Conservation Easement

The conservation easement is intended to constitute (a) a "qualified conservation contribution" as defined in Internal Revenue Code section 170(h)(1) and (b) a qualifying "interest in land" under the Virginia Land Conservation Incentives Act of 1999.

Based on many stated public benefits and consistency with local and federal laws, the open-space conservation easement grants restrictions in perpetuity on the use of the land (the "Property").

Furthermore, according to the Deed of Gift of Easement (See the complete document included in the addenda), a highlight of the recitals are as follows:

"WHEREAS, this Easement is granted "exclusively for conservation purposes" under IRC §170(h)(1)(C) because it effects "the protection of a relatively natural habitat of fish, wildlife or plants, or similar ecosystem" under IRC 170(h)(4)(A)(ii) and Treas. Reg. § 1.170A-14(d)(3);

WHEREAS, the Grantee is a nonstock, not-for-profit corporation formed under the laws of the Commonwealth of Virginia, constituting a public charity not a private foundation, exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (and corresponding provisions of any subsequent tax laws)(IRC), and is a "qualified organization" as defined §170(h)(3) of the Internal Revenue Code…."

WHEREAS, the Property is viewed from Somerset Ridge Road (State Route 711) and Sedgwick Drive, as well as from points on the Rapidan River, and contributes to the scenic views enjoyed by the public therefrom;

WHEREAS, the Property lies within 400 feet of the Rapidan River, a principal tributary to the Rappahannock River, a public water supply for the City of Fredericksburg;

WHEREAS, members of the general public regularly view and take scenic enjoyment of a substantial portion of the Property from Somerset Ridge Road (State Route 711) and Sedgwick Drive, as well as from points on the Rapidan River, therefore the Property satisfies the requirements for "visual public

access" as defined in Treasury Regulation Section 1.170A-14(d)(4)(ii)(B), and preservation of the natural and open space character of the Property will protect a scenic view for the public using the Rapidan River, Somerset Ridge Road (State Route 711) and Sedgwick Drive

WHEREAS, protection of the Property by this Easement will protect approximately 1.9 acres of Soils of Statewide Importance;

WHEREAS, the Property lies adjacent to approximately 63.5859 acres of land which is also subject to an open-space Deed of Gift Easement to the Grantee (the "Adjacent Open Space Property") recorded as Instrument No. 120005168 in the Clerk's Office of the Circuit Court of Orange County (the "County"), and protection of the Property pursuant to this Easement contributes to the natural and open-space values of the Adjacent Open Space Property;"

The adjacent open space property is identified in the following map:

The approximately 64-acre open space easement is outlined by the black lines that begin at the Rapidan River on the right, then cross the golf course heading west to the middle of the diagram, then north, left again, then south to Parcel 4A and then back to the River on the south. *Parcel 4A is part of this easement.* The rest of the 64-acre easement is part of the golf course. Both are appraised in this report as adjacent, beneficially-owned property, Parcel 4A as an open space easement and the rest as part of the golf course.

The Deed of Gift of Easement also mentions, among others, the following recitals: "WHEREAS, the Property is located approximately 700 feet south of approximately 51.82 acres of land, which land lies adjacent to the Adjacent Open Space Property, and which land is subject to an open space Deed of Gift Easement to the Virginia Outdoors Foundation (the "Northern Open Space Property") recorded at Deed Book 519, page 287 in the Clerk's Office of the Circuit Court of Orange County and protection of the Property pursuant to this Easement also contributes to the natural and open-space values of the Northern Open Space Property;