Vannoy pursuant to the Will of Beulah Blackburn Vannoy.

RECITALS

WHEREAS Beulah Blackburn Vannoy died on October 16, 2001, leaving a Last Will and Testament dated 14 August 2001 which was duly admitted to probate in Ashe County, North Carolina, a copy of which is attached hereto as Exhibit A;

WHEREAS under the terms of her Will, First-Citizens Bank & Trust Company (hereinafter "First-Citizens Bank") was named as Executor;

WHEREAS First-Citizens Bank qualified as Executor on October 31, 2001;

WHEREAS under ARTICLE VIII of her Will, Beulah Blackburn Vannoy expressly authorizes her Executor to grant a conservation easement to Blue Ridge Rural Land Trust in all real property owned by her on the date of her death other than the parcel of property devised to Joann Beeker under ARTICLE VI of her Will so long as any such conservation easement granted is substantially similar to the terms contained in the draft of a "Grant of a Conservation Easement" prepared by Blue Ridge Rural Land Trust on July 30, 2001 and is consistent with the long term charitable purposes of The Blackburn-Vannoy Foundation created at the death of E. Reeves Vannoy as expressed in ARTICLE X of her Will;

WHEREAS on the date of her death, Beulah Blackburn Vannoy was the sole owner in fee simple of a 157-acre parcel of real property (hereinafter the "Property") described more fully in Exhibit B, attached hereto and incorporated herein by reference, which parcel does not include the parcel devised to Joann Beeker under ARTICLE VI of the Will;

WHEREAS First-Citizens Bank, as Executor of the Estate of Beulah Blackburn Vannoy, affirms that this conservation easement is substantially similar to the terms of the draft of the "Grant of a Conservation Easement" prepared by Blue Ridge Rural Land Trust on July 30, 2001 and is consistent with the long term charitable purposes of The Blackburn-Vannoy Foundation as expressed in ARTICLE X of the Will of Beulah Blackburn Vannoy;

WHEREAS First-Citizens Bank, on behalf of Grantor, desires to grant a conservation easement in the Property and therefore exercises the authority granted to the Executor under ARTICLE VIII of the Will of Beulah Blackburn Vannoy and executes this conservation easement;

WHEREAS the Property is intended to include all real property owned as of the date of this grant in fee simple by Grantor;

WHEREAS the Grantee is a nonprofit corporation, operated primarily for conservation purposes, including protection of environmentally valuable and sensitive land for charitable, scientific, educational, and aesthetic purposes;

WHEREAS Grantee is a tax exempt public charity under Section 501(c)(3) and 509 (a)(2) of the Internal Revenue Code, is authorized by the laws of the State of North Carolina to accept, hold and administer interest in land including conservation easements, is willing to accept this Conservation Easement under the terms and conditions hereinafter described, and is a "qualified organization" and an "eligible donee" within the meaning of Section 170(h)(3) of the Internal Revenue Code and regulations promulgated thereunder;

WHEREAS the Property is a significant natural area that qualifies in its present condition as a " ... relatively natural habitat of fish, wildlife, or plants, or similar ecosystem," as that phrase is used in P.L. 96-541, 26 USC 170(h)(4)(A)(ii), as amended, and in regulations promulgated thereunder;

WHEREAS the Property is habitat for a typical community of mammals, birds, amphibians, reptiles, and insects found in middle elevation forest and pasture tracts and provides:

- (i) breeding, foraging and migrating habitat for white-tailed deer, raccoons, gray and red foxes, Virginia opossum, bobcat, black bear, gray and fox squirrel, southern flying squirrel, wild turkey, striped skunk, eastern cottontail rabbit, woodchuck, eastern chipmunk, and a large variety of mice, voles, and bats;
- (ii) a habitat for the large number of bird species that breed, winter, or migrate through Ashe County, the most important being the hemispherically imperiled neotropical migrants, i.e.; warblers, vireos, cuckoos, thrushes and flycatchers;

- (iii) a habitat for the group of reptile and amphibian species located in the small streams on the Property which reptiles and amphibian species are expected to be found in relatively clean, unpolluted waterways on well-managed farmland;

WHEREAS the Grantor and the Grantee further recognize the historic, natural, scenic, aesthetic, educational and open space values of the Property, and the special character of the Property, in its present state as farm and forestland, the preservation of which is in accord with federal, state, and local government policy as evidenced by:

- (i) Article XIV Section 5 of the Constitution of the State of North Carolina which states "It shall be the policy of the State to conserve and protect its lands and waters for the benefit of all its citizenry, and to this end it shall be a proper function of the State of North Carolina and its political subdivisions to acquire and preserve park, recreational, and scenic areas, to control and limit the pollution of our air and water, to control excessive noise, and in every other appropriate way to preserve as a part of the common heritage of this state its forests, wetlands, estuaries, beaches, historical sites, openlands, and places of beauty;"
- (ii) The qualification of the Property for the special use ad valorem provision of the state property tax regime for farm and forest land, as set forth in N.C.G.S. §105-277.3 et seq.;
- (iii) The New River Basinwide Management Plan enacted by the State of North Carolina for the purpose of protecting water quality, public water supply, significant wetlands and natural areas along the corridor;
- (iv) The Clean Water Management Trust Fund, N.C.G.S. §113-145.1 et seq., which recognizes the importance of protecting riparian buffers in protecting and conserving surface water;
- (v) The North Carolina Conservation Tax Credit Program, N.C.G.S. §105-130.34 and 105-151.12 et seq., which provides for state income tax credits for donations of land that is useful for fish and wildlife conservation and other similar land conservation purposes;
- (vi) The Soil and Water Conservation Districts Act, N.C.G.S. §139-1, et seq., which provides for the preservation of farm, forest, and grazing lands;
- (vii) The Uniform North Carolina Conservation and Historic Preservation Agreements Act, N.C.G.S. §121-34 et seq., which provides for the enforceability of restrictions, easements, covenants or conditions "appropriate for retaining land or water areas predominately in their natural, scenic, or open condition or in agricultural, horticultural or forestry use;" and which provides for tax assessment

of lands subject to such agreements "on the basis of the true value of the land and improvements less any reduction in value caused by the agreement."

WHEREAS the Property possesses natural, scenic, open space, historic, and educational values (collectively "conservation values") of great importance to the Grantor, Grantee, and general public;

WHEREAS the characteristics of the Property, its current use and state of improvement, are described in a Baseline Report on the Property prepared by Grantee for the Grantor and attached as Exhibit C to this Conservation Easement;

WHEREAS the Grantor worked with the Grantee to ensure that the Baseline Report is a complete and accurate description of the Property as of the date of this Conservation Easement;

WHEREAS the Baseline Report will be used by the Grantor and Grantee to assure that any future changes in the use of the Property will be consistent with the terms of this Conservation Easement although the Baseline Report is not intended to preclude the use of other evidence to establish the present condition of the Property if there is a controversy over its use;

WHEREAS the Grantor and Grantee have the common purpose of conserving the above-described conservation values of the Property in perpetuity, and the State of North Carolina has authorized the creation of Conservation Easements pursuant to the terms of the North Carolina Conservation and Historic Preservation Agreements Act, N.C.G.S. §§121-34 et seq., and N.C.G.S. §§160A-266 to 279, which provides for the enforceability of restrictions, easements, covenants or conditions "appropriate to retaining land or water areas predominantly in their natural, scenic or open condition or in agricultural, horticultural, farming, or forest uses," and which further provides for tax assessment of lands subject to such agreements "on the basis of the true value of the land and improvements less any reduction in value caused by the agreement"; and

WHEREAS the Grantor and Grantee wish to avail themselves of the provisions of the North Carolina Conservation and Historic Preservation Agreements Act.

NOW, THEREFORE, the Grantor, for and in consideration of the facts recited above and of the mutual covenants, terms, conditions and restrictions contained herein and as an absolute and unconditional gift, hereby gives, grants and conveys unto the Grantee, its successors and assigns, forever and in perpetuity for the benefit of the people of North Carolina, a Conservation Easement over the Property of the nature and character as follows:

1. **PURPOSE.** The purposes of this Conservation Easement are (i) to preserve and protect the Property in its natural, scenic, historical, agricultural, forested or open-space condition or use; (ii) to protect native plants, animals, or plant communities on the Property; (iii) to protect the remarkable late nineteenth century farmstead and any other building of historical significance on the Property; and (iv) to prevent any use of the Property that will significantly

impair or interfere with the conservation values or interest of the Property. The purposes of this Conservation Easement should not be construed to prohibit traditional uses of the Property compatible with and not destructive of the conservation values of the Property such as grazing, hunting, selective timber harvesting and farming of existing pastures and fields.

Grantor will not perform, nor knowingly allow others to perform, any act on or affecting the Property that is inconsistent with the purposes of this Conservation Easement. However, unless otherwise specified below, nothing in this Conservation Easement shall require the Grantor to take any action to restore the condition of the Property after any act of God or other event over which Grantor had no control. Grantor understands that nothing in this Conservation Easement relieves Grantor of any obligation or restriction on the use of the Property imposed by law.

2. **PROPERTY USES.** Any activity on, or use of, the Property inconsistent with the purposes of this Conservation Easement is prohibited. The Property shall be maintained in its natural, scenic, historical, agricultural, forested and open-space condition and restricted from any development that would significantly impair or interfere with the conservation values of the Property. Without limiting the generality of the foregoing, the following is a listing of activities and uses which are expressly prohibited or which are expressly allowed. Grantor and Grantee have determined that the allowed activities do not impair the conservation values of the Property. Additional retained rights of Grantor are set forth in Paragraph 3 below.

2.1 Subdivision. The Property may not be subdivided.

2.2 Construction. No other residential structures may be placed or constructed on the Property except as provided in subsection 2.9. Furthermore, there shall be no constructing or placing of any recreational court, mobile home, airplane landing strip, billboard or other advertising display, utility pole (other than those necessary to service the Property's improvements), utility tower, conduit or line on or above the Property. Outdoor lighting shall be placed and shielded so as to minimize the impact on surrounding areas.

2.3 Existing Improvements. The existing improvements consist of A.) the old circa 1880 Blackburn farmhouse, B.) the 1960 brick ranch house with nearby garage, C.) the large old barn southeast of the farmhouse, D.) the springhouse, E.) several small agricultural structures that may be beyond salvage and F.) several woods-roads or logging trails running through the Property. Grantor shall have the right to maintain, remodel, repair, replace or demolish any existing structures, barns, water tanks, water wells, fences, header dams, utilities, and other improvements, and in the event of their destruction, to reconstruct any such existing improvements with another of similar function, capacity, location and material. Grantor agrees to notify Grantee in writing of plans to remodel, replace or demolish at least thirty (30) days prior to beginning work, and submit to Grantee detailed plans for their approval. Grantor further retains the right to move onto the Property, with similar advance written notice to Grantee, certain older farm

structures, contemporary with the Blackburn farmstead, from other properties whose presence, in the opinion of both Grantor and Grantee, may enhance the historic and educational features of the Property.

2.4 Agricultural Use. Grantor shall have the right to i) breed, raise, and pasture livestock in existing fields on the Property, ii) to breed and raise bees, fish, poultry and other fowl in existing facilities on the Property, iii) to plant, raise and harvest legal crops and herbs (including native medicinal species) in existing fields and forest areas on the Property, and iv) to perform primary processing, storage and sale, including direct sale to the public, of crops and products harvested and produced principally on the Property. Grantor shall have the right to build any needed agricultural buildings and structures, including, but not limited to, barns, greenhouses, fishing piers, sheds, and corrals as needed to facilitate such agricultural enterprises on the Property. Grantor may not establish or maintain any commercial feedlot on the Property, which is defined for the purpose of this easement as a confined area or facility within which the land is not grazed or cropped at least annually and which is used to receive livestock that has been raised off the Property for feeding and fattening for market. Grantor agrees to conduct all agricultural use of the Property in accordance with a Farm Management Plan drawn up by the Natural Resource Conservation Service, or its successors and approved by Grantee, such approval not to be unreasonably withheld. Grantor further agrees to have such a Farm Management Plan updated every ten (10) years, and to supply the Grantee a copy.

2.5 Scientific and Educational Use. Grantor shall have the right, but not the obligation, to engage in and permit others, whether for consideration or not, to engage in scientific and educational uses of the Property, including but not limited to (i) conducting studies and/or surveys of the native plant and animal life on the Property; (ii) performing tests, studies, and surveys of the soil, water, or geological characteristics of the Property so long as any such test, study, or survey is related to the conservation purposes of the Property; (iii) permitting field trips, camping trips, hikes, seminars, or field days designed to educate the participants about the plants, animals, agricultural and silvicultural techniques or conservation purposes of the land; or (iv) establishing a museum, classroom, laboratory, office, or other educational or scientific use in one or more buildings on The Blackburn-Vannoy Estate.

2.6 Timber Harvest. Grantor shall have the right to harvest timber from the Property pursuant to a Forest Management Plan, to be updated at least every ten years, that is prepared by a registered professional forester and approved by Grantee and that is designed to insure the maintenance of good quality growing stock of improved white pine and native hardwoods while protecting soil stability, water quality and other conservation values of the Property, including without limitation, riparian and wildlife habitat and scenic values.

All timbering activities shall be conducted only in accordance with Best Management Practices guidelines for timber harvest and management as the same may be promulgated by law or regulation in the state of North Carolina and as adopted by the North Carolina organization of professional foresters, as amended from time to time and provided further that all such activities shall be either specifically approved by the Grantee or shall be in accordance with a Forest Management Plan which shall be in writing and approved by Grantor (and Grantee), whose approval may not be unreasonably withheld, and may be amended from time to time and provided further that all timber roads shall be constructed of permeable materials and shall be no wider than ten (10) feet.

- 2.7 Grazing. Grantor shall have the right to graze and pasture animals pursuant to a grazing plan produced by Natural Resource Conservation Service or its successors, to be updated at least every ten years, and reviewed or approved by the Grantee, whose approval may not be unreasonably withheld, and that is designed to ensure the maintenance of a good quality mix of grasses and forbs, while protecting soil stability, water quality and other conservation values of the Property. Grantor agrees to maintain livestock exclusion zones around springs, seeps, and watercourses.
- 2.8 Christmas Trees. Grantor agrees that no Christmas trees are to be grown on the Property.
- 2.9 Recreational Use. Grantor shall have the right, but not the obligation, to engage in and permit others, whether or not for consideration, to engage in recreational uses of the Property, including, but not limited to, hiking, camping, picnicking, horseback riding, non-motorized bicycling, lawful hunting and fishing, and other recreational uses that require no buildings, facilities, surface alteration or other development of the land. Pursuit of wildlife by any form of motorized transportation is not allowed. Grantor reserves the right to build suitable overnight lodging to accommodate guests on the Property; provided that Grantor may construct no more than two additional buildings for lodging and the location, structure and size of any such building must be approved by Grantee prior to its construction. Grantor further reserves the right to build and maintain unpaved foot- or horse-trails to allow such recreational use of the Property. Grantor reserves the right to promulgate and enforce reasonable rules and regulations for all activities incident to recreational use of the Property, including but not limited to the right to prohibit any recreational use that would permit destruction of other significant conservation value of the Property.
- 2.10 Excavation. There shall be no filling, excavation, dredging, mining or drilling; no removal of topsoil, sand, gravel, rock, peat, minerals or other materials, and no change in the topography of the land in any manner except as necessary to allow the construction of the improvements allowed above, the maintenance of existing

or permitted roads, hiking and horseback trails and for the purpose of combating erosion or flooding.

- 2.11 Destruction of Plants. Grantor shall have the right to cut and remove diseased trees, shrubs, or other plants, and to cut firebreaks, subject to prior approval by the Grantee (except that such approval shall not be required in case of emergency firebreaks), such approval not to be unreasonably withheld. Grantor shall also have the right to cut and remove trees, shrubs, or other plants to accommodate the activities expressly allowed under this easement. There shall be no additional removal, harvesting, destruction or cutting of native trees, shrubs or other plants, except as allowed under 2.4 and 2.6 above. Except for use around improvements or in gardens there shall be no planting of non-native trees, shrubs, or other plants on the Property.
- 2.12 Water Quality and Drainage Patterns. There shall be no pollution of surface water, natural water courses, lakes, ponds, marshes, subsurface water or any other water bodies, nor shall activities be conducted on the Property that would be detrimental to water purity or that could alter the natural water level or flow in or over the Property. Other than the construction of a well to serve allowed improvements, there shall be no alteration, depletion or extraction of surface water, natural watercourses, lakes, ponds, marshes, subsurface water or any other water bodies on the Property. Diking, draining, filling or removal of wetlands is prohibited.
- 2.13 Signage. No signs or billboards or other advertising displays are allowed on the Property, except that signs whose placement, number and design do not significantly diminish the scenic character of the Property may be displayed to identify trails and the conservation values of the Property, to identify the Property as "The Blackburn-Vannoy Estate," to identify the owner of the Property as The Blackburn-Vannoy Foundation and the Grantee of the conservation easement as Blue Ridge Rural Land Trust, to identify the name and address of the Property and the names of persons living on the Property, to give directions, to advertise or regulate permitted uses on the Property and proscribe rules and regulations for recreational and educational use of the protected Property, to advertise the Property for rent, and to post the Property against trespassers.
- 2.14 No Biocides. There shall be no use of pesticides or biocides, including but not limited to insecticides, fungicides, rodenticides, and herbicides, except as approved by Grantee to control invasive species detrimental to the conservation values of the Property, and except as needed around improvements on the Property and in existing agricultural fields. Biocide usage in the existing agricultural fields and forest areas of the Property shall be in accordance with the Farm Management Plan noted in Items 2.4 and 2.7 above and the Forest Management Plan noted in Item 2.6 above.

- 2.15 No Dumping. There shall be no storage or dumping of trash, garbage, abandoned vehicles, appliances, or machinery, or other unsightly or offensive material, hazardous substance, or toxic waste on the Property (except the short term storage of household garbage and waste). There shall be no changing of the topography through the placing of soil or other substance or material such as land fill or dredging spoils, nor shall activities be conducted on the Property or on adjacent property owned by Grantor, that could cause erosion or siltation on the Property.
- 2.16 Predator Control. Grantor shall have the right to control, destroy, or trap predatory and problem animals which pose a material threat to livestock and/or humans by means and methods approved by the Grantee. The method employed shall be selective and specific to individuals, rather than broadcast, nonselective techniques.
- 2.17 Commercial Development. Any commercial or industrial use of or activity on the Property, other than those relating to agriculture, horticulture, silviculture, recreation, or home businesses as permitted herein is prohibited.
- 2.18 Development Rights. With the exception of buildings permitted above, Grantor conveys to Grantee all development rights that are now or hereafter allocated to, implied, reserved or inherent in the Property, and the parties agree that such rights are terminated and extinguished, and may not be used on or transmitted to any portion of the Property, as it now or hereafter may be bounded or described, or to any other property.

3. **ADDITIONAL RIGHTS RETAINED BY GRANTOR.** Grantor retains the following additional rights:

- 3.1 Existing Uses. The right to undertake or continue any activity or use of the Property not prohibited by this Conservation Easement. Prior to making any change in use of the Property, Grantor shall notify Grantee in writing to allow Grantee a reasonable opportunity to determine whether such change would violate the terms of this Conservation Easement.
- 3.2 Transfer. The right to sell, give, mortgage, lease, or otherwise convey the Property, or any permitted subdivision thereof, subject to the terms of this Conservation Easement.

4. **GRANTEE'S RIGHTS AND RESPONSIBILITIES.** To accomplish the purpose of this Conservation Easement, the following rights and responsibilities are granted to Grantee by this Conservation Easement:

- 4.1 Right to Protect. The right to preserve and protect the conservation values of the Property and enforce the terms of this Conservation Easement.

4.2 Right of Entry. Grantee, its employees, representatives, and agents and its successors and assigns, have the right, after prior written notice to Grantor, to enter the protected Property at reasonable times for the purposes of: (a) inspecting the protected Property to determine whether the Grantor, its representatives, assigns, heirs and successors are complying with the covenants and purposes of this Conservation Easement; and (b) monitoring and research as described below. Grantee agrees that such entry on to the Property will be at Grantee's sole risk and expense and at times acceptable and convenient to the Grantor, and subject to the Grantor's approval. Grantor agrees that such approval of proposed times of entry onto the Property by Grantee will not be unreasonably withheld.

4.3 Monitoring and Research. The right, but not the obligation, to monitor the native plant and wildlife populations, plant communities and natural habitats on the Property. Grantee agrees that such monitoring will be at Grantee's sole risk and expense and will only occur at times acceptable and convenient to the Grantor, and Grantor agrees that such permission to enter the Property will not be unreasonably denied. Grantor agrees that all monitoring activity, inventory and assessment work or other natural resource research conducted by the Grantor or others shall be reported to the Grantee.

4.4 Management of Exotics and Invasive Species. The right, but not the obligation, at the Grantee's sole risk and expense, to control, manage or destroy exotic non-native species or invasive species of plants and animals that threaten the conservation values of the Property. Grantee will consult with Grantor prior to implementing control activities.

5. **RESPONSIBILITIES OF GRANTOR AND GRANTEE NOT AFFECTED.**

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

- (a) Taxes - The Grantor shall be solely responsible for payment of all taxes and assessments levied against the Property.
- (b) Upkeep and Maintenance - The Grantor shall be solely responsible for the upkeep and maintenance of the Property, to the extent it may be required by law. The Grantee shall have no obligation under this conservation easement for the upkeep and maintenance of the Property.

6. **ACCESS.** No right of access by the general public to any portion of the Property is conveyed by this Conservation Easement. However, the public has the right to view the Property from adjacent publicly accessible areas such as public roads, in compliance with applicable laws and regulations.

7. **ENFORCEMENT.** The Grantee shall have the right to prevent and correct violations of the terms of this Conservation Easement.

7.1 With advance written notice the Grantee may enter the Property for the purpose of inspecting for violations. If the Grantee finds what is a violation, it may at its discretion and after prior consultation with Grantor take appropriate legal action. Except when an ongoing or imminent violation could substantially diminish or impair the conservation values of the Property, the Grantee shall give the Grantor written notice of the violation and sixty (60) days to correct it (or begin good faith efforts to correct in the event the violation is something which cannot be reasonably corrected in sixty (60) days), before filing any legal actions. If a court with jurisdiction determines that a violation may exist or has occurred, the Grantee may obtain an injunction to stop it, temporarily or permanently. A court may also issue an injunction requiring the Grantor to restore the Property to its condition prior to the violation. The failure of the Grantee to discover a violation or to take immediate legal action shall not bar it from doing so at a later time.

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

8. **TRANSFER OF EASEMENT.** The parties recognize and agree that the benefits of this easement are in gross and assignable. The Grantee shall have the right to transfer or assign this Conservation Easement to any qualified organization that is at the time of transfer a "qualified organization" under Section 170(h) of the U.S. Internal Revenue Code, provided the organization expressly agrees to assume the responsibility imposed on the Grantee by this Conservation Easement. The Grantee further recognizes that the Grantor must be notified in writing at least thirty (30) days in advance of such a proposed transfer or assignment of the easement. The Grantee further recognizes that any such transfer or assignment of the easement must be to a qualified organization that is (a) acceptable to the Grantor, and (b) similar to the Grantee in mission. If the Grantee ever ceases to exist or no longer qualifies under Sec. 170(h) or applicable state law, a court with jurisdiction shall transfer this easement to The Conservation Trust for North Carolina, P.O. Box 33333, Raleigh, North Carolina 27636-3333, which agrees to assume the responsibility.

9. **TRANSFER OF PROPERTY.** Any time the Property, or any subdivision of it, or any interest therein, is transferred by the Grantor to any third party, the Grantor shall notify the Grantee in writing at least thirty (30) days prior to the transfer of the Property, and the document of conveyance shall expressly refer to this Conservation Easement.

10. **AMENDMENT OF EASEMENT.** This easement may be amended only with the written consent of Grantor and Grantee. Any such amendment shall be consistent with the purposes of this Conservation Easement and shall comply with Sec. 170(h) of the Internal Revenue Code, and any regulations promulgated in accordance with that section. Any such amendment shall also be consistent with the Uniform Conservation and Historic Preservation Agreements Act, N.C.G.S. Section 121-34 et. seq., or any regulations promulgated pursuant to that law. The Grantor and Grantee have no right or power to agree to any amendment that would affect the enforceability of this Conservation Easement.

11. **TERMINATION OF EASEMENT.** If it is determined that conditions on or surrounding the Property have changed so much that it is impossible to fulfill the conservation purposes set forth above, a court with jurisdiction may, at the joint request of both the Grantor and Grantee, terminate this Conservation Easement. If condemnation of a part of the Property or of the entire Property by public authority renders it impossible to fulfill any of these conservation purposes, the Conservation Easement may be terminated through condemnation proceedings. At the time of the conveyance of the Conservation Easement to the Grantee, this Conservation Easement gives rise to a real property right, immediately vested in the Grantee. If the easement is terminated and the Property is sold or taken for public use, then, as required by Sec. 1.170A-14(g)(6) of the IRS regulations, the Grantee shall be entitled to a percentage of the gross sale proceeds or condemnation award (minus any amount attributed to new improvements made after the date of the conveyance, which amount shall be reserved to Grantor), equal to the ratio of the appraised value of this easement to the unrestricted fair market value of the Property, as these values are determined on the date of this Conservation Easement. The Grantee shall use the proceeds consistently with the conservation purposes of this Conservation Easement.

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

13. **TITLE.** The Grantor covenants and represents that the Grantor is the sole owner and is seized of the Property in fee simple and has good right to grant and convey this Conservation Easement; that the Property is free and clear of any and all encumbrances, including but not limited to, any mortgages not subordinated to this Conservation Easement, and that the Grantee shall have the use of and enjoy all the benefits derived from and arising out of this Conservation Easement.

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

To Grantor:
Estate of Beulah Blackburn Vannoy
c/o First-Citizens Bank & Trust Co., Executor
100 South Elm Street

To the Grantee:
Blue Ridge Rural Land Trust
P.O. Box 2557
Boone, N.C. 28607

Greensboro, N.C. 27401

15. **ENVIRONMENTAL CONDITION.** The Grantor warrants that it has no actual knowledge of a release or threatened release of hazardous substances or wastes on the Property.

16. **SEVERABILITY.** If any provision of this Conservation Easement is found to be invalid, the remaining provisions shall not be altered thereby.

17. **PARTIES.** Every provision of this Conservation Easement that applies to the Grantor or Grantee shall also apply to their respective heirs, executors, administrators, assigns, and all other successors as their interest may appear.

18. **RE-RECORDING.** In order to ensure the perpetual enforceability of the Conservation Easement, the Grantee is authorized to re-record this instrument or any other appropriate notice or instrument.

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

20. **SUBSEQUENT LIENS ON PROPERTY.** No provisions of this Conservation Easement should be construed as impairing the ability of Grantor to use this Property as collateral for subsequent borrowing, provided that any mortgage or lien arising from such a borrowing would be subordinate to this Conservation Easement.

21. **EXHIBITS AND DOCUMENTATION.**

A. Legal Description. Exhibit A, Last Will and Testament of Beulah Blackburn Vannoy, dated August 14, 2001.

B. Legal Description. Exhibit B, Legal Description of the Property.

C. Baseline Report. Exhibit C, The Conservation Easement Baseline Report on the Property which accurately establishes the uses, structures, conservation values and condition of the protected Property as of the date hereof.

22. **ENTIRE AGREEMENT.** This instrument sets forth the entire agreement of the parties with respect to the Conservation Easement and supersedes all prior discussions, negotiations, understandings or agreements relating to the Conservation Easement. If any provision is found to be invalid, the remainder of the provisions of this Conservation Easement, and the application of such provision to persons or circumstances other than those as to which it is found to be invalid, shall not be affected thereby.

23. **ACCEPTANCE AND EFFECTIVE DATE.** As attested by the Seal of the Grantee and the signature of its authorized representative affixed hereto, the Grantee hereby accepts without reservation the rights and responsibilities conveyed by this Conservation

Easement. This Conservation Easement is to be effective the date recorded in the Ashe County Registry of Deeds.

TO HAVE AND TO HOLD, this Grant of Conservation Easement unto the Blue Ridge Rural Land Trust, its successors and assigns, forever.

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

GRANTOR:

Estate of Beulah Blackburn Vannoy
By First-Citizens Bank & Trust Co., Executor

By: Jane B. Hewitt
Senior Vice President

Attest:

[Signature]
Assistant Secretary

[CORPORATE SEAL]

Accepted by

GRANTEE:
BLUE RIDGE RURAL LAND TRUST

By: [Signature]

Its: President

Attest:

Its:

[CORPORATE SEAL]



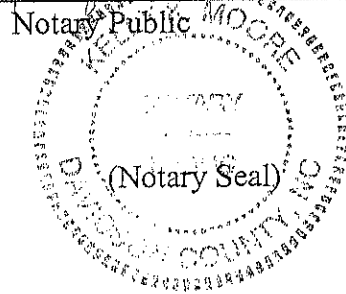
Acknowledgments

STATE OF NORTH CAROLINA
COUNTY OF Guilford

I, Kelly K. Moore, a Notary Public of Guilford County, North Carolina, do hereby certify that Jane Hewitt personally appeared before me this day and acknowledged that he/she is the Senior Vice Pres of First Citizens Bank & Trust Co., duly-qualified Executor of the Estate of Beulah Blackburn Vannoy and a North Carolina corporation, and that by authority duly given and as an act of the corporation the foregoing instrument was signed in its name by its Senior Vice Pres, sealed with its corporate seal and attested by himself/herself as its ASSA SECRETARY.

Witness my hand and notarial seal this the 8 day of March, 2002.

Kelly K. Moore (Seal)



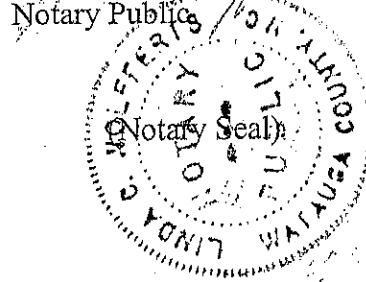
My commission expires:
August 2, 2003

STATE OF NORTH CAROLINA
COUNTY OF WATAUGA

Linda C. Wefferts, a Notary Public of Watauga County, North Carolina do hereby certify that B. Kelly Coffey / Paul Daskal personally appeared before me this day and acknowledged that he/she is the — Secretary of Blue Ridge Rural Land Trust, a non-profit corporation, and that by authority duly given and as act of the corporation the foregoing instrument was signed in its name by its — President, sealed with its corporate seal and attested by himself as its secretary.

Witness my hand and notarial seal this the 22nd day of March, 2002.

Linda C. Wefferts (Seal)



My commission expires:
April 20, 2002

STATE OF NORTH CAROLINA
COUNTY OF ASHE

The Foregoing (or annexed) Certificate(s) of Kelly K. Moore & Linda C. Wolfferts,
both Notaries Public as stated

~~Notary~~ ~~(ies)~~ ~~Public~~ ~~(is)~~ (are) Certified to be correct.

This instrument was filed for Registration on the Day and Hour in the Book and Page shown in the First page hereof.

Shirley B. Wallace

Register of Deeds

By: Duett R. Roten, Deputy

- EXHIBIT A. LAST WILL AND TESTAMENT of Beulah Blackburn Vannoy
- EXHIBIT B. LEGAL DESCRIPTION of the Property
- EXHIBIT C. BASELINE REPORT

This instrument prepared by and return to:

James H. Coman, III
Executive Director
Blue Ridge Rural Land Trust
P.O. Box 2557
Boone, N.C. 28607