

**NORTH CAROLINA
WAYNE COUNTY**

CONSERVATION EASEMENT

THIS CONSERVATION EASEMENT ("Conservation Easement") made this 30th day of November, 1995 by and between **LANE FARMS, INC.**, a North Carolina corporation with an address of P.O. Box 1179, Goldsboro, North Carolina, 27530 ("Grantor") and **NORTH CAROLINA DEPARTMENT OF TRANSPORTATION**, an agency of the State of North Carolina, with an address of Post Office Box 25201, Raleigh, North Carolina, 27611-5201 ("Grantee").

The designation Grantor and Grantee as used herein shall include said parties, their successors and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.

RECITALS

WHEREAS, Grantor owns in fee simple approximately twenty-six and sixty-nine one-hundredths (26.69) acres of certain real property situate, lying and being in the town of Seven Springs, Wayne County, North Carolina, and more particularly described in Exhibit A attached hereto and incorporated herein ("Property").

WHEREAS, Grantee is an agency of the State of North Carolina whose purposes include the preservation and conservation of open space and natural areas for conservation and wetland mitigation purposes; is authorized by the laws of the State of North Carolina to accept, hold and administer conservation easements; possesses the authority to accept and is willing to accept this Conservation Easement under the terms and conditions hereinafter described;

WHEREAS, Grantor and Grantee recognize the conservation value of the Property in its present state as a scenic, natural and rural area that has not been subject to significant development and as a significant area that provides a "relatively natural habitat for fish, wildlife, or plants or similar ecosystem" as that phrase is used in § 170(h)(4)(A)(ii) of the Internal Revenue Code, including the following natural communities: Palustrine, forested, broad/needle-leaved deciduous, semi-permanently flooded wetland and the following plant and animal species of special concern: Mammalian species - white-tailed deer, raccoon, opossum, gray squirrel, mink otter, beaver colonies, and muskrat; Plant species - water oak, sweet gum, river birch, red maple, swamp chestnut oak, cherry bark oak, cypress, and green ash;

WHEREAS, Grantor and Grantee further recognize the conservation and open space value of the Property in its present state, the preservation of which (a) is pursuant to state and federal local government policy and will provide for the scenic enjoyment of the general public and (b) will yield significant public benefit, as evidenced by:

- (1). the values and functions of the Property as a high quality wetland;
- (2). the location of the Property near the Neuse River;
- (3). the fact that development of the Property would impair the natural, historic, scenic and rural character of the Property and surrounding area;

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WHEREAS, the U.S. Army Corps of Engineers (the "Corps") has reviewed and approved the use of the Property to mitigate unavoidable wetlands impacts detailed in Grantee's § 404 permit application;

WHEREAS, Grantor is willing to grant a perpetual Conservation Easement over the approximately twenty-six and sixty-nine one-hundredths (26.69) acres, the Property, thereby restricting and limiting the use of the Property on the terms and conditions and for the purposes hereinafter set forth, Grantor unconditionally and irrevocably hereby grants and conveys unto Grantee, its successors and assigns, forever and in perpetuity a Conservation Easement of the nature and character and to the extent hereinafter set forth, over the Property, together with the right to preserve and protect the conservation values thereof; and

WHEREAS, Grantor consents to Grantee transferring or assigning this Conservation Easement over the approximately twenty-six and sixty-nine one-hundredths (26.69) acres to the North Carolina Coastal Land Trust ("NCCLT"), a non-profit corporation whose purposes include the preservation and conservation of open space and natural areas for conservation, aesthetic, scenic, scientific, charitable, recreational or educational purposes, or to any other 501(c) entity after receipt of written notification by the Corps that Grantee has fulfilled the requisite conditions of the monitoring period of Grantee's § 404 permit.

ARTICLE I PURPOSES

The purposes of this Conservation Easement are to preserve and protect the conservation values of the Property and to maintain permanently the dominant woodland, scenic, and natural character of the Property. To achieve these purposes, the parties hereto agree to the conditions and restrictions set forth hereunder.

ARTICLE II DURATION OF EASEMENT

This Conservation Easement shall be perpetual. It is an easement in gross, runs with the land and is enforceable by Grantee against Grantor, Grantor's successors and assigns, lessees, agents and licensees.

ARTICLE III PROHIBITED AND RESTRICTED ACTIVITIES

Any activity on, or use of, the Property inconsistent with the purposes of this Conservation Easement is prohibited. The Property shall be maintained in its natural, scenic and open condition and restricted from any development that would significantly impair or interfere with the conservation values of the Property.

Without limiting the generality of the foregoing, the following activities and uses are expressly prohibited, restricted or reserved as indicated hereunder:

A. Disturbance of Natural Features. Any change, disturbance, alteration or impairment of the natural, scenic, and aesthetic features of the Property or any introduction of non-native plants and/or animal species is prohibited unless the Grantee shall give its prior written consent or unless otherwise expressly permitted herein. All horseback riding, and operation of motorcycles, all-terrain vehicles, and any other types of mechanized vehicles shall be restricted to roadways, trails, and paths located on the Property.

B. Construction and Residential Use. There shall be no constructing or placing of any building, mobile home, asphalt or concrete pavement, bill board or other advertising display, antenna, utility pole, tower, conduit, line, pier, landing, dock or any other temporary or permanent structure or facility on or above the Property except as permitted by the Grantee with prior written consent and written approval by the Corps. Residential use of the Property is prohibited. Grantor expressly reserves the right to maintain, repair, improve, alter internally and/or externally, reasonably enlarge, modernize, demolish and reconstruct the existing hunting camp adjacent to the Property; provided, however, such activity does not result in the creation of a hunting camp on the Property. Furthermore, Grantor expressly reserves the right to maintain and repair the existing road located on the Property.

C. Industrial and Commercial Use. Industrial and commercial activities, including any right of passage used in conjunction with commercial or industrial activity are prohibited on the Property, except for hunting, and fishing which are expressly reserved by Grantor, as provided in subsequent paragraphs hereunder.

D. Agricultural, Grazing and Horticultural Use. Agricultural, grazing, and horticultural use of the Property is prohibited; provided, however, that hunting and fishing activities may be continued.

E. Silvicultural Use and Land Clearing. There may be no destruction or cutting of trees or plants on the Property, except as provided herein. The Grantor expressly reserves the right to preserve the natural values of the Property against imminent hazard, disease, or fire, and to control burn, salvage, or cut vegetation for the purpose of protecting and maintaining the natural values of the Property, in the event of an emergency, subject to prior approval of the Grantee and the Corps.

F. Hunting and Fishing. Grantor expressly reserves the right to hunt and fish on the Property and have access to the Property for the purpose of hunting and fishing on adjacent property of Grantor, together with the right to lease such rights to third parties and the right to construct, maintain, and replace deer stands on the Property and adjacent property of Grantor; provided these activities do not impair the protection and conservation of any animal habitat or other conservation values of the Property.

G. Signage. Display of billboards, signs or advertisements is prohibited on or over the Property, except the posting of no trespassing signs, for sale or lease signs, signs identifying the conservation values of the Property, or other permitted use of the Property and/or signs identifying the Grantor as owner of the Property and Grantee as the holder of a conservation easement on the Property.

H. Dumping or Storage. Dumping or storage of soil, trash, ashes, garbage, waste, abandoned vehicles, appliances, machinery, or hazardous substances, or toxic or hazardous waste, or any placement of underground or aboveground storage tanks or other materials on the property is prohibited.

I. Mineral Use, Excavation, Dredging. There shall be no filling, excavation, dredging, mining or drilling; no removal of topsoil, sand, gravel, rock, peat, minerals or other materials, and no change in the topography of the land in any manner on the Property nor shall there be any activities conducted on the property or on adjacent property if owned by Grantor which could cause erosion or siltation on the Property.

J. Water Quality and Drainage Patterns. There shall be no pollution, alteration, depletion or extraction of surface, natural water courses, subsurface water including the Neuse River or its tributaries, subsurface water of any other water bodies. There shall be no activities conducted on the Property that would be detrimental to water purity or any of the plants or habitats within the Property or that would alter natural water levels, drainage, sedimentation and/or flow in or over the Property, or cause soil degradation or erosion. Diking, dredging, alteration, draining, filling or removal of wetland is prohibited.

K. Roads. Grantor expressly reserves the right to maintain and repair any existing dirt roads.

L. Transferable Development and Mitigation Projects. No part of the Property may be included as part of the gross area of other real property for purposes of determining density, lot coverage, or open space requirements under applicable laws governing land use and building density, nor may any development right extinguished or encumbered by this Conservation Easement be transferred to any other lands, or to any other person or entity pursuant to any transferable development right plans. However, the Property or any part thereof may be included in a mitigation bank or encumbered or made subject to agreement by the Grantor and Grantee as part of a mitigation project for the restoration of wetlands on site or for mitigation for unavoidable wetland impacts created by Grantee on other real property.

ARTICLE IV GRANTOR'S ADDITIONAL RESERVED RIGHTS

The Grantor to its successors, assigns, invitees and licensees hereby reserves the right to quiet enjoyment of the Property, the right to ingress and egress to the Property and all adjacent property of the Grantor, the right to continue such uses as exist as of the date of this grant not inconsistent with this Conservation Easement and the right to sell, transfer, gift or otherwise convey the Property, in whole or in part, provided such sale, transfer or gift conveyance is subject to the terms of this Conservation Easement and written notice is provided to Grantee in accordance with the provisions herein below.

ARTICLE V GRANTEE'S RIGHTS

The Grantee is hereby granted the right, but not the obligation, to develop a management plan for rare plant or animal species in the event that they are found to exist on the

property together with the right to implement said plan, at the Grantee's expense (including but not limited to fencing and prescribed burns) and the right to use the Property for educational, scientific and charitable purposes consistent with the conservation purposes and reserved rights of Grantor set forth in this Conservation Easement (including but not limited to construction and maintenance of interpretative walkways, nature trails and supervised field trips), provided that the design and location of any construction shall be subject to the approval of Grantor and the Corps approval, which shall not be unreasonably withheld. Grantee is granted the right to identify, preserve and protect in perpetuity the existing condition of the Property. Grantee and the Corps are also granted the right to enter the Property during normal business hours for purposes of monitoring the terms of this Conservation Easement and monitoring mitigation status of the Property, and perform any additional mitigation required by the Corps. Grantee has elected not to provide notice to Grantor of their entry on the Property.

ARTICLE VI ENFORCEMENT AND REMEDIES

A. Upon any breach of the terms of this Conservation Easement by Grantor, its agents, successors, or assigns, which comes to the attention of the Grantee, the Grantee shall notify the Grantor in writing of such breach. The Grantor shall have ninety (90) days after receipt of such notice to undertake actions that are reasonably calculated to promptly correct the conditions constituting such breach. If the breach remains uncured after ninety (90) days, the Grantee may exercise any or all of the following remedies:

1. Institute suits to enjoin any breach or enforce any covenant by temporary and/or permanent injunction either prohibitive or mandatory and/or to recover any damages from injury to any conservation values protected by this Conservation Easement, including damages for the loss of scenic, aesthetic, historic or environmental values and attorneys fees if Grantee prevails; and
2. Require that the land be restored promptly to the condition required by this Conservation Easement.

B. The Grantee has the right to prevent any activity on or use of the Property that is inconsistent with the purpose of this Conservation Easement. Grantee's remedies shall be cumulative and shall be in addition to any other rights and remedies available to Grantee at law or equity. If Grantee, in its sole discretion, determines that circumstances require immediate action to prevent or mitigate significant damage to the conservation values of the Property, the Grantee may pursue its remedies without prior notice to Grantor, but shall exercise reasonable efforts to notify Grantor.

C. No failure on the part of Grantee to enforce any covenant or provision hereof shall discharge or invalidate such covenant or any other covenant, condition, or provision hereof or affect the right to Grantee to enforce the same in the event of a subsequent breach or default.

D. Nothing contained in this Conservation Easement shall be construed to entitle Grantee to bring any action against Grantor for any injury or change in the Property resulting from causes beyond the Grantor's control, including, without limitation, fire, flood, storm, war, acts of God or third parties, except Grantor's lessees or invitees; or from any prudent action taken in good faith by Grantor under emergency conditions to prevent, abate, or mitigate significant injury to life, damage to property or harm to the Property resulting from such causes, in accordance with the provisions of Paragraph III.E. hereunder.

ARTICLE VII MITIGATION COSTS

The Grantor has provided for the mitigation of the Property and all costs incident thereto to permit the Property to qualify as mitigation property for Grantee's § 404 Permit. The Grantor will also add to the Property two (2) shallow monitoring wells consisting of slotted PVC pipe two and one-half (2.5") inches in diameter to a thirty (30") inch depth; plug two (2) ditches; and create two (2) culverts, upon receipt of the location and specification of same from the Corps. The parties agree that any future mitigation costs incurred as a result of a violation of Article III shall be compensable pursuant to Article VI hereunder. Grantee agrees that any other future costs associated with the mitigation, monitoring, or monitoring of mitigation status shall be the sole responsibility of Grantee.

ARTICLE VIII PUBLIC ACCESS

The granting of this Conservation Easement does not convey to the public the right to enter the Property for any purpose whatsoever.

ARTICLE IX EXHIBIT, DOCUMENTATION AND TITLE

A. Legal Description. Exhibits A, Legal Description, and Exhibit B, sketch of Property, are attached hereto and made a part hereof by reference.

B. Wetland Mitigation Plan. The parties acknowledge that the Wetland Mitigation Plan ("Plan") dated September 6, 1995, as amended, a copy of which is on file at the offices of the Grantee, accurately establishes the uses, structures, historic and conservation values and condition of the Property and buildings located thereon as the date hereof.

C. Title. The Grantor covenants and represents that the Grantor is the sole owner and is seized of the property in fee simple and has good right to grant and convey the aforesaid Conservation Easement; that the property is free and clear of any and all encumbrances, except easements and leases of record or in effect by prescriptive right as of the date hereof and Grantor covenants that the Grantee shall have the use of and enjoy all of the benefits derived from and arising out of the aforesaid Conservation Easement.

ARTICLE X MISCELLANEOUS

A. Subsequent Transfers. Grantor consents to the transfer or assignment by Grantee, its successors and assigns, to the NCCLT or any other 501(c) entity after receipt of written notification by the Corps the Grantee has fulfilled the requisite conditions of Grantee's § 404 permit. Grantor agrees that it, its successors or assigns, will notify Grantee in writing of the names and addresses of any party to whom the Property, or any part thereof, is to be transferred at or prior to the time said transfer is consummated. Grantor, its successors and assigns, further agree to make specific reference to this Conservation Easement in a separate paragraph of any subsequent lease, deed, or other legal instrument by which any interest in the Property is conveyed.

B. Conservation Purpose.

1. Grantee, for itself, its successors and assigns, agrees that this Conservation Easement shall be held exclusively for conservation purposes, as defined in 26 U.S.C. § 170(h)(4)(a).
2. Grantor and Grantee agree that the conveyance of this Conservation Easement gives rise to a property right, immediately vested in the Grantee, with a fair market value equal to the proportionate value that the Conservation Easement bears to the value to the Property as a whole.

That proportionate value of the Grantee's property rights shall remain constant. If a change in conditions occurs which makes impossible or impractical the continued protection of the Property for conservation purposes, the restrictions contained herein may be extinguished by judicial proceeding or by mutual consent of the parties hereto, provided such consent is in writing duly executed by the parties and recorded in the Wayne County Registry. Upon a subsequent sale, exchange or involuntary conversion of the Property, the Grantee shall be entitled to a portion of the proceeds at least equal to that proportionate value of the Conservation Easement. The Grantee shall use its share of the proceeds in a manner consistent with the conservation purposes set forth herein.

3. Whenever all or part of the Property is taken in exercise of eminent domain by public, corporate, or other authority so as to abrogate the restrictions imposed by this Conservation Easement, the Grantor and the 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 value of the Grantee's and Grantor's interests as specified above; all expenses including attorney's fees incurred by the Grantor and Grantee in this action shall be paid out of the recovered proceeds, if any, to the extent not otherwise paid by the condemning authority.

4. The Grantor and Grantee agree that the terms of this Conservation Easement shall survive any merger of the fee and easement interests in the Property.
5. The parties hereto recognize and agree that the benefits of this Conservation Easement are in gross and assignable provided, however that the Grantee hereby covenants and agrees, that in the event it transfers or assigns this Conservation Easement, the organization receiving the interest will be a qualified holder under N.C.G.S. 121-34 *et seq.* and an eligible donee, as defined in 26 U.S.C. § 170(h)(3) and the regulations promulgated thereunder, which is organized or operated primarily for one of the conservation purposes specified in 26 U.S.C. § 170(h)(4)(A), and Grantee further covenants and agrees that the terms of the transfer or assignment will be such that the transferee or assignee will be required to continue out in perpetuity the conservation purposes which the contribution was originally intended to advance, set forth in Article I herein.
6. The Grantor agrees to pay any real estate taxes or other assessments levied on the Property.

C. Construction of Terms. This Conservation Easement shall be construed to promote the purposes of the North Carolina enabling statute set forth in N.C.G.S. 121-34 *et seq.*, which authorizes the creation of Conservation Easements for purposes including those set forth herein, and the conservation purposes of this Conservation Easement, including such purposes as are defined in 26 U.S.C. § 170(h)(4)(A).

D. 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 is found to be invalid, shall not be affected thereby.

E. Recording. Grantee shall record this instrument and any amendment hereto in timely fashion in the Wayne County, North Carolina, Registry and may re-record it at any time as may be required to preserve its right under this Conservation Easement.

F. Hazardous Waste. The Grantor covenants and represents that, to the best of Grantor's knowledge, no hazardous substance or hazardous or toxic waste exists nor has been generated, treated, stored, used, disposed of, or deposited in or on the Property, and that there are not now any underground storage tanks located on the Property and agrees to indemnify and hold harmless the Grantee against any claims, liabilities, damages, losses and costs arising from any such event, occurrence or condition at any time, except as caused by Grantee, its agents or assigns, or by third parties who were not agents, contractors, lessees, or invitees of Grantor.

G. Notices. Any notices given under this Conservation Easement shall be in writing and shall be delivered by depositing same in the U.S. Mail, certified, return receipt requested, postage prepaid and addressed to the parties as set forth above, or to such other addresses such party may establish in writing to the other, pursuant to this Notice provision.

H. Amendments. Grantor and Grantee are free to jointly amend this Conservation Easement in writing to meet changing conditions, provided that no amendment will be allowed that is inconsistent with the purposes of this Conservation Easement and Corps approval has been granted. The Corps agrees not to unreasonably withhold approval of any amendment. Such amendment(s) shall be effective upon recording in the Wayne County, North Carolina, Registry.

I. Severability. Should any provision of this Conservation Easement be declared by any tribunal of competent jurisdiction to be illegal, invalid or unenforceable, the legality, validity, and enforceability of the remaining parts, terms or provisions shall not be affected thereby, and said illegal, unenforceable, or invalid part, term, or provision shall be deemed not to be a part of this Conservation Easement.

J. Governing Law. This Conservation Easement shall be governed by and construed in accordance with the laws of the State of North Carolina.

K. Headings. The headings contained in this Conservation Easement are for reference purposes only and shall not affect the meaning or interpretation hereof.

TO HAVE AND TO HOLD unto NORTH CAROLINA DEPARTMENT OF TRANSPORTATION, its successors and assigns, forever. The covenants agreed to and the terms, conditions, restrictions and purposes imposed as aforesaid shall be binding upon Grantor, its successors and assigns, and shall continue as a servitude running in perpetuity with the property.

IN WITNESS WHEREOF, the parties hereto have set their hand and seals and caused these presents to be executed in their respective names by authority duly given, and their corporate seal affixed, the day and year above first written.

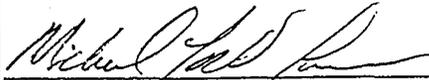
GRANTOR:

LANE FARMS, INC., a North Carolina Corporation

(Corporate Seal)

By: William D. Lane
William D. Lane, President

ATTEST:

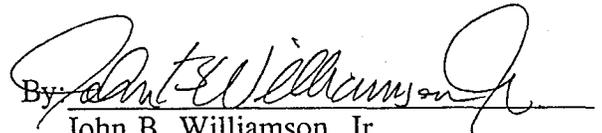


Michael Todd Lane, Secretary

(Corporate Seal)

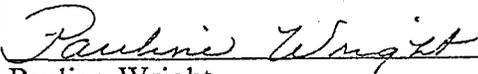
GRANTEE:

NORTH CAROLINA DEPARTMENT OF
TRANSPORTATION, a agency of the State
of North Carolina



By: John B. Williamson, Jr.
Manager
Right-of-Way Branch

ATTEST:



Pauline Wright
Secretary to the Board of
Transportation and Custodian of the
Seal of the Department of Transportation

APPROVED AS TO FORM:



John F. Maddrey
Assistant Attorney General

(SEAL)

NORTH CAROLINA
WAYNE COUNTY

I, Frankie A. Moss, a Notary Public of Wake County, North Carolina, do hereby certify that Michael Todd Lane personally appeared before me this day and acknowledged that he is the Secretary of Lane Farms, Inc., a North Carolina corporation, and that by authority duly given and as the act of the corporation the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by himself as its secretary.

Witness my hand and notarial seal this the 30th day of November, 1995.

My commission expires:

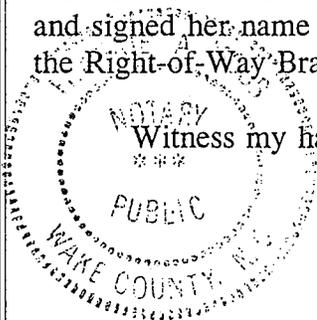


Frankie A. Moss
(Notary Public)

NORTH CAROLINA
WAYNE COUNTY
WAKE

This the 30th day of November, 1995, personally appeared before me, Frankie A. Moss; a Notary Public in and for said State and County, Pauline Wright, who by me duly sworn, says that she knows the Seal of the Department of Transportation and is acquainted with John B. Williamson, Jr., who is Manager of the Right-of-Way Branch of the Division of Highways of said Department, and that she, the said Pauline Wright, is the Secretary to the Board of Transportation and Custodian of the Seal of the Department of Transportation, saw said Manager of the Right-of-Way Branch sign the foregoing instrument, that she, the said Pauline Wright, is the Secretary to the Board of Transportation and Custodian of the Seal of the Department of Transportation, affixed said Seal to said instrument and signed her name in attestation of the execution thereof in the presence of said Manager of the Right-of-Way Branch.

Witness my hand and seal this the 30th day of November, 1995.



Frankie A. Moss
Notary Public

My Commission Expires:

June 21, 1999

EXHIBIT A
PROPERTY DESCRIPTION

BEGINNING AT AN IRON STAKE, THE SOUTHWESTERN MOST CORNER OF THE FRANCES IDA J. GREENE PROPERTY AS DESCRIBED IN THE DEED BOOK 1119, PAGE 424, A COMMON CORNER OF SAID GREENE PROPERTY AND LANE FARMS, INC. AS DESCRIBED IN DEED BOOK 966, PAGE 775. FOURTH TRACT; THENCE FROM SAID BEGINNING N 61° 56' 39" W 273.62 FEET TO AN IRON STAKE; THENCE S 67° 14' 03" W 88.07 FEET TO AN IRON STAKE; THENCE N 28° 06' 54" W 385.08 FEET TO AN IRON STAKE; THENCE N 05° 13' 20" E 655.63 FEET TO AN IRON STAKE; THENCE N 17° 33' 13" E 353.93 FEET TO AN IRON STAKE. THENCE N 45° 49' 57" E 249.53 FEET TO AN IRON STAKE, SAID STAKE HAVING N.C. GRID COORDINATES OF Y - 557,838.61991 AND X - 2,336,190.68889; THENCE CONTINUED N 45° 49' 57" E 14.33 FEET TO A POINT IN THE LINE OF THE NANCY G. FARNETANI PROPERTY AS DESCRIBED IN DEED BOOK 1452, PAGE 217; THENCE WITH THE FARNETANI LINE, TO AND WITH THE GREENE LINE S. 47° 39' 51" E 1193.00 FEET TO AN IRON STAKE; THENCE S 42° 20' 09" W 1089.00 FEET TO THE POINT OF BEGINNING. THIS BEING APPROXIMATELY 26.69 ACRES.

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LANE FARMS, INC.
Post Office Box 1179
Goldsboro, North Carolina 27533-1179
(919)736-1937 (919)736-4991(FAX)

November 30, 1995

Mr. John B. Williamson, Jr.
Manager, Right of Way Branch
North Carolina Department of Transportation
Division of Highways
Post Office Box 25201
Raleigh, North Carolina 27611-5201

Re: Lane Farms, Inc.
w. North Carolina Department of Transportation

Dear Mr. Williamson, Jr.:

As you are aware, I have always had a very strong commitment to the completion of the Southern Connector project in Goldsboro, Wayne County, North Carolina. It is for that reason that I have agreed to convey a perpetual conservation easement over approximately 26.69 acres lying and being in the Town of Seven Springs, Wayne County, North Carolina to the North Carolina Department of Transportation ("DOT") to permit the DOT to use the property to mitigate unavoidable wetland impacts created by both the Southern Connector project and another DOT project. I am writing to confirm our agreement that Lane Farms, Inc., a North Carolina corporation, has agreed to sell, and the North Carolina Department of Transportation, an Agency of the State of North Carolina, has agreed to purchase that certain perpetual Conservation Easement over the property, ("the Agreement") which is legally described as follows ("the Property"):

BEGINNING AT AN IRON STAKE, THE SOUTHWESTERN MOST CORNER OF THE FRANCES IDA J. GREENE PROPERTY AS DESCRIBED IN THE DEED BOOK 1119, PAGE 424, A COMMON CORNER OF SAID GREENE PROPERTY AND LANE FARMS, INC. AS DESCRIBED IN DEED BOOK 966, PAGE 775. FOURTH TRACT; THENCE FROM SAID BEGINNING N 61° 56' 39" W 273.62 FEET TO AN IRON STAKE; THENCE S 67° 14' 03" W 88.07 FEET TO AN IRON STAKE; THENCE N 28° 06' 54" W 385.08 FEET TO AN IRON STAKE; THENCE N 05° 13' 20" E 655.63 FEET TO AN IRON STAKE; THENCE N 17° 33' 13" E 353.93 FEET TO AN IRON STAKE. THENCE N 45° 49' 57" E 249.53 FEET TO AN IRON STAKE, SAID STAKE HAVING N.C. GRID COORDINATES OF Y - 557,838.61991 AND X - 2,336,190.68889; THENCE CONTINUED N 45° 49' 57" E 14.33 FEET TO A POINT IN THE LINE OF THE NANCY G. FARNETANI PROPERTY AS DESCRIBED IN DEED BOOK 1452, PAGE 217; THENCE WITH THE FARNETANI LINE, TO AND WITH THE GREENE LINE S. 47° 39' 51" E 1193.00 FEET TO AN IRON STAKE; THENCE S 42° 20' 09" W 1089.00 FEET TO THE POINT OF BEGINNING.

The purchase price for the Conservation Easement has been discounted to reflect my interest and commitment in the completion of the Southern Connector project, along with my interest in pioneering mitigation banking in the State of North Carolina and is little reflective of the actual out-of-pocket costs sustained by Lane Farms, Inc. in bringing this mitigation project to fruition. The agreed upon cash consideration of One Hundred Fifty-two Thousand, Eight Hundred Fifty Dollars (\$152,850.00) will be paid by the DOT to Lane Farms, Inc. on February 1, 1996. In addition, DOT acknowledges that it will be paying Triangle Wetland Consultants, Inc., a North Carolina corporation, for their participation pursuant to an agreement between those two parties.

All provisions herein shall survive the closing of this transaction and remain binding upon and for the benefit of the parties hereto. The DOT acknowledges that it has inspected the Property. Furthermore, this Agreement contains the entire agreement of the parties and there are no representations, inducements or other provisions other than those expressed in writing with regard to the subject matter hereof.

All changes, additions, or deletions hereto must be in writing and signed by all parties. The parties acknowledge that no broker was used in the consummation of this transaction and that no broker's fees are due and outstanding as a result of this Agreement. Each party agrees to pay for their own fees incurred as a result of the preparation of all requisite documents and all expenses incurred in closing this transaction.

This Agreement supersedes and terminates all previous written or oral negotiations, understandings, arrangements and agreements between the parties hereto relating to the subject matter hereof. This Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina without giving effect to the conflict of laws provisions thereof. This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and assigns.

The closing of the transaction contemplated herein will take place at the offices of the DOT, 1 South Wilmington Street, Raleigh, North Carolina 27611, on the seventh (7th) business day after all parties hereto and the U.S. Army Corps of Engineers has agreed to the terms of the Conservation Easement, or at such other time, place or date as the parties hereto may agree in writing.

Very truly yours,

LANE FARMS, INC.



William D. Lane

AGREED TO AND ACCEPTED, with the requisite power and authority to make, execute, deliver, and perform its obligations under this Agreement:

(Corporate Seal)

By: William D. Lane
William D. Lane, President

ATTEST:

Michael Todd Lane
Michael Todd Lane, Secretary

(Seal)

NORTH CAROLINA DEPARTMENT OF
TRANSPORTATION, a Agency of the State
of North Carolina

By: John B. Williamson, Jr.
John B. Williamson, Jr.
Manager
Right of Way Branch

ATTEST:

Pauline Wright
Pauline Wright, SECRETARY TO
THE BOARD OF TRANSPORTATION AND
CUSTODIAN OF THE SEAL OF THE
DEPARTMENT OF TRANSPORTATION

DLN:jlc
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