SETTLEMENT AGREEMENT AND AGREEMENT TO AMEND CONSERVATION EASEMENT, EASEMENT OF INGRESS AND EGRESS AND TEMPORARY CONSTRUCTION EASEMENT

THIS SETTLEMENT AGREEMENT AND AGREEMENT TO AMEND CONSERVATION EASEMENT, EASEMENT OF INGRESS AND EGRESS AND TEMPORARY CONSTRUCTION EASEMENT (this "Agreement") is made and entered into as of May 12, 2015 2015 (the "Effective Date"), by and between the **NORTH CAROLINA DEPARTMENT OF TRANSPORTATION ("NCDOT"),** an agency of the State of North Carolina, and **RAFE ROYLE** and **MARIANNE P. ROYLE, wife (collectively, "Royle").** The **NORTH CAROLINA DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES, DIVISION OF MITIGATION SERVICES ("NCDENR")**, an agency of the State of North Carolina, signs this Agreement as NCDOT's management agent for the Conservation Easement Agreement (as defined below). Each of NCDOT and Royle shall sometimes be referred to individually as a "Party," and collectively as the "Parties."

WHEREAS, Royle owns that real property containing 33.289 acres, more or less, in Deep River Township, Guilford County, North Carolina, which property is more particularly described in Deed Book 2945, Page 10, Guilford County Registry (the "Property");

WHEREAS, on March 3, 2006, Royle previously granted to NCDOT a conservation easement and access rights over the Property in a Conservation Easement, Easement of Ingress and Egress and Temporary Construction Easement recorded in Book 6547, Page 1030, Guilford County Registry (the "Conservation Easement Agreement"), which easements are more particularly shown on a map recorded in Plat Book 163, Page 102, Guilford County Registry (the "Map");

WHEREAS, Royle has requested to amend the Conservation Easement Agreement to permit Royle to relocate and construct a new ford crossing road over and across the Conservation Easement at a location different than the current location of an existing ford crossing road and the location contemplated in the Conservation Easement Agreement and depicted on the Map; and

WHEREAS, NCDOT has agreed to permit the relocation of the ford crossing road and the amendment of the Conservation Easement Agreement in accordance with the terms of this Agreement;

NOW THEREFORE, in consideration of the mutual benefits that will accrue to the Parties and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, NCDOT and Royle agree as follows:

1. NCDOT hereby grants to Royle a conditional license to enter upon the Conservation Easement to construct a new ford crossing road over and across the Conservation Easement at the approximate location shown on the attached Exhibit A, together with associated cattle exclusion fencing, gate and fencing at such ford crossing (the "New Ford Crossing"), all in accordance with this Agreement. The initial and continued effectiveness of the license granted in

this paragraph shall be conditioned upon the satisfaction, in NCDOT's sole discretion, of all conditions and requirements set forth in this Agreement.

2. Prior to commencing any work on the New Ford Crossing within the Conservation Easement, Royle shall, at its sole expense, deliver to NCDOT for its review and approval plans for the New Ford Crossing with sufficient detail, in NCDOT's sole discretion, as to the manner of construction, dimensions, materials to be used, and location of the New Ford Crossing. The plans also shall contain a detailed cost estimate for the design and installation of the New Ford Crossing. All work on the New Ford Crossing shall be completed only in accordance with plans approved in writing by NCDOT (the "Approved Plans"). Royle may not modify any Approved Plans without NCDOT's prior written consent.

3. Royle shall be responsible for all costs of designing and constructing the New Ford Crossing. Royle shall be responsible for obtaining all necessary permits in connection with the construction of the New Ford Crossing. All work performed on the New Ford Crossing shall be performed in a good, safe and workmanlike manner and shall be performed in strict compliance with this Agreement, the Approved Plans and all governmental laws, regulations and requirements and under the supervision of the Guilford Soil and Water Conservation District.

4. Work on the New Ford Crossing shall commence no later than May, 2015. Work shall be performed with due diligence and shall be completed no later than June, 2015.

5. All work on the New Ford Crossing shall be performed within a 20-foot strip of land centered with an area corresponding to the location shown on the Approved Plans. If the Approved Plans conflict with Exhibit A, the Approved Plans shall control. In no event shall Royle permit any work to be performed outside of such 20-foot strip or permit the storage or staging of any materials within any other part of the Conservation Easement. Upon completion of the New Ford Crossing, all of Royle's rights in the ford crossing road existing over the Conservation Easement as of the Effective Date of this Agreement, the approximate location of which is shown on the attached Exhibit A (the "Old Ford Crossing"), shall terminate automatically and Royle shall be deemed to have abandoned the Old Ford Crossing; provided, (a) in no event shall Royle remove or modify the Old Ford Crossing or remove any materials from the Old Ford Crossing at any time, and Royle shall leave the Old Ford Crossing in its "as-is" condition, except that Royle shall install cattle exclusion fencing on both sides of the Old Ford Crossing to keep cattle out of the Conservation Easement. This paragraph shall survive the expiration or early termination of this Agreement for any reason.

6. Upon completion of the New Ford Crossing in accordance with this Agreement, as settlement for any and all claims Royle may have against NCDOT and NCDENR arising from the Conservation Easement Agreement. DENR, on behalf of NCDOT, shall make a one-time settlement payment to Royle in the amount of $16,000.00 (the "Settlement Amount"). The Settlement Amount shall be paid to Royle in two installments: (a) $6,000.00 shall be paid to Royle within thirty (30) days after the Effective Date; and (b) $10,000.00 shall be paid to Royle within thirty (30) days after completion of the New Ford Crossing. In consideration for the Settlement Amount, Royle hereby releases and forever discharges any and all claims described below that Royle now has, or may have, against NCDOT, NCDENR and/or the State of North

Carolina arising from the Conservation Easement prior to and through the expiration of this Agreement. Claims include any and all claims, demands, damages, causes of action, rights, attorneys' fees and expenses whatsoever, that arise from or relate in any way to the Conservation Easement, including any claims of any nature whatsoever in law or equity.

7. Upon completion of the New Ford Crossing in accordance with the Approved Plans and this Agreement, NCDOT shall prepare a new map depicting the location of the New Ford Crossing, which Royle shall sign upon NCDOT's request. Upon Royle's execution of the new plat, NCDOT shall deliver to Royle an Amendment to Conservation Easement, Easement of Ingress and Egress and Temporary Construction Easement in a form reasonably satisfactory to Royle (the "Amendment"), which (a) shall amend the Conservation Easement Agreement to grant to Royle the right to maintain and use the New Ford Crossing in its as-built location (as depicted on NCDOT's new map) and (b) shall release any and all prior reservations/grants of access rights to Royle in the Conservation Easement and all rights of Royle in the Old Ford Crossing or any other ford crossings over the Conservation Easement. Royle agrees to sign the Amendment before a notary public, and NCDOT shall record the fully signed Amendment in the Guilford County Registry. Royle also agrees to obtain a subordination to the Conservation Easement, as amended, from any party with a security interest in the Property senior to the Conservation Easement. NCDOT agrees to obtain the consent of the Piedmont Land Conservancy, which holds a prior conservation easement over property encumbered by the Conservation Easement, as required in connection with the Amendment. Prior to the recording of the Amendment, Royle shall be authorized to use the Ford Crossing only pursuant to the license granted in this Agreement. Except for the limited purposes of relocating the Ford Crossing as set forth in this Section, the Conservation Easement Agreement shall remain unmodified and in full force and effect.

8. If the construction, maintenance or repair of the New Ford Crossing adversely affects the restoration site within the Conservation Easement or otherwise destabilizes the restored area within the Conservation Easement, Royle shall take such actions as are reasonably necessary or as required by NCDOT, in its sole discretion, to correct the New Ford Crossing in a manner to minimize or prevent such adverse effect. Notwithstanding anything to the contrary in this Agreement, if at any time NCDOT determines, in its sole discretion, that Royle's work within the Conservation Easement endangers the Conservation Easement or impairs any natural or restorative functions within the Conservation Easement, then NCDOT may initiate corrective measures to prevent or mitigate any impending effect on the Conservation Easement. This paragraph shall survive the expiration or early termination of this Agreement for any reason.

9. Royle agrees at all times to indemnify and hold harmless NCDOT, NCDENR and their agents, employees, patrons and visitors from any loss, liability, claims, suits, costs and expenses, including reasonable attorneys' fees, arising from any injury to person or damage to property resulting from the exercise of the rights granted to Royle in this Agreement, excluding any injury to persons or damage to property to the extent caused by the negligence or willful misconduct of NCDOT or NCDENR. This paragraph shall survive the expiration or early termination of this Agreement for any reason.

10. This Agreement shall remain in effect until the recordation of the Amendment. This Agreement contains the entire agreement and understanding between the Parties with

respect to the subject matter hereof and the amendment of the Conservation Easement. This Agreement supersedes all prior or contemporaneous discussions, negotiations, or understandings relating to the subject matter of this Agreement.

11. Except as otherwise expressly provided in this Agreement, all notices, requests, demands or other communications provided for, permitted or required by this Agreement shall be deemed validly given if in writing and delivered by commercial courier, facsimile or email, registered or certified mail, return receipt requested or commercial overnight delivery service to the applicable address set forth below (or to any other address the party to be notified may have designated to the sender by notice properly given under this section). [Any notice given by facsimile or e-mail must also be sent by commercial overnight delivery service for the delivery of such notice to be validly given.] Such notices shall be deemed received (a) when delivered or when delivery is refused as indicated on the courier's records (if sent by courier or commercial overnight delivery service); (b) on the same business day after the notice was sent by facsimile or e-mail; or (c) two (2) business days after the date postmarked when sent by mail. Notices shall be addressed as follows:

If to NCDOT:

NC Department of Transportation
PDEA Natural Environment Section
1598 Mail Service Center
Raleigh, North Carolina 27699-1598
Attn: Randy W. Griffin, Jr., Group Leader
Email: rgriffin@ncdot.gov
Facsimile: 919-212-5785

With a copy to:

Thomas Henry
Assistant Attorney General
NC Department of Justice
1505 Mail Service Center
Raleigh, NC 27699-1505
Email: THenry@ncdoj.gov
Facsimile: 919-733-9329

If to Royle:

Rafe Royle and Marianne P. Royle
1609 Squire Davis Road
Kernersville, NC 27284
Email: _____
Facsimile: _____

If to NCDENR:

NC Department of Environment and Natural Resources
Division of Mitigation Services
1652 Mail Service Center, Raleigh
North Carolina 27699-1652
Attn: Tim Baumgartner, Deputy Director of Operations
Email: tim.baumgartner@ncdenr.gov
Facsimile: _____

12. This Agreement shall inure to the benefit of and be binding on the heirs, executors, administrators, assignees, and successors of the respective parties; provided, this Agreement may not be assigned by Royle without the prior written consent of NCDOT and NCDENR, in their sole discretion.

[SIGNATURES ON FOLLOWING PAGE.]

IN WITNESS WHEREOF, the Parties and NCDENR have signed this Agreement as of the day and year first above written.

_____

RAFE ROYLE

_____

MARIANNE P. ROYLE

NORTH CAROLINA DEPARTMENT OF TRANSPORTATION

By: _____

Tom Childrey, Manager of Right of Way ~~Branch~~ UNIT

NORTH CAROLINA DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES

By: _____

Print Name: Michael Ellison

Title: Director Mitigation Serv.

IN WITNESS WHEREOF, the Parties and NCDENR have signed this Agreement as of the day and year first above written.

_____
RAFE ROYLE

_____
MARIANNE P. ROYLE

NORTH CAROLINA DEPARTMENT OF TRANSPORTATION

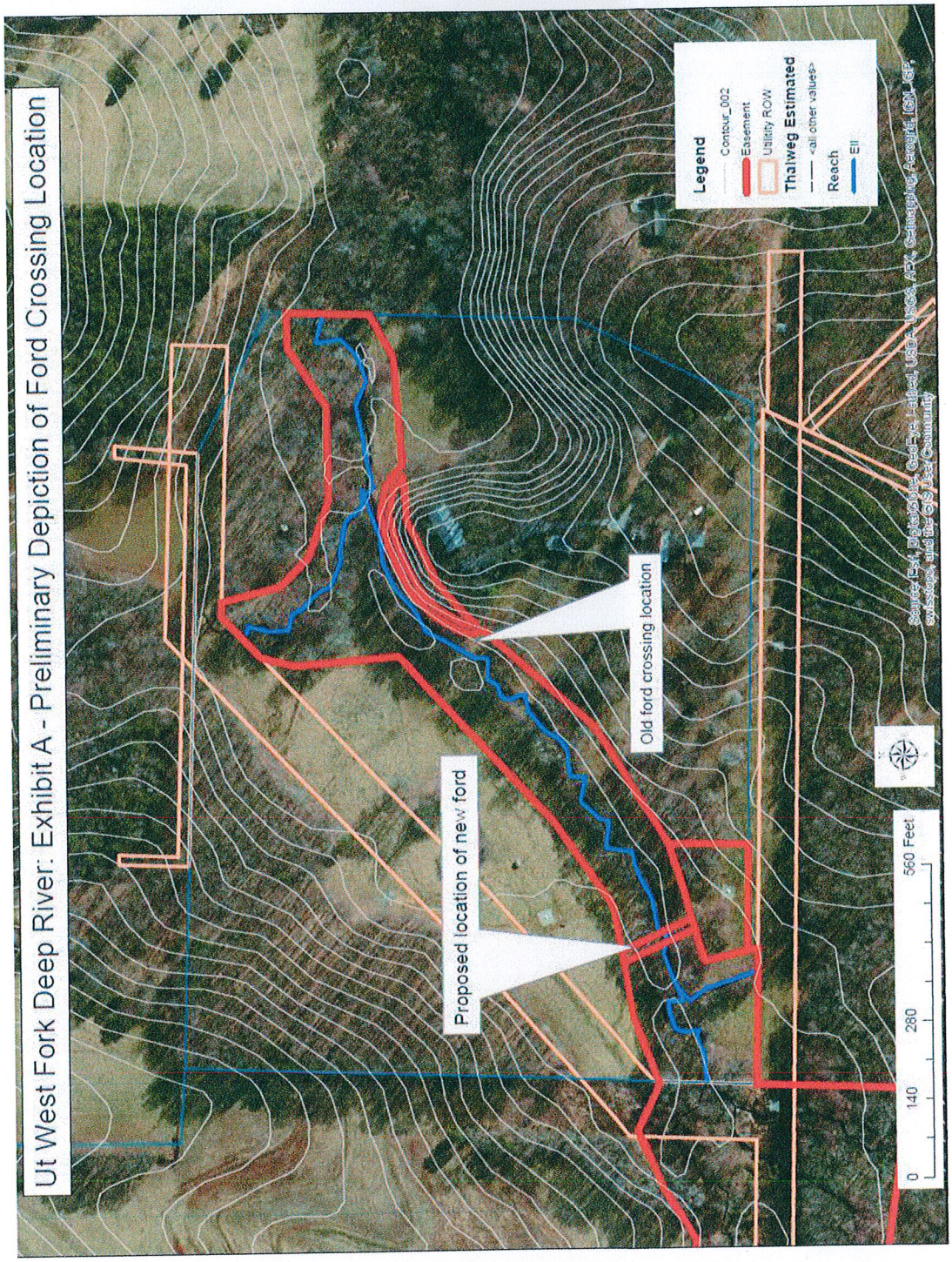
By: _____
Tom Childrey, Manager of Right of Way
~~Branch~~ UNIT

NORTH CAROLINA DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES

By: _____

Print Name: _____

Title: _____

EXHIBIT A

DEPICTION OF NEW AND OLD FORD CROSSINGS