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by: SHEILA W. WHITMIRE
REGISTER OF DEEDS
BOOK 360 PAGE 1871

Polk County Soil and Water Conservation District

When Recorded Mail To:
Polk County Soil and Water District Office
Courthouse Annex, P.O.Box 236
Columbus, N.C. 28722

DEED OF AGRICULTURAL CONSERVATION EASEMENT

THIS DEED OF AGRICULTURAL CONSERVATION EASEMENT (the "Easement") is made by is made by Alexander M. Salley, having an address at P.O.Box 997, Saluda, N.C. 28773, ("Grantor"), to Polk County Soil and Water Conservation District ("Grantee" or "District"), a body politic and corporate organized and existing under the laws of the State of North Carolina and having a principal place of business in Columbus, North Carolina;

WITNESS THAT:

WHEREAS, Grantor Alexander M. Salley is the owner in fee simple of that certain real property in Saluda Township, Polk County, North Carolina, more particularly described as Tax Parcel P4-66 in the Polk County Registry, (the "Property"); and

WHEREAS, the Property includes within its boundaries certain lands consisting of 7 acres, more particularly described on the attached "Exhibit A"; and

WHEREAS, the Property possesses significant agricultural, open space and scenic values of great importance to Grantor, the people of Polk County and the people of the North Carolina; and

WHEREAS, Grantor and Grantee ("District") intend that the Property be maintained in agricultural production, or available for agriculture, by the maintenance of the agricultural values thereof and that the open space and scenic values of the Property be preserved by the continuation of the agricultural uses that have proven historically compatible with such values; and

WHEREAS, the District is a local soil and water conservation district established pursuant to N.C. Gen. Stat. Chapter 139 and is a qualified organization and eligible donee within the meaning of Section 170(h)(3) of the Internal Revenue Code of 1986 (the "Code") and regulations promulgated thereunder; and

WHEREAS, Grantor intends, as owner of the Property, to convey to Grantee the right to preserve and protect the agricultural, and to the extent consistent with agricultural values, the open space, and scenic values of the Property in perpetuity; and

WHEREAS, Grantee intends, by acceptance of the grant made hereby, forever to honor the intentions of Grantor to preserve and protect the agricultural, open space, and scenic values of the Property in perpetuity; and

WHEREAS the State of North Carolina ("State") recognizes the validity and enforceability of agricultural conservation easements and agreements in that it enacted the Uniform Conservation and Historic Preservation Agreements Act (the "Act"), G.S. 12 1-34 et seq., 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 such agricultural conservation easements and agreements; and

WHEREAS District, pursuant to G.S. 139-8, is authorized to hold interest in and title to real property; and

WHEREAS Owner intends to grant the easement and impose the restrictive covenants on the Property as set forth in this Agricultural Conservation Easement; and Owner and District intend that this document be an agricultural conservation agreement as defined in the Act.

NOW, THEREFORE, as an absolute gift of no monetary consideration but in consideration of the mutual covenants, terms, conditions, and restrictions hereinafter set forth, and intending to be legally bound hereby, Grantor hereby voluntarily, unconditionally and absolutely grants and conveys to Grantee, its successors and assigns, in perpetuity, an Agricultural Conservation Easement over the Property, subject to the rights, covenants, prohibitions and restrictions hereinafter set forth, to accomplish the Agricultural Conservation Purposes, together with the right to preserve, protect and ensure the Agricultural Conservation Purposes of the Property, and Grantee hereby accepts the grant of such easements and agrees to hold such easements exclusively for the Agricultural Conservation Purposes pursuant to the terms of this Agricultural Conservation Easement.

THE FURTHER TERMS AND CONDITIONS OF THIS AGRICULTURAL CONSERVATION EASEMENT ARE AS FOLLOWS

1. Purpose. It is the purpose of this Easement to enable the Property to remain in agricultural uses, as defined in Exhibit B, by preserving and protecting in perpetuity its agricultural values, character, use and utility, and by preventing any use or condition of the Property that would significantly impair or interfere with its agricultural values, character, use or utility. To the

extent that the preservation of the open space and scenic values of the Property is consistent with such use, it is within the purpose of this Easement to protect those values.

2. Affirmative Rights and Interests Conveyed. To accomplish the purpose of this Easement, the following rights and interests are conveyed to Grantee by this Easement:

(a) To identify, to preserve and to protect in perpetuity the agricultural values, character, use and utility, including the agricultural productivity, vegetation, soil and water quality, and the open space and scenic values of the Property. (The agricultural values, character, use and utility, and the open space and scenic values of the Property are hereinafter referred to collectively as "the Protected Values".)

(b) To enter upon, inspect, observe, and study the Property for the purposes of (i) identifying the current condition of, uses and practices thereon, and the baseline condition thereof; and (ii) monitoring the uses and practices to determine whether they are consistent with this Easement. Such entry shall be permitted upon prior notice to Grantor, shall be done annually, and shall be made in a manner that will not unreasonably interfere with Grantor's use and quiet enjoyment of the Property.

(c) To prevent any activity on or use of the Property that is inconsistent with the purpose of this Easement, and to require the restoration of such areas or features of the Property that may be damaged by any inconsistent condition, activity or use. However, it is the intention of this Easement not to limit Grantor's discretion to employ their choices of farm uses and management practices so long as those uses and practices are consistent with the purpose of this Easement.

(d) Subject to Grantor's consent, to erect and maintain a sign or other appropriate marker in a prominent location on the Property, visible from a public road, bearing information indicating that the Property is protected by Grantee. The wording of the information shall be determined by Grantee, but shall clearly indicate that the Property is privately owned and not open to the public. Grantee shall be responsible for the costs of erecting and maintaining such sign or marker.

(e)As appropriate, to design a conservation plan consistent with the purposes and terms of this Agricultural Conservation Easement and the farming needs and practices of the landowner.

3. Uses and Practices. Grantee and Grantor intend that this Easement shall confine the uses of the Property to agriculture and commercial use associated with the agricultural use of the Property, and the other uses which are described herein. Uses and practices which are consistent with the purpose of this Easement are hereby expressly permitted. They are set forth in Exhibit B, attached hereto and incorporated herein by this reference. Examples of uses and practices which are inconsistent with the purpose of this Easement, and which are hereby expressly prohibited, are set forth in Exhibit C, attached hereto and incorporated herein by this reference. The uses and practices set forth in Exhibits B and C are not necessarily exhaustive recitals of consistent and inconsistent activities, respectively. They are set forth both to establish specific permitted and prohibited activities, and to provide guidance in determining the consistency of other activities with the purpose of this Easement.

4. Baseline Data. In order to establish the present condition of the Protected Values, Grantee has examined the Property and prepared a report (the "Baseline Documentation Report") containing an inventory of the Property's relevant features and conditions, its improvements and its natural resources (the "Baseline Data"). A current conservation plan with maps and surveys

may serve as sufficient Baseline Documentation. A copy of the Baseline Documentation Report has been provided to Grantor, and another shall be placed and remain on file with Grantee. The Baseline Documentation Report has been signed by Grantor and Grantee, and thus acknowledged to represent accurately the condition of the Property at the date of the conveyance of this Easement. The parties intend that the Baseline Data shall be used by Grantee to monitor Grantor's future uses of the Property, condition thereof, and practices thereon. The parties further agree that, in the event a controversy arises with respect to the condition of the Property or a particular resource thereof, the parties shall not be foreclosed from utilizing any other relevant document, survey, or report to assist in the resolution of the controversy. Grantor and Grantee recognize that changes in economic conditions, in agricultural technologies, in accepted farm and ranch management practices, and in the situations of Grantor may result in an evolution of agricultural uses of the Property, provided such uses are consistent with this Easement.

5. Reserved Rights. Grantor reserves to itself, and to its personal representatives, heirs, successors, and assigns, all rights accruing from their ownership of the Property, including the right to engage in or permit or invite others to engage in all uses of the Property that are not prohibited herein and are not inconsistent with the purpose of this Easement. Without limiting the generality of the foregoing, the following rights are expressly reserved: (i) all right, title, and interest in and to all tributary and non-tributary water, water rights, and related interests in, on, under, or appurtenant to the Property, provided that such water rights are used on the Property in a manner consistent with the purpose of this Easement and in accordance with applicable law; and (ii) all right, title, and interest in subsurface oil, gas and minerals; provided that the manner of exploration for, and extraction of any oil, gas or minerals shall be only by a subsurface method, shall not damage, impair or endanger the Protected Values, shall be in accordance with applicable law, and shall be approved by Grantee prior to its execution.

6. Mediation. If a dispute arises between the parties concerning the consistency of any proposed use or activity with the purpose of this Easement, and Grantor agrees not to proceed with the use or activity pending resolution of the dispute, either party may refer the dispute to mediation by request made in writing upon the other. Within thirty (30) days of the receipt of such a request, the parties shall select a single trained and impartial mediator. If the parties are unable to agree on the selection of a single mediator, then the parties shall, within fifteen (15) days of receipt of the initial request, jointly apply to the American Arbitration Association or Dispute Settlement Center for the appointment of a trained and impartial mediator with relevant experience in real estate, and conservation easements. Mediation shall then proceed in accordance with the following guidelines:

(a) Purpose. The purpose of the mediation is to: (i) promote discussion between the parties; (ii) assist the parties to develop and exchange pertinent information concerning issues in the dispute; and (iii) assist the parties to develop proposals which will enable them to arrive at a mutually acceptable resolution of the controversy. The mediation is not intended to result in any express or de facto modification or amendment of the covenants, terms, conditions, or restrictions of this Easement.

(b) Participation. The mediator may meet with the parties and their counsel jointly or ex parte. The parties agree that they will participate in the mediation process in good faith and expeditiously, attending all sessions scheduled by the mediator. Representatives of the parties with settlement authority will attend mediation sessions as requested by the mediator.

(c) Confidentiality. All information presented to the mediator shall be deemed confidential and shall be disclosed by the mediator only with the consent of the parties or their respective counsel. The mediator shall not be subject to subpoena by any party. No statements made or documents prepared for mediation sessions shall be disclosed in any subsequent proceeding or construed as an admission of a party.

(d) Time Period. Neither party shall be obligated to continue the mediation process beyond a period of ninety (90) days from the date of the selection or appointment of a mediator or if the mediator concludes that there is no reasonable likelihood that continuing mediation will result in mutually agreeable resolution of the dispute.

(e) Costs. The cost of the mediator shall be borne equally by Grantor and Grantee; the parties shall bear their own expenses, including attorney's fees, individually.

7. Grantee's Remedies. If Grantee determines that Grantor is in violation of the terms of this Easement or that a violation is threatened, Grantee shall give written notice to Grantor of such violation and demand corrective action sufficient to cure the violation and, where the violation involves injury to the Property resulting from any use, condition or activity inconsistent with the purpose of this Easement, to restore the portion of the Property so injured. If Grantor fails to cure the violation within thirty (30) days after receipt of notice thereof from Grantee, or under circumstances where the violation cannot reasonably be cured within a thirty (30) day period, fails to begin curing such violation within the thirty (30) day period, or fails to continue diligently to cure such violation until finally cured, Grantee may bring an action at law or in equity in a court of competent jurisdiction to enforce the terms of this Easement, to enjoin the violation by temporary or permanent injunction, to recover any damages to which it may be entitled for violation of the terms of this Easement or injury to any Protected Values, including damages for any loss thereof, and to require the restoration of the Property to the condition that existed prior to any such injury. If Grantee, in its sole discretion, determines that circumstances require immediate action to prevent or mitigate significant damage to the Protected Values, Grantee may pursue its remedies under this section without waiting for the period provided for cure to expire. Grantee's rights under this section apply equally in the event of either actual or threatened violations of the terms of this Easement, and Grantor agrees that Grantee's remedies at law for any violation of the terms of this Easement are inadequate and that Grantee shall be entitled to the injunctive relief described in this section, both prohibitive and mandatory, in addition to such other relief to which Grantee may be entitled, including specific performance of the terms of this Easement, without the necessity of proving either actual damages or the inadequacy of otherwise available legal remedies. Grantee's remedies described in this section shall be cumulative and shall be in addition to all remedies now or hereafter existing at law or in equity.

7.1 Costs of Enforcement. Any costs incurred by Grantee in enforcing the terms of this Easement against Grantor, including, without limitation, costs of suit and attorneys' fees, and any costs of restoration necessitated by Grantor's violation of the terms of this Easement, shall be borne by Grantor. If Grantor prevails in any action to enforce the terms of this Easement, Grantor's costs of suit, including, without limitation, attorneys' fees, shall be borne by Grantee.

7.2 Grantee's Discretion. Any forbearance by Grantee to exercise its rights under this Easement in the event of any breach of any term of this Easement by Grantor shall not be

deemed or construed to be a waiver by Grantee of such term or of any subsequent breach of the same or any other term of this Easement or of any of Grantee's rights under this Easement. No delay or omission by Grantee in the exercise of any right or remedy upon any breach by Grantor shall impair such right or remedy or be construed as a waiver.

7.3 Acts Beyond Grantor's Control. Nothing contained in this Easement shall be construed to entitle Grantee to bring any action against Grantor for any injury to or change in the Property resulting from causes beyond Grantor's control, including, without limitation, fire, flood, storm, and earth movement, or from any prudent action taken by Grantor under emergency conditions to prevent, abate, or mitigate significant injury to any person or to the Property resulting from such causes.

8. Costs and Taxes. Grantor retains all responsibilities and shall bear all costs and liabilities of any kind related to the ownership, operation, upkeep and maintenance of the Property. Grantor shall pay any and all taxes, assessments, fees and charges levied by competent authority on the Property or on this Easement.

9. Hold Harmless. Grantor shall hold harmless, indemnify, and defend Grantee and its directors, officers, employees, agents, and contractors and the heirs, personal representatives, successors, and assigns of each of them (collectively "Indemnified Parties") from and against all liabilities, penalties, costs, losses, damages, expenses, causes of action, claims, demands, or judgments, including, without limitation, reasonable attorneys' fees, arising from or in any way connected with: (a) injury to or the death of any person, or physical damage to any property, resulting from any act, omission, condition, or other matter related to or occurring on or about the Property, regardless of cause, except to the extent of the adjudicated proportionate fault of any of the Indemnified Parties; and (b) the obligations specified in section 8.

9.1. Grantee Not Operator. Nothing in this Easement shall be construed as giving any right or ability to Grantee to exercise physical or managerial control of the day to day operations of the Property, of Grantor's activities on the Property, or otherwise to become an operator with respect to the Property.

10. Access. No right of access by the general public to any portion of the Property is conveyed by this Easement.

11. Development Rights. There shall be no subdivision of the Property. No residences may be constructed on the property. One building may be constructed on the property, as related to agriculture and agricultural use, but the total land area immediately around that building and not available for agriculture shall be no more than 1/2 acre.

12. Conveyance of Separate Parcels; Merger. Grantor acknowledges that the Property currently consists of 1 parcel at the Polk County Registry. Grantor owns an adjoining 1 acre lot containing a single family residence. Grantor may, or may not, choose to consolidate these two parcels of land into one legal parcel. Merger of the 1 acre residential parcel with the 7 acre parcel encumbered with this agricultural conservation easement shall not alter in any way the prescribed uses and restrictions listed in Exhibits B and C. In view of the responsibility involved

to protect the agricultural conservation values of the property in pertetuity, Grantor hereby grants Grantee a 1% interest in the Property to be used as a stewardship/monitoring endowment. In the event of a bona fide sale of the Property to a third party (neither Grantee or Grantor), 1% of the gross sales price will be paid to Grantee, by Grantor, at closing of that bonafide sale. This 1% interest does not make Grantee responsible for property taxes or other liens on the Property. The abovementioned provision is binding upon Grantor's successors and assigns and all subsequent owners of the Property as long as this Conservation Easement is valid and will be incorporated into all deeds pertaining to the Property from this day onwards. If the 7 acre parcel is merged with the residential 1 acre, this provision will apply to the merged parcel.

13. Extinguishment. If circumstances arise in the future such as render the purpose of this Easement impossible to accomplish, this Easement can only be terminated or extinguished, whether in whole or in part, by judicial proceedings in a court of competent jurisdiction, and the amount of the compensation to which Grantee shall be entitled from any sale, exchange, or involuntary conversion of all or any portion of the Property subsequent to such termination or extinguishment, shall be determined, unless otherwise provided by North Carolina law at the time, in accordance with section 14.

14. Compensation. This Easement constitutes a real property interest immediately vested in Grantee. For the purpose of section 13, the parties stipulate that the Easement has a fair market value determined by multiplying (i) the fair market value of the Property by (ii) the ratio of the value of the Easement at the time of this grant to the value of the Property, unencumbered by the Easement, at the time of this grant. The values of the Property shall exclude any amounts attributable to improvements on the Property. For the purposes of this section, Grantor and Grantee agree that the ratio of the value of the Easement to the value of the Property unencumbered by the Easement is 75% (seventy-five percent). This ratio shall remain constant.

15. Condemnation. Should all or part of the Property be taken in exercise of eminent domain by public, corporate, or other authority so as to abrogate the restrictions imposed by the Easement, Grantor and Grantee shall join in appropriate actions at the time of such taking to recover the full value of the taking and all incidental or direct damages resulting from the taking, which proceeds shall be divided in accordance with the proportionate values of Grantor's and Grantee's interests as specified in section 14, unless otherwise provided by applicable law. All expenses incurred by Grantor and Grantee in such action shall be first paid out of the recovered proceeds.

16. Assignment of Grantee's Interest. With Grantor's consent, Grantee may assign its interest in this Easement only to a "qualified organization" or the County of Polk, within the meaning of section 170(h) of the Internal Revenue Code, as amended, or any successor provision, and which is authorized to acquire and hold conservation easements under North Carolina law. Grantor shall not withhold consent unreasonably.

17. Amendment of Easement. This Easement may be amended only with the written consent of the Grantor and the Grantee. Any such amendment shall be consistent with the purposes of this Easement and with the Grantee's easement amendment policies, and shall comply with section 170(h) of the Internal Revenue Code, or any regulations promulgated there under. No amendment shall diminish or affect the perpetual duration or the Purpose of this Easement nor

the rights of the Grantee under the terms of this Easement.

18. Applicable Law. All uses, practices, specific improvements, construction or other activities permitted under this Easement shall be in accordance with applicable law and any permits or approvals required thereby.

19. General Provisions.

(a) Controlling Law. The interpretation and performance of this Easement shall be governed by the laws of North Carolina.

(b) Liberal Construction. Any general rule of construction to the contrary not withstanding, this Easement shall be liberally construed in favor of the grant to effect the purpose of this Easement. If any provision in this instrument is found to be ambiguous, an interpretation consistent with the purpose of this Easement that would render the provision valid shall be favored over any interpretation that would render it invalid.

(c) Severability. If any provision of this Easement, or the application thereof to any person or circumstance, is found to be invalid, the remainder of the provisions of this Easement, or the application of such provision to persons or circumstances other than those as to which it is found to be invalid, as the case may be, shall not be affected thereby.

(d) Entire Agreement. This instrument sets forth the entire agreement of the parties with respect to the Easement and supersedes all prior discussions, negotiations, understandings, or agreements relating to the Easement, all of which are merged herein.

(e) No Forfeiture. Nothing contained herein will result in a forfeiture or reversion of Grantor's title in any respect.

(f) Joint Obligation. The obligations imposed by this Easement upon Grantor shall be joint and several.

(g) Successors. The covenants, terms, conditions, and restrictions of this Easement shall be binding upon, and inure to the benefit of the parties hereto and their respective personal representatives, heirs, successors, and assigns and shall continue as a servitude running in perpetuity with the Property.

(h) Termination of Rights and Obligations. A party's rights and obligations under this Easement terminate upon transfer of the party's interest in the Easement or Property, except that liability for acts or omissions occurring prior to transfer shall survive transfer.

(i) Future Conveyance. Grantor agrees that reference to this Easement will be made in any subsequent deed or other legal instrument by means of which Grantor conveys any interest in the Property (including but not limited to a leasehold interest).

(j) Not Governmental Approval. No provision of this Easement shall constitute governmental approval of any specific improvements, construction or other activities that may be permitted under this Easement.

IN WITNESS WHEREOF, Grantor has executed this Deed of Agricultural Conservation Easement this 7th day of December, 2007.

Grantor:
By: Alexander M. Salley
Alexander M Salley, Grantor

NORTH CAROLINA
COUNTY OF POLK

I, Doris T. Marion, a Notary Public in and for the County and State aforesaid, do hereby certify that Alexander M. Salley, **Grantor**, personally appeared before me this day and acknowledged the execution of the foregoing instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and Notary Seal this the 7th day of December, 2007.

Doris T. Marion
Notary Public

My commission expires: 8-25-2008

Accepted by Grantee:
Polk County Soil and Water Conservation District

By: Richard Smith

NORTH CAROLINA
COUNTY OF POLK

I, Sandra H. Reid, a Notary Public in and for the County and State aforesaid, do hereby certify that Richard Smith, personally appeared before me this day and acknowledged that he is the Chairman of the Polk County Soil and Water Conservation District, and that by the authority duly given, the foregoing instrument was signed in its name by its Chairman and attested by its District Administrator.

IN WITNESS WHEREOF, I have hereunto set my hand and Notary Seal this the 10th day of December, 2007.

Sandra H. Reid
Notary Public

My commission expires: 5-1-2010

EXHIBITS:
Exhibit A: Legal Description
Exhibit B: Permitted Uses and Practices
Exhibit C: Prohibited Uses and Practices
Exhibit D: Baseline Documentation Summary

EXHIBIT A
Legal Description

All that certain real property situate in the County of Polk, State of North Carolina, described as follows:

Being all that real property shown as a seven (7) acre tract of land on Esseola Street, Saluda, N.C., 28773, in the Saluda Township, Tax Parcel P4-66, recorded in Deed Book 343, Page 995, and on a plat recorded in Card File E at page 1414, in the Polk County Registry. The property is subject to a boundary line agreement, referencing a structural encroachment by an adjoining property owner, recorded in Deed Book 199, Page 2171.

EXHIBIT B
Permitted Uses and Practices

The following uses and practices, though not necessarily an exhaustive recital of consistent uses and practices, are expressly permitted as set forth herein.

1. Agriculture. To engage in agricultural uses of the Property in accordance with sound, generally accepted agricultural practices that do not threaten or degrade significant natural resources. For the purposes of this Easement "agricultural uses" shall be defined as: breeding, raising, pasturing, and grazing livestock of every nature and description for the production of food and fiber; horses or ponies; breeding and raising bees, poultry and other fowl; planting, raising, harvesting, and producing agricultural, horticultural, and forestry crops and products of every nature and description; and the processing, storage, and sale, including direct retail sale to the public, of crops and products harvested and produced principally on the Property, provided that the processing, storage, and sale of any such crops or products that are not food or fiber shall require the consent of Grantee; further provided, however, that such agricultural uses shall not result in significant soil degradation, significant pollution or degradation of any surface or subsurface waters, and that all uses and activities are consistent with applicable laws. Provided that the property is "available for farming", non-active agricultural use of the property is allowed.

2. Improvements and Facilities.
(a) Maintenance and Repair of Existing Improvements and Facilities. To maintain and repair existing fences, and interior (non-paved) service roads on the Property.
(b) Construction of Additional Improvements and Facilities. Additional improvements and one structure reasonably necessary to the agricultural uses of the Property shall be permitted. That structure shall not exceed 2500 square feet in size and will be used for agricultural purposes only.
(c) Replacement of Improvements and Facilities. In the event of destruction, deterioration or obsolescence of any structures, fences, roads, or other improvements and facilities, whether existing at the date hereof or constructed subsequently pursuant to the provisions of this section, Grantor may replace the same with structures, fences, corrals, roads, or other improvements and facilities of similar size, function, capacity and location.

3. Water Resources and Impoundments. To develop and maintain such water resources on the Property as are necessary or convenient for agricultural and irrigation uses in a manner consistent with the purpose of this Easement, provided that the creation, alteration or enlargement of any water impoundment shall not damage, impair or interfere with the Protected Values and that all such water resources shall be developed in accordance with applicable laws.

4. Agrichemicals. To use agrichemicals, including, but not limited to, fertilizers and biocides, in those amounts and with that frequency of application necessary to accomplish reasonable grazing and agricultural purposes. Such use shall be carefully circumscribed near surface water and during periods of high ground water.

5. Predator Control. To control predatory and problem animals by the use of selective control techniques.

6. Recreational Uses. To utilize the Property for recreational or educational purposes that require minimal surface alternation or other development of the land.

EXHIBIT C
Prohibited Uses and Practices

The following uses and practices, though not necessarily an exhaustive recital of inconsistent uses and practices, are inconsistent with the purposes of this Easement and are expressly prohibited upon or within the Property:

1. Impairment of Protected Values. The impairment of the Protected Values, except as otherwise provided herein.

2. Residential Use. There shall be no residential use permitted on the property.

3.Commercial or Industrial Use. The establishment and conduct of commercial or industrial uses or the construction, placing, or erection of any non-agricultural signs or billboards; provided, however, that neither agriculture, nor the production or processing of food and fiber products as contemplated by the provisions of Exhibit B, shall be considered prohibited commercial or industrial uses.

4. Construction. The construction, reconstruction, or replacement of structures, roads and other improvements and facilities except as provided in section 11 (a) of this Easement and section 3 of Exhibit B.

5. Subdivision. The division, subdivision, or de facto subdivision of the Property, provided, however, that a lease of a portion of the Property for agricultural use shall not be prohibited by this section.

6. Motorized Vehicles. The use of motorized vehicles, except by Grantor or others under Grantor's control for agricultural use of the Property. Any use of motorized vehicles off of roadways is prohibited except when necessary for agricultural purposes.

7. Dumping. The dumping or other disposal of wastes, refuse or debris on the Property, except for organic material beneficial to agricultural uses on the Property; provided, that any such dumping or disposal of organic material shall be in accordance with applicable law and generally accepted agricultural management practices.

8. Soil Degradation. Ranching, agricultural or other uses, otherwise permitted under this Easement, which result in significant degradation of soil quality.

9. Water Quality Degradation. Ranching, agricultural or other uses, otherwise permitted under this Easement, which result in significant degradation of water quality.

9. Surface Alteration or Excavation. Any alteration of the general topography or natural drainage of the Property including, without limitation, the excavation or removal of soil, sand, rock, or gravel, except as may be required for uses on the Property incidental to agricultural uses permitted herein.

Exhibit D

Baseline Documentation Summary
(To satisfy section 1, 170A-14(g)(5) of the federal tax regulations)

Donor Name/Address: Alexander M. Salley, P O Box 997, Saluda, N.C. 28773
Property Location: Esseola Street, Saluda Township

Land Types: approximately 6 acres of rolling pasture land of the Hayesville (HaC and HaD) soil types, including some bottomland near a perennial stream near the southern property line, with the remaining 1 acre on the western boundary in woods and scrubby understory

Purpose of Easement: To preserve the Property as agricultural land in an area being threatened by both residential and commercial development due to its proximity to I-26 ands the Saluda City limits

Buildings, Structures and Improvements on Property: There are no structures on the property except fencing, a dry 50 ft. hand dug well, and the shed encroachment cited in Deed Book 199, Page 2171 of the Polk County Registry

Condition of Land: Good, well maintained pasture. There are no invasive species of note in the forested edges.

In compliance with Section 1,170A-14(9)(5) of the federal tax regulations, this natural resources inventory is an adequate representation of the property at the time of the agricultural conservation easement donation.

Donor Alexander M. Salley

Date 12/7/2007

Donee _____

Date _____