

BOOK <u>T-3/</u> PAGE(S) <u>1313 - 1340</u>

STATE OF NORTH CAROLINA COUNTY OF MACON

Presented for registration and recorded in the office of the Register of Deeds for Macon County, North Carolina, in Book ______, page(s) 313 _____, 1340 ____, this ______ day of _____, 200, 7 at ______, 2120 _____, o'clock _____ M.

TODD RABY, REGISTER OF DEEDS

CONSERVATION EASEMENT

This instrument prepared by and return to: Law Offices of Kenneth W. Fromknecht, II 29 Iotla Street Franklin, North Carolina 28734

REV. \$0.00

PARCEL PIN SPLIT #1141983

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NORTH CAROLINA MACON COUNTY

This Grant of Conservation Easement (hereinafter "Conservation Easement") is made the day of ________, 2007 by Melcar, llc., a North Carolina limited liability company, (hereinafter "Grantor") whose address is 3001 Alamo Drive, Orlando, FL 32895 and The Land Trust for the Little Tennessee, Inc., a North Carolina nonprofit corporation, (hereinafter "Grantee") with an address of P.O. Box 1148, Franklin, NC 28744.

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.

RECITALS

- A. The Grantor is the sole owner in fee simple of certain property legally described in a Deed dated April 20, 2005 from Kenneth D. Rosen and wife, Ellen K. Rosen, and Rose Creek, LLC, a North Carolina limited liability company, to Melcar, LLC, a North Carolina limited liability company, recorded in Deed Book C-29, Pages 586-588, Macon County Public Registry.
- B. Grantor and Grantee have agreed to set aside a portion of the above referenced lands, which portion of said lands is depicted on a survey entitled "Conservation Easement Survey For Melcar, LLC and The Land Trust for the Little Tennessee, Inc.", prepared by Smoky

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- C. 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. Grantee is a tax exempt public charity under Section 501(c)(3) of the Internal Revenue Code, is authorized by the laws of the State of North Carolina to accept, hold, and administer interests 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.
- D. The Easement Area 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 PL. 96-541, 26 USC 170(h)(4)(A)(ii) as amended, and in regulations promulgated thereunder. Specifically, the Easement Area includes the following:
 - a. <u>Aquatic Resources</u>. Includes approximately 2,396 feet on the lower Little Tennessee River, which is designated by the U.S. Fish and Wildlife Service as federally-designated Critical Habitat for the federally-endangered Appalachian Elktoe (*Alasmidonta raveneliana*) and the threatened Spotfin Chub (*Cyprinella monacha*) and is known habitat for the federally-threatened Littlewing Pearlymussel (*Pegias fabula*).
 - b. <u>Productive agricultural resources</u>. Includes soils that have been classified as "prime" or "statewide important" soils by the United States Department of Agriculture, Natural Resources Conservation Service.
 - c. <u>Proximity to protected lands.</u> Is adjacent to two permanently-conserved privately-owned parcels and is in close proximity to two protected parcels of the Needmore Game Lands, owned by the State of North Carolina.
- E. The conservation values of this Conservation Easement are recognized by, and the grant of this Conservation Easement will serve, the following clearly delineated governmental conservation policies:
 - a. 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;"
- b. 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 clean surface water;
- c. the North Carolina Conservation Tax Credit Program that encourages contributions of land that provides habitat for fish and wildlife and other similar land conservation purposes set forth in N.C.G.S. 105-130.34 and 105-151.12 et seq.;
- d. the Farmland Protection Policy Act, P.L. 97-98, 7 U.S.C. Section 4201, et seq., whose purpose is "to minimize the extent to which Federal programs and policies contribute to the unnecessary and irreversible conversion of farmland to nonagricultural uses, and to assure that Federal programs are administered in a manner that, to the extent practicable, will be compatible with State, unit of local government and private programs and policies to protect farmland;"
- e. North Carolina General Statute 139-2 et seq. which provides that "it is hereby declared ... that the farm, forest and grazing lands of the State of North Carolina are among the basic assets of the State and the preservation of these lands is necessary to protect and promote the health, safety and general welfare of its people ... it is hereby declared to be the policy of the legislature to provide for the conservation of the soil and resources of this State;"
- f. North Carolina General Statute 106-583 et seq. which states that "It is declared to be the policy of the State of North Carolina to promote the efficient production and utilization of the products of the soil as essential to the health and welfare of our people and to promote a sound and prosperous agriculture and rural life as indispensable to the maintenance of maximum prosperity;"
- g. Article 17 of the North Carolina General Statutes N.C.G.S. 113A-240-241, entitled Conservation, Farmland and Open Space Protection and Coordination, otherwise known as the Million Acre Initiative which states "The State of North Carolina shall encourage, facilitate, plan, coordinate, and support appropriate federal, State, local, and private land protection efforts so that an additional one million acres of farmland, open space and conservation lands in the State are permanently protected by December 31, 2009."
- F. The characteristics of the Easement Area, its current use and state of improvement, are described in a report entitled "Melcar Baseline Report" ("Report"), dated January 31, 2007, prepared by Grantee for the Grantor. A copy of the Report (less appendices) is attached hereto and incorporated herein as Exhibit B. The Grantor worked with the Grantee to ensure that the Report is a complete and accurate description of the Easement Area as of the date of this Conservation Easement. It will be used by the Grantor and Grantee to assure that any future changes in the use of the Easement Area will be consistent with the terms of this Conservation Easement. However, the Report is not

- intended to preclude the use of other evidence to establish the present condition of the Easement Area if there is a controversy over its use.
- G. The Grantor and Grantee have the common purpose of conserving the above-described conservation values of the Easement Area 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., which provide for the enforceability of restrictions, easements, covenants or conditions "appropriate to retaining land or water areas predominately in their natural, scenic or open condition or in agricultural, horticultural, farming, or forest 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"; and the Grantor and Grantee wish to avail themselves of the provisions of that law

NOW, THEREFORE, the Grantor, for and 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 Easement Area of the nature and character as follows:

1. PURPOSE. The purposes of this Conservation Easement are to ensure that the Easement Area will be retained forever predominantly in its natural, scenic, agricultural, forested, and open space conditions; to protect native plants, animal and plant communities on the Easement Area; to protect water quality of the Little Tennessee River; to assure the availability of the Easement Area for traditional uses that are compatible with the conservation values of the Easement Area and to prevent any use of the Easement Area that will significantly impair or interfere with conservation values or interests of the Easement Area.

Grantor will not perform, nor knowingly allow others to perform, any act on or affecting the Easement Area 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 Easement Area after any act of God or other event over which Grantor had no control. Grantor understands that nothing in this Conservation Easement relieves them of any obligation or restriction on the use of the Easement Area imposed by law.

- 2. EASEMENT AREA USES. Any activity on, or use of, the Easement Area inconsistent with the purposes of this Conservation Easement is prohibited. The Easement Area shall be maintained in its natural, scenic and open condition and restricted from any development or use that would significantly impair or interfere with the conservation values of the Easement Area. 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 Easement Area. Additional retained rights of Grantor are set forth in Paragraph 3 below.
 - 2.1 <u>Subdivision.</u> Easement Area may not be divided, subdivided, or partitioned, nor conveyed except in its current configuration as an entity.

- 2.2 <u>Construction.</u> With prior written notification to the Grantee, Grantor shall retain the right to construct or reconstruct buildings and other improvements on the Easement Area as described in paragraph 2.2 subparagraphs "a" through "c" below:
 - a. Grantor shall have the right to construct, maintain and repair one (1) canoe/kayak access site on the Easement Area with launch and chute to be located on the bank of the Little Tennessee River. All necessary care shall be taken to complete the construction of such features in a manner so as not to cause or allow sedimentation either during or after construction.
 - b. Grantor shall have the right to construct, maintain and repair naturally surfaced walking and hiking trails on the Easement Area. All trails must be located at a minimum distance of fifteen (15) feet from the top of the bank of the Little Tennessee River, unless such locations are physically impracticable.
 - c. Grantor shall have the right to construct, maintain and repair one (1) covered picnic shelter, deck or gazebo. No portion of such covered picnic shelter, deck or gazebo shall be located within (10) feet of bank slope to river. Furthermore, such structure shall not include water, septic, or electric utilities nor exceed a total of (600) square feet gross covered ground area defined as total land area of the land occupied by a structure, calculated on the basis of the exterior dimensions of the outermost perimeter walls or bounds of the structure whether at ground level or above, and includes the land area occupied by any associated or attached porches, steps, stairs, patios, terraces, balconies, eves, pergolas, breezeways, carports, courtyards, or decks, whether enclosed or open air, but does not include the ground area affected by roadways and such structure shall not exceed twenty (20) feet in height, measured from the lowest elevation at which any exterior wall of the structure meets the surface of the ground to the highest ridgeline of the structure defined as where two sloping sides of a roof meet at the top, chimneys excluded. A wood-burning fireplace is allowed within the (1) covered picnic shelter, deck or gazebo.

No other structures may be placed or constructed on the Easement Area. Furthermore, there shall be no constructing or placing of any utilities, utility pole, utility tower, or cellular phone tower on or above the Easement Area.

- 2.3 <u>Fences.</u> Grantor shall have the right to repair and replace existing fences and gates. New fences and gates may be built and maintained on the Easement Area for purposes of reasonable and customary management of livestock and wildlife.
- 2.4 Agricultural Use. Grantor shall have the right to:
 - a. breed, raise, and pasture livestock
 - b. breed and raise bees, poultry and other fowl

- c. plant, raise and harvest crops, and
- d. perform primary processing, store and sell, including direct sales to the public, of crops and products harvested and produced principally on the Easement Area.

Agricultural activity shall not be permitted in the designated vegetated buffer described in Paragraph 2.5 of this Conservation Easement, except as provided in paragraph 2.7 of this Conservation Easement.

Grantor may not establish or maintain any commercial feedlot on the Easement Area, which is defined for the purpose of this Conservation 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 Easement Area for feeding and fattening for market.

Any agricultural activities conducted on the Easement Area must meet the standards and specifications of the United States Department of Agriculture Natural Resource Conservation Service's Technical Guide for Best Management Practices or the standards and specifications of Best Management Practices of its successors.

- 2.5 <u>Vegetated Buffer</u>. A permanent vegetated buffer of trees and natural woody vegetation ("Vegetated Buffer") shall be maintained at not less than thirty (30) feet from the top of the bank of the Little Tennessee River. In the Vegetated Buffer of trees and natural woody vegetation, there shall be no burning, mowing, cutting, removal, grazing, livestock access, plowing, tilling or destruction of trees, shrubs, grasses or other vegetation except that Grantor reserves the right to:
 - a. mow only as necessary to maintain fencing;
 - b. remove dead wood or trees as necessary to control or prevent imminent hazard, disease or fire; and to
 - c. prohibit the spread of non-native plants; and to
 - d. selectively cut, top and/or trim trees and vegetation to allow for view of the Little Tennessee River and to allow for passive, non-motorized recreational activities including but not limited to hiking, bird-watching, and picnicking, provided such cutting, topping and/or trimming does not impact the effectiveness of the Vegetated Buffer as determined by Grantee in its sole discretion. The fixed location(s) of such cutting, topping and/or trimming shall be determined by the Grantor and is limited to three hundred (300) linear feet of the Vegetated Buffer; and to
 - e. allow location of structure as provided in paragraph 2.2 subparagraph c of this Conservation Easement, and to
 - f. allow grazing, access and pasturing of livestock as provided in paragraph 2.7 of this Conservation Easement.

A permanent vegetated buffer of trees and natural woody vegetation shall be maintained at not less than fifteen (15) feet from the top of the bank of unnamed tributary described in the Report. In the vegetated buffer of trees and natural woody vegetation along unnamed tributary, there shall be no burning, mowing, cutting, removal, grazing, livestock access, plowing, tilling or destruction of trees, shrubs, grasses or other vegetation except that Grantor reserves the right to:

- a. mow only as necessary to maintain fencing; and to
- b. remove dead wood or trees as necessary to control or prevent imminent hazard, disease or fire; and to
- c. prohibit the spread of non-native plants
- d. maintain stream crossing for the purpose of allowing passage across the Vegetated Buffer by livestock, horses and agricultural equipment to cross the surface water in specific locations.
- 2.6. <u>Forest Management.</u> There shall be no commercial timber harvest allowed on the Easement Area

Grantor and others permitted by Grantor shall have the right to:

- a. harvest timber from the Easement Area for firewood for use by the Grantor.
- b. harvest timber from the Easement Area in order to maintain structures and improvements such as fences and other improvements by the Grantor.
- c. harvest timber to promote forest health and to remove trees that threaten structures and utilities.

No construction of new roads to accommodate timber harvesting is allowed.

- 2.7 <u>Grazing.</u> Grantor shall have the right to graze and pasture livestock on the Easement Area. Animals shall not be permitted in the designated vegetated buffer described in Paragraph 2.5 of this Conservation Easement, except as follows:
 - a. the Easement is presently in agricultural use and livestock have been and continue to graze on certain portions of the Conservation Easement, including the vegetated buffer; and
 - b. Grantee recognizes that excluding cattle from the vegetated buffer may require either (i) constructing a fence along the boundary of the buffer; (ii) excluding livestock from the entire property; or (iii) other extraordinary measures; and
 - c. because the implementation of such solutions will take time, the Grantee hereby agrees to waive enforcement of the prohibition against livestock

- access and grazing to the vegetated buffer as defined by paragraph 2.5 of this Conservation Easement, for the limited period of one year from the date of the grant of this Conservation Easement; and
- d. the Grantee has determined that allowing an extension of the period of time for compliance with the livestock exclusion provisions of paragraph 2.5 and 2.7 of this Conservation Easement does not damage, compromise, or impair the conservation values of the property; and
- e. the Grantee's agreement to forego enforcement for one year of the particular terms of the easement relating to livestock access does not constitute a waiver of any other rights to enforce the terms of the Conservation Easement; and
- f. Grantee's agreement to forego enforcement for one year shall automatically terminate on the 12 day of May, 2008.
- 2.8 Recreational Use. Grantor retains the right to engage in, and allow others to engage in, passive, low-impact recreational activities such as, by way of example, hunting, fishing, horseback riding, camping, hiking, bird watching, and other recreational uses; provided that these activities do not significantly impact the conservation values of the Easement Area. However, under no circumstances shall recreational courts, golf courses or ranges, airstrips, or commercial helicopter pads be constructed, placed or permitted to remain on the Easement Area. Use of motorized vehicles for recreational purposes on the Easement Area is limited to roads and trails and to such noncommercial use that does not impair the conservation values of the Easement Area.
- 2.9 <u>Excavation</u>. Except as necessary to allow the construction, repair and maintenance of the improvements allowed above, no placement or excavation of gravel, rock, minerals or other materials will be permitted, nor any building of roads or change in the topography of the land in any manner except as reasonably necessary for the purpose of combating erosion, or to accomplish permitted activities.
- 2.10 <u>Water Quality and Drainage Patterns.</u> There shall be no pollution of surface water, natural water courses, marshes, subsurface water or any other water improvements. There shall be no alteration, depletion or extraction of surface water, natural water courses, marshes, subsurface water or any other water bodies on the Easement Area except that Grantor reserves the right to have access to and use of water from the Little Tennessee River either for irrigation or otherwise. Diking, draining, filling or removal of wetlands is prohibited.
- 2.11 <u>Signage</u>. No signs, billboards or advertising display are allowed on the Easement Area, except that signs whose placement, number and design do not significantly diminish the scenic character of the Easement Area may be displayed to identify the conservation values of the Easement Area, to identify the name and address of the Easement Area and the names of persons living on the Property, to give directions, to advertise or regulate permitted uses on the Easement Area and

- proscribe rules and regulations for recreational use of the protected Easement Area, to advertise the Easement Area for sale or rent, and to post the Easement Area against trespassers.
- 2.12 No Dumping. Dumping, storage or accumulation of soil, trash (except for the short term storage of household garbage and waste incident to permitted uses of the Easement Area), refuse, debris, ashes, garbage, waste, abandoned vehicles or parts, appliances, machinery, or hazardous substances, or toxic or hazardous waste, or any placement of underground or above ground storage tanks or other materials is prohibited. 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 Easement Area that could cause erosion or siltation on the Easement Area.
- 2.13 <u>Predator Control</u>. Grantor shall have the right to control, destroy, or trap predatory and problem animals that pose a nuisance or threat to livestock, crops and/or humans. Any and all predator control activities shall be in accordance with all applicable federal, state, and local laws and regulations.
- 2.14 <u>Commercial and Industrial Development</u>. Any commercial or industrial use of or activity on the Easement Area other than those relating to agriculture or recreation is prohibited.
- 2.15 <u>Development Rights.</u> With the exception of construction permitted above, Grantor conveys to Grantee all development rights that are now or hereafter allocated to, implied, reserved or inherent in the Easement Area, and the parties agree that such rights are terminated and extinguished, and may not be used on or transmitted to any portion of the Easement Area, 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 <u>Existing Uses.</u> The right to undertake or continue any activity or use of the Easement Area not prohibited by this Conservation Easement. Prior to making any change in use of the Easement Area, 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. <u>Transfer.</u> The rights to sell, give, mortgage, lease, or otherwise convey the Easement Area subject to the terms of this Conservation Easement.
 - 3.3. Quiet Enjoyment. The Grantor reserves to itself, its successors and assigns, all rights accruing from its ownership of the Easement Area, including the right to engage in or permit or invite others to engage in all uses of the Easement Area that are not expressly prohibited or restricted herein and not inconsistent with the purposes of this Conservation Easement. Without limiting the generality of the foregoing, the Grantor expressly reserves itself, its successors and assigns, invitees

and licensees the right of access to the Easement Area, and the right of quiet enjoyment of the Easement Area.

- 4. GRANTEE'S RIGHTS. To accomplish the purpose of this Conservation Easement, the following rights are granted to Grantee by this Conservation Easement.
 - 4.1. <u>Right to Protect.</u> The right to preserve and protect the conservation values of the Easement Area and enforce the terms of this Conservation Easement.
 - 4.2. Right of Entry. With reasonable advance notice provided to Grantor or with Grantor's prior verbal consent, Grantee, its employees, representatives, and agents and its successors and assigns, have the right to enter the protected Easement Area at reasonable times for the purposes of: (a) inspecting the protected Easement Area 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.
 - 4.3. <u>Monitoring and Research</u>. The right, but not the obligation, to monitor the native plant and wildlife populations, plant communities and natural habitats on the Easement Area. 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. <u>Management of Exotics and Invasive Species</u>. The right, but not the obligation, to control, manage or destroy exotic non-native species or invasive species of plants and animals that threaten the conservation values of the Easement Area. 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 Easement Area. Among other things, this shall apply to:
 - a. Taxes The Grantor shall be solely responsible for payment of all taxes and assessments levied against the Easement Area.
 - b. Upkeep and Maintenance The Grantor shall be solely responsible for the upkeep and maintenance of the Easement Area, to the extent it may be required by law. The Grantee shall have no obligation for the upkeep or maintenance of the Easement Area.
- 6. ACCESS. No right of access by the general public to any portion of the Easement Area is conveyed by this Conservation Easement. However, the public has the right to view the Easement Area from adjacent publicly accessible areas such as public roads and waterways. Legal access to the Easement Area is warranted to Grantee.
- 7. NOTICE OF INTENTION TO UNDERTAKE CERTAIN PERMITTED ACTIONS. The purpose of requiring Grantor to notify Grantee prior to undertaking certain

permitted activities, as provided in paragraph 2.2, is to afford Grantee an opportunity to ensure that the activities in question are designed and carried out in a manner consistent with the purpose of the Easement. Whenever notice is required Grantor shall notify Grantee in writing not less than forty-five (45) days prior to the date Grantor intends to undertake the activity in question. The notice shall describe the nature, scope, design, location, timetable, and any other material aspect of the proposed activity in sufficient detail to permit Grantee to make an informed judgment as to its consistency with the purpose of this Conservation Easement. Grantee shall either deny or grant its approval in writing within thirty (30) days of receipt of Grantor's written request. Grantee's approval may be withheld only upon a determination by Grantee that the action as proposed would be inconsistent with the purpose of this Conservation Easement.

- 8. ENFORCEMENT. The Grantee shall have the right to prevent and correct violations of the terms of this Conservation Easement.
 - a. With advance written notice the Grantee may enter the Easement Area for the purpose of inspecting for violations. If the Grantee finds a violation, it may at its discretion take appropriate legal action. Except when an ongoing or imminent violation could substantially diminish or impair the conservation values of the Easement Area, 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 it 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 Easement Area 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.
 - b. 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 Easement Area 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 Easement Area resulting from such action.
- 9. 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, and the organization expressly agrees to assume the responsibility imposed on the Grantee by this Conservation Easement. 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 another qualified organization having similar purposes that agrees to assume the responsibility.
- 10. TRANSFER OF EASEMENT AREA. Any time the Easement Area 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 Easement Area, and the document of conveyance shall expressly refer to this Conservation Easement.

- 11. AMENDMENT OF EASEMENT. This Conservation 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, or 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.
- 12. TERMINATION OF EASEMENT. If it is determined that conditions on or surrounding the Easement Area 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.

At the time of the conveyance of the Conservation Easement by the Grantor to the Grantee, this Conservation Easement gives rise to a real property right, immediately vested in the Grantee. If the Conservation Easement is terminated and the Easement Area 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 equal to the ratio of the appraised value of this easement to the unrestricted fair market value of the Easement Area, 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.

- 13. 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.
- 14. INDEMNIFICATION. Each party agrees to release, hold harmless, defend and indemnify the other from any and all liabilities including, but not limited to, injury losses, damages, judgments, costs, expenses and fees that the indemnified party may suffer or incur as a result of or arising out of the activities of the other party on the Easement Area.
- 15. TITLE. The Grantor covenants and represents that the Grantor is the sole owner and is seized of the Easement Area in fee simple and has good right to grant and convey this Conservation Easement; that the Easement Area 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.
- 16. 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 the Grantor: Melcar, LLC 3001 Alamo Drive Orlando, FL 32805 To the Grantee: Land Trust for the Little Tennessee P.O. Box 1148 Franklin, NC 28744

- 17. ENVIRONMENTAL CONDITION. The Grantor warrants that it has no actual knowledge of a release or threatened release of hazardous substances or wastes on the Easement Area.
- 18. SEVERABILITY. If any provision of this Conservation Easement is found to be invalid, the remaining provisions shall not be altered thereby.
- 19. 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.
- 20. 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.
- 21. MERGER. The parties agree that the terms of this Conservation Easement shall survive any merger of the fee and easement interest in the Easement Area.
- 22. SUBSEQUENT LIENS ON EASEMENT AREA. No provisions of this Conservation Easement should be construed as impairing the ability of Grantor to use this Easement Area as collateral for subsequent borrowing, provided that any mortgage or lien arising from such a borrowing would be subordinate to this Conservation Easement.

23. EXHIBIT AND DOCUMENTATION.

- A. <u>Legal Description</u>. Exhibit A, Legal Description of the Easement Area is attached hereto and made a part hereof by reference.
- B. <u>Baseline Report (less appendices)</u>. Exhibit B, Description of specific conservation values of the Easement Area and its current use and state of improvement is attached hereto and made a part hereof by this reference.
- 24. 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.
- 25. 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 Macon County Register of

Deeds.

TO HAVE AND TO HOLD, this Grant of Conservation Easement unto The Land Trust for the Little Tennessee, Inc., 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:	MELCAR, LLC, A North Carolina limited liability company
Ву:	MARY CAPHERINE MAHER,
, was a second	Member/Manager
By:	Delinal Werdiege DEBORAH HENDERSON,
	Member/Manager
STATE OF COUNTY OF	Florida F Volutia
Members/Ma	ARILYO C Buck, a Notary Public of Volusia. County, do y that MARY CATHERINE MAHER and DEBORAH HENDERSON, anagers of Melcar, LLC, personally appeared before me this day and duly define execution of the foregoing Conservation Easement.
WITY	NESS my hand and notarial seal, this 17th day of April, 2007.
	ion expires: 8/16/2010 WHENCEUCK (SEAL)
Notary Public	
My commiss	Ton expires: 8/16/2010 WHILTING BUCK Connect Children Expires the Connect Children Expires the Connect Children Floride Notary Assn., Inc.

Accepted:	
GRANTEE:	By: Paul Carlson, Executive Director
Attest:	By: Lydia Sargent Machuley, Secretary
(Corporate Se	al)
STATE OF N MACON COU	ORTH CAROLINA UNTY
appeared befo Trust for the I given and as a	Carolina do hereby certify that LYDIA SARGENT MACAULEY personally re me this day and acknowledged that she is the Secretary of The Land Little Tennessee, Inc., a nonprofit corporation, and that by authority duly act of the corporation the foregoing instrument was signed in its name by its ector, sealed with its corporate seal and attested by herself as its Secretary.
WITNESS my Notary Public My commission	

EXHIBIT A

Being that certain 12.36 acre tract of land as shown on the plat prepared by Smoky Mountain Land Surveying, P. A., Ben West, Professional Land Surveyor, Drawing Number 3460, dated September 4, 2006, and recorded on Plat Card 5288, Macon County Public Registry, to which reference is hereby made for a full and complete description.

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EXHIBIT "B"



MELCAR BASELINE REPORT

A Baseline Documentation Report for the Conservation Easement

Granted by Melcar LLC

On 12.36 Acres of the 168.75-Acre Huggins Farm Property,

Macon County, North Carolina,

To The Land Trust for the Little Tennessee, Inc.

PREPARED BY:

Dennis F. Desmond

Land Stewardship Coordinator

The Land Trust for the Little Tennessee

DATE: January 31, 2007



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- X. Conservation Recommendations
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I. Conservation Easement Summary:

Purpose of the Conservation Easement

The purposes of the Conservation Easement are to ensure that the Easement Area will be retained forever predominantly in its natural, scenic, agricultural, forested, and open space conditions; to protect native plants, animal and plant communities on the Easement Area; to protect water quality of the Little Tennessee River; to assure the availability of the Easement Area for traditional uses that are compatible with the conservation values of the Easement Area and to prevent any use of the Easement Area that will significantly impair or interfere with conservation values or interests of the Easement Area. The duration of the conservation easement is perpetual.

Conservation Values

- A. <u>Aquatic resources</u>. Includes approximately 2,396 feet on the lower Little Tennessee River, which is designated by the U.S. Fish and Wildlife Service as federally-designated Critical Habitat for the federally-endangered Appalachian Elktoe (*Alasmidonta raveneliana*) and the federally-threatened Spotfin Chub (*Cyprinella monacha*) and is known habitat for the federally-threatened Littlewing Pearlymussel (*Pegias fabula*).
- B. <u>Productive agricultural resources</u>. Includes soils that have been classified as "prime" or "statewide important" soils by the United States Department of Agriculture, Natural Resources Conservation Service.
- C. <u>Proximity to protected lands</u>. Is adjacent to two permanently-conserved privately-owned parcels and is in close proximity to two protected parcels of the Needmore Game Lands, owned by the State of North Carolina.
- II. Property Background Information

<u>Property address/Location</u>: 4136 Rose Creek Road, Franklin, NC. Cowee Township, Macon County, North Carolina.

<u>Directions from LTLT (Franklin)</u>: The property is located approximately 10 miles (15 minutes) from downtown Franklin. Follow NC 28 (Harrison Ave./ Bryson City Rd. approximately 9 miles to Rose Creek Rd. (SR 1456). Turn left, cross over metal truss bridge ("McCoy bridge"), turn left, and proceed approximately one-half mile. Easement Area is on left, along Little Tennessee River.

<u>River basin/Hydrologic Unit Code</u>: Little Tennessee River Subbasin 04-04-01, upper Little Tennessee River watershed; USGS 14-Digit Hydrologic Unit: 06010202020, Little Tennessee.

<u>Size</u>: Property: 168.75 acres Conservation Easement: 12.36 acres (includes 3.60 acres between the west bank and the center of the Little Tennessee River)

USGS topographic quadrangle reference: Alarka, N.C.

Elevation: approx. 1930 feet above sea level

<u>Legal description of easement</u>: shown as the plat of survey entitled "Conservation Easement Survey For Melcar, LLC and The Land Trust for the Little Tennessee, Inc.", prepared by Smoky Mountain Land Surveying PA, Ben West, N.C. Professional Land Surveyor L2963, 92 E. Palmer Street, Franklin, NC 28734, dated 4 September, 2006, drawing #3460. A copy of the property deed is located in the Macon County Register of Deeds Office in Deed Book C-29, Page 586.

Ownership History: Bernard and Virginia Huggins conveyed the property to WNC Properties, LLC and Kenneth D. Rosen on July 22, 2002 (DB/P: W-25/1456-1458). The property was subsequently conveyed to Rose Creek LLC in August 2002, which conveyed it to Melcar LLC in April 2005. Mr. and Mrs. Huggins acquired the property 9n 1972 from R.L. Parrish (DB/P: D-9/38), who acquired the property in the 1940s.

Parcel Identification Number: 1141983

Date of Baseline Documentation Report Visits: January 16, 2007

III. Landowner Information

Owner's name: Melcar LLC

Address: 3001 Alamo Drive, Orlando FL 32805

<u>Phone</u>: 407-625-1269 (Cell; Michael D. Maher)

Email: mikemaher@aol.com

Manager's name: Bobby Parrish

Address: 179 Oak Grove Church Rd., Franklin, NC 28734

Phone: 828-421-3056 (Cell)

Easement holder: The Land Trust for the Little Tennessee, Inc.

Address: 88 East Main Street

Franklin NC 28734

Phone: 828-524-2711

IV. Location and Physical Setting

The Easement Area is part of a vacant farm that is a scenic mix of gently rolling river bottom and pasture land with adjoining moderately sloping wooded mountain land. Topography of the Easement Area is level to gently rolling, with a narrow but strongly sloping area at the south end of the Easement Area. The majority of the Easement Area is floodplain that lies within the 100-year flood hazard zone of the Little Tennessee River. The Easement Area is bounded to the west by paved Rose Creek Rd., to the east by the Little Tennessee River, and to the north by a privately-held grassy field.

Adjacent land ownership and use

Land use in the neighborhood is forest, agricultural (mainly pasture and hay fields), and very low density residential development along or near the State and secondary roads in the area, with large areas of undeveloped wooded mountain land behind. Residential development includes small to medium size older and newer homes plus some mobile and modular homes.

Proximity to protected lands

The Easement Area is located across the Little Tennessee River from two privately-held but permanently conserved parcels, and is almost immediately downstream from a third. The Easement Area is also in close proximity to three protected parcels of the State of North Carolina owned Needmore Game Lands.

V. Existing Human Modifications

The grassy field portion of the Easement Area is fenced with barbed wire, with a single aluminum gate. Two culverts cross under Rose Creek Rd. into the Easement Area. The tributary branch immediately below the one culvert has been filled in to allow vehicular access to the southern portion of the grassy field.

VI. Prior Land Use

As part of the Huggins Farm, the Easement Area appears to have been used as pasture and hay field for many decades.

VII. Existing Land Use and Management Plan:

The majority of the Easement Area is grassy field that is currently managed as hay and pasture by neighbor Bobbie Parrish. At the time of the baseline documentation visit, a lone bull was being pastured in the field. The animal appears to obtain water at the single tributary branch, between where it enters the property from a culvert under Rose Creek Rd., and where it enters a ditch dominated by rivercane.

VIII. Natural Features

A. Natural heritage areas and element occurrences.

The Little Tennessee River along this stretch is federally-designated Critical Habitat for a federally-threatened fish, the Spotfin Chub (*Erimonax monachus*; S1/G2), and a federally-endangered mussel, the Appalachian Elktoe (*Alasmidonta raveneliana*; S1/G1), and is also home to another federally-endangered mussel, the Littlewing Pearlymussel (*Pegias fibula*; S1/G1), and a federally-threatened shrub, Virginia spiraea (*Spiraea virginiana*; S2/G2). This stretch of river is also home to one species currently under candidacy for federal listing, the Sicklefin redhorse (*Hybopsis monacha*; S2/G2).

Element occurrences of both the Appalachian elktoe and Virginia spiraea have been documented in close proximity to the Easement Area, along with occurrences of Tennessee pigtoe (*Fusconaia barnesiana*, state endangered; S1/G2) and Wavy-rayed lampmussel (*Lampsilis fasciola*; state special concern, S1/G5).

The riparian area contains remnant patches of giant rivercane (*Arundiaria gigantea*), one of only two native bamboo species in the continental United States. Canebrakes are regarded as one of America's most critically endangered natural communities, covering less than 2% of their former extent (Noss et al. 1995).

B. Aquatic resources

The Little Tennessee River (LTR) flows along the property for approximately 2,396 feet. This stretch of river is part of the 26.8 miles of the lower LTR corridor identified by the North Carolina Natural Heritage Program as nationally Significant Aquatic Habitat. This lower corridor, below Lake Emory, is the only major river in the Blue Ridge Mountains that is believed to retain its full assemblage of native aquatic fauna. Even though the watershed above Fontana Reservoir represents only 2% of the entire Tennessee River basin, it contains 25% of all of the fish species found in the much larger river basin.

A very small first-order branch crosses the Easement Area, feeding into the LTR.

C. Forest or natural community types

The majority of the Easement Area is in fescue. The south end of the Easement Area, outside of the grassy field, is a narrow riparian corridor that is well forested and stabilized, with various native woody species, while the riparian area within the grassy field is scarcely forested. Numerous woody stems also occur along the fence line along Rose Creek Rd. and the northern boundary, but are periodically cut back. Woody species observed include sycamore, red maple, black walnut, ironwood, catalpa, tag alder, black cherry, silky dogwood, rhododendron, laurel, and giant rivercane. Invasive exotic species observed include Japanese honeysuckle (especially along the fencerow) and a small amount of privet (including near the gate).

There are two small patches of giant rivercane, one just outside the south end of the field, and another surrounding the tributary branch. The latter has recently spread into the field (see photos).

D. Wildlife resources

Along with the aquatic species listed above, the Property also lies along the "Little Tennessee Flyway" and provides habitat for migratory waterfowl and neotropical migratory birds.

F. Soil types

The Easement Area contains five mapped soil units: Rosman, Dillsboro, Braddock, Evard-Cowee, and Saunook. The latter three have been classified as "prime" or "statewide important" soils by the United States Department of Agriculture, Natural Resources Conservation Service.

Frequently flooded Rosman fine sandy loam - RsA (0 to 2 percent slopes) is located in the floodplain next to the river in the northeastern section of the Easement Area. This unit is nearly level, very deep, and well drained. This soil is well suited to pasture and hay, and woodland. The flooding, compaction, and damage to streambanks are management concerns. This soil is only moderately suited to row crops because of flooding.

Dillsboro loam – DsB (2 to 8 percent slopes) is located in the northwest portion of the Easement Area. This unit is gently sloping, very deep, and well drained. This soil is well suited to row crops, specialty crops, pasture and hay. Ponding, compaction, and runoff are management concerns.

Braddock clay loam – BkC2 (8 to 15 percent slopes, eroded) occupies a small area in the very northwest corner of the Easement Area. This unit is strongly sloping, very deep, and well drained. This soil is well suited to pasture and hay. Erosion and compaction are management concerns.

Evard-Cowee complex – EvF (50 to 90 percent slopes) occupies a narrow riparian area in the mid-southern portion of the Easement Area. This unit is moderately to very deep and well drained. The hazard of erosion due to the steep slope is the major management concern.

Saunook loam – ScC (8 to 15 percent slopes) occupies a narrow riparian area in the southern portion of the Easement Area. This unit is very deep and well drained.

IX. Archeological and Historical Features

The Little Tennessee River valley is one of the most archaeologically significant regions in North Carolina. The archaeological sites recorded in the valley represent settlements from all periods of Native American history, from 8,000 B.C. onward, including several of the major Cherokee towns of the sixteenth to eighteenth centuries.

The Easement Area is located approximately 1.5 miles downstream of the Cowee Mound and Village Site (NHRP #73002238, added 1973). The ancient Cherokee town of Cowee was the principal commercial center of the mountain Cherokee in the 18th century. Pollen sampling has verified the presence of agriculture on these bottomlands dating back at least 3,000 years.

Cowee was the center of some of the most significant historic events in the South on the eve of the American Revolution. William Bartram spent two weeks living in Cowee in 1775 during his botanical tour of the southern colonies. In September, 1776 Cowee was the target of the first military campaign of the American Revolution in the South when the combined colonial forces of upstate North Carolina, South Carolina, and western Virginia descended on this Cherokee center. This has been described as the "Lexington and Concord" of the American Revolution in the

South.

The upper Little Tennessee River valley was the heart of the Middle Cherokee nation until the Treat of 1819 between the United States and the Cherokee extended the boundary of the State of North Carolina to the crest of the Nantahala Mountains. Shortly after the treaty, Citizen Cherokee farmsteads were claimed, surveyed, and registered as individual Cherokee reservations.

Although it is not known whether any archaeological surveys have been undertaken within the Easement Area, based on the similarity of the topographic settings, and the density of recorded sites in the region, particularly along the floodplains and terraces of the Little Tennessee River, there is high potential for archaeological resources to be present on the Easement Area.

X. Conservation Recommendations

Although the following are not required under the terms of the Conservation Easement, they are offered as suggestions to improve the conservation values of the Property.

<u>Dump cleanup</u>. The dump site along Rose Creek Rd. near a culvert just south of the grassy field contains old roofing material as well as rusted car parts and other trash. This presents a pollution hazard to the river and should be removed as soon as possible.

<u>Rivercane Restoration</u>. It is recommended that the field area south of the tributary branch be fenced off and be allowed to be colonized by the giant rivercane currently existing in this area. Artisans of the Eastern Band of Cherokee Indians are currently limited in their work due to the scarcity of rivercane as a raw material. Arrangements could be made with the Qualla Arts and Crafts Coop to allow its member artisans to sustainably harvest rivercane from this stand.

<u>Riparian Reforestation</u>. It is recommended that the designated vegetated buffer zones be planted with appropriate native trees and shrubs, so as to stabilize the streambanks and to help prevent the colonization and spread of non-native invasive plants. Cost-share and technical assistance for this practice may be available through the Macon Soil and Water Conservation District or other sources.

<u>Livestock Management</u>. If the Easement Area is managed as pasture for livestock, fencing and alternative water sourcing may be needed in order to protect the vegetated buffer zones and streams. Cost-share and technical assistance for this practices may be available through the Macon Soil and Water Conservation District or other sources.

XI. References

NRCS. 1996. Soil Survey of Macon County, North Carolina. Natural Resources Conservation Service, U.S. Dept. of Agriculture, Washington, D.C.

Noss, R.F., E.T. LaRoe III, and J.M. Scott. 1995. *Endangered Ecosystems of the United States: A Preliminary Assessment of Loss and Degradation*. Biological Report 28, National Biological Service, U.S. Dept. of the Interior, Washington, DC.

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The Land Trust for the Little Tennessee, Inc.

Relevant Documents

- Property Information (text)
- Photo-documentation (17 photographs)
- Maps (6 maps)

Owner Acknowledgement of Baseline Condition

The undersigned, being the grantor of a conservation easement granted to the Land Trust for the Little Tennessee, Inc. with respect to 12.36 acres of the 168.75-acre Melcar property owned by Melcar, LLC, with parcel identification number (PIN) 1141983, located in Cowee Township, Macon County, North Carolina ("the Property"), hereby certifies to the Land Trust for the Little Tennessee, Inc. that the accompanying baseline report which includes "relevant documents" listed below and dated January 31, 2007, is an accurate representation of the Easement Area and its condition on the date hereof and on the date on which the conservation easement was executed. The undersigned agrees that the conditions documented in this baseline report do not necessarily represent all aspects of the Easement Area to which the terms of the conservation easement relates, and that in providing this baseline report, the Land Trust for the Little Tennessee, Inc. in no way waives any rights, either at law or in equity, to enforce the provisions of the conservation easement.

Grantor:

 $\frac{5-2-0}{\text{Date}}$

Acknowledged by:

Paul J. Carlson Executive Director

The Land Trust for the Little Tennessee, Inc.

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Grantor:

11 ay 2,20 Date 1

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Paul J. Carlson Executive Director

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