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| <p> ID. 2946 Issued Dec 08 2001 \$1,000.00 State of McDowell North Carolina County Real Estate Excise Tax ID. 2947 Issued Dec 08 2001 \$1,800.00 State of McDowell North Carolina County Real Estate Excise Tax Excise Tax \$ 2,800.00 </p> | <p style="text-align: right;">S-Tract 2076.01</p> <p style="text-align: center;"> FILED in McDowell County, NC on Dec 08 2001 at 04:51:53 PM by: PATRICIA A. REEL Register of Deeds BOOK 666 PAGE 586 </p> <p style="text-align: center;">Recording Time, Book and Page</p> |
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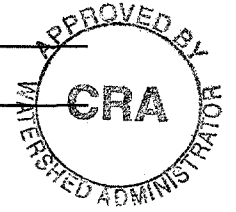
Tax Lot No.: 1713-00-64-8902 Parcel Identifier No. _____
 Verified by _____ County on the _____ day of _____, 2001
 by _____
 Mail after recording to Crescent Resources, LLC, Attn: S. Higginson, PO Box 1003, Charlotte, NC 28202
 This instrument was prepared by Parker, Poe, Adams & Bernstein L.L.P., Three First Union Center, Suite 3000, 401 South Tryon Street, Charlotte, NC 28202 (WEF)
 Brief Description For The Index:

71.61 Acres, Nebo Township, McDowell County, NC

NORTH CAROLINA SPECIAL WARRANTY DEED

THIS DEED made this 24th day of December, 2001, by and between:

| GRANTOR | GRANTEE |
|--|---|
| <p>CRESCENT RESOURCES, LLC, a Georgia limited liability company</p> | <p>SUNSET POINT, LLC, a North Carolina limited liability company P. O. Box 1269 Morganton, NC 28680-1269</p> |



APPROVED TO RECORD
TAX DEPARTMENT
MD12-6-01X

Enter in appropriate block for each party: name, address, and, if appropriate, character of entity, e.g. corporation or partnership.

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 as required by context.

WITNESSETH, that Grantor, for a valuable consideration paid by Grantee, the receipt of which is hereby acknowledged, has and by these presents does grant, bargain, sell and convey unto Grantee in fee simple, all that certain lot or parcel of land described in **Exhibit A** attached hereto ("**Property**").

The Property is conveyed together with the easements set forth on **Exhibit A** which are incorporated herein by reference.

The conveyance is made subject to the covenants and restrictions set forth in **Exhibit B** attached hereto.

EXHIBIT A

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All references to recording information shall refer to documents that were recorded in the Office of the Register of Deeds for the county in which the Property is located.

All that certain tract of land located in Nebo Township, McDowell County, North Carolina, designated as "Contains 71.61 Acres," on plat recorded in Plat Book 6, Pages 82-86 ("**Plat**"); **AND BEING** all or a portion of the land conveyed to Western Carolina Power (presently known as Duke Energy Corporation) by deed from J. W. Edwards (BR-29) recorded in Deed Book 54, Page 386 and in Deed Book 55, Page 329; by deed to Western Carolina Power (presently known as Duke Energy Corporation) from A. D. Erwin (BR-32) recorded in Deed Book 54, Page 117; and by deed to Crescent Land & Timber Corp. (presently known as Crescent Resources, LLC) from Duke Power Company (presently known as Duke Energy Corporation) recorded in Deed Book 206, Page 870.

Together with all of Grantor's right, title and interest, if any, in and to a portion of the twenty-four (24) foot non-exclusive access easement shown on the Plat as "Centerline Access Road," the centerline of which portion is identified on the Plat as lines "A1" through "A12." Grantor makes no warranty, express or implied, with respect to the grant of Grantor's interest, if any, in and to such access easement.

Grantor hereby grants to Grantee, its successors and assigns, a perpetual non-exclusive easement ("**Easement**") for the benefit of Grantee, its successors and assigns (including the owners of all current or future lots or parcels within the Property), over and across an existing fifty (50) foot driveway for the purposes of vehicular and pedestrian ingress, egress, and regress; the centerline of which driveway is shown as "Centerline Existing Gravel Drive" on the plat attached hereto as Exhibit A-1 ("**Easement Area**"). The Easement Area shall be maintained by Grantee in good repair, in a clean and passable condition and in compliance with all applicable laws and regulations. Grantor shall have no obligation to repair, maintain or replace any portion of the Easement Area. Grantee, its successors and assigns, shall indemnify, defend and hold harmless Grantor, its successors and assigns, from and against all liabilities, damages, expenses, claims or actions, whether actual or threatened (including, without limitation, reasonable attorney's fees) arising directly or indirectly from this Easement and the exercise of any easement rights granted hereunder by Grantee, its successors and assigns, and its and their respective agents, employees, contractors, licensees and invitees.

EXHIBIT B

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RESTRICTIONS

THE PROPERTY (as defined below) SHALL BE CONVEYED SUBJECT TO THE FOLLOWING RESTRICTIONS, WHICH SHALL ENCUMBER THE PROPERTY (as defined below) AND SHALL RUN WITH TITLE TO THE PROPERTY (as defined below).

1. **Definition of "Property"**. As used herein, the word "**Property**" shall mean a two hundred and fifty (250) foot wide strip of the property conveyed by Grantor to Grantee pursuant to this deed, said strip running along and contiguous with the common boundary of the conveyed property and Lake James as shown on the Plat; provided, that if such portion of the conveyed property consists of more than one subdivided parcel of land, or if such portion of the conveyed property is ever subdivided into more than one parcel, then the defined term "Property" shall mean each parcel of land containing all or a portion of the conveyed property located within such two hundred and fifty (250) foot wide strip of the conveyed property; and the restrictions set forth herein shall apply to each such subdivided parcel.

2. **Single Family Use**. The Property shall be used only for detached, single-family residence purposes, together with the accessory buildings and structures permitted pursuant to **Section 6** below. No more than one detached single-family residential dwelling may be constructed on the Property. No condominium, townhouse, duplex, apartment or other multi-family residential uses are permitted on the Property. No commercial uses or marinas are permitted on the Property or adjacent to the Property within the boundary of the Lake. Further, no camper, trailer, motor home, boat (including, without limitation, any boat docked adjacent to the Property), recreational vehicle, or similar habitable or transportable unit or structure shall be allowed to remain on or adjacent to the Property within the boundary of the Lake as a place of residence. Also, no houseboat shall be allowed on the Property or adjacent to the Property within the boundary of the Lake whether or not the houseboat serves as a residence. The single-family residence restrictions set forth above shall not prohibit the construction of pools, tennis courts, or other recreational facilities or amenities such as are commonly constructed and maintained for the benefit of lot owners within planned unit developments; provided that such recreational facilities or amenities shall be solely for the common use of the owners of lots subdivided from the Property and, provided further, that no such recreational facilities may be located within any Buffer Area (defined below).

3. **Restricted Activities**. The following activities are prohibited on the Property and adjacent to the Property within the boundary of the Lake:

- a. Raising, breeding, or keeping of animals, livestock or poultry of any kind, except that dogs, cats, or other usual and common household pets (which are registered, licensed and inoculated as required by law) may be permitted on the Property;
- b. Any activity which violates local, state, or federal laws or regulations;
- c. Institutional uses, including but not limited to group homes, day care centers, churches, temples or shrines, rest homes, schools, medical care facilities, lodges, inns, beds and breakfasts; and
- d. Any business or trade, except that an owner or occupant residing on the Property may conduct business activities within a dwelling on the Property so long as: (i) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell

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from outside the dwelling unit; (ii) the business activity conforms to all zoning requirements for the Property; (iii) the business activity does not involve regular visitation of the Property by clients, customers, suppliers, or other business invitees; (iv) the business activity does not involve any service or delivery business in which more than one vehicle used in such business would be parked overnight on the Property, or for which any parts, equipment supplies, raw materials, components or tools are stored on the Property and (v) the business activity is consistent with the residential character of the Property and does not constitute an unreasonable disturbance to adjoining land owners or others, a nuisance, or a hazardous or offensive use. The foregoing shall not preclude occasional garage sales, moving sales, rummage sales, or similar activities provided that such activities are not held on the Property more than once in any six-month period. The terms "business" and "trade," as used in this provision, shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time, (ii) such activity is intended to or does generate a profit, or (iii) a license is required. The leasing of the Property for single-family residential use shall not be considered a business or trade within the meaning of this subsection.

4. Prohibited Conditions. None of the following structures or improvements may be located upon the Property:

- a. Structures, equipment or other items which are visible from any road or adjacent property which have become rusty, dilapidated, or otherwise fallen into disrepair;
- b. Towers, antennas, or other apparatus for the transmission or reception of television, radio, satellite, or other signals of any kind which are located outside of the dwelling on the Property other than (i) a customary antenna, which shall not extend more than ten (10) feet above the top roof ridge of the dwelling; and (ii) a satellite disc or dish no larger than eighteen inches (18") in diameter;
- c. Any freestanding transmission or receiving towers or any non-standard television antennae; and
- d. Chain-link fences.

5. Quality Craftsmanship/Dwelling Size. All buildings and outbuildings erected upon the Property shall be built on site of new materials of good grade, quality and appearance, and shall be constructed in a good, workmanlike manner, conforming to all applicable building codes. Further, all dwellings must meet the following construction requirements:

- a. One story dwellings shall not contain less than 1,600 square feet of Heated Living Area (defined below);
- b. One and a half story dwellings shall not contain less than 1,800 square feet of Heated Living Area;

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- c. Two (or more) story dwellings shall not contain less than 1,800 square feet of Heated Living Area;
- d. All dwellings and accessory structures shall be completely supported with solid brick, brick or stone covered block, or stucco covered foundation;
- e. Roofs shall have not less than a 6 inch pitch, and not less than 12 inch overhang, and shall be covered with asphalt or fiberglass shingles, terra cotta tile, real or man-made slate, copper sheathing or wood shingles or pre-painted metal roofing;
- f. The exterior surfaces of all dwellings and accessory structures shall be covered only with brick, stone, hard stucco (synthetic stucco is not permitted), wood, or siding consisting of wood, composite or vinyl material; provided, that any horizontal siding must be completely supported to maintain a straight and even outer surface and must be fully and properly finished; and
- g. Exteriors of all dwellings and accessory structures must be completed within one year after the commencement of construction, and a certificate of occupancy issued within two years after commencement of construction.

As used herein, "**Heated Living Area**" excludes basement areas (defined as any level in which at least one perimeter wall is below, or partially below, grade), unless such basement areas have two or more perimeter walls above surrounding grade, and such basement areas are fully heated and air-conditioned and constructed to a quality equal to the above grade levels of the dwelling. In addition, Heated Living Area excludes vaulted ceilings areas, attics, unheated porches, attached or detached garages, porte-cocheres and unheated storage areas, decks and patios. The term "**story**" shall mean a finished horizontal division of Heated Living Area extending from the floor of such division to the ceiling above it. The term "**half story**" shall mean a story which contains fifty percent (50%) or less Heated Living Area than the story in the house containing the most Heated Living Area.

6. Permitted Accessory Structures. No buildings, structures or improvements of any kind may be located on the Property other than one detached, single-family residential home, and the following permitted accessory structures:

- a. Storage and shop outbuildings, including detached garages, workshops, storage and utility buildings, greenhouses and similar buildings, not exceeding fourteen (14) feet in height. The total square footage contained within all such outbuildings combined shall not exceed two thousand (2000) square feet. All outbuildings shall be permanently affixed to the Property and shall be covered with the approved exterior materials described in **Section 5(f)** above. Further, no outbuildings shall be located wholly or partially within any Buffer Area (as defined below).
- b. Recreational structures, including decking, gazebos, covered patios, playhouses, barbecue pits and similar structures. The total square footage contained within such structures when combined shall not exceed one thousand (1000) square feet in area. Further, no such structure shall be located wholly or partially within any Buffer Area (as defined below).
- c. To the extent permitted at the time of construction and installation by Duke Energy Corporation (or its successor, with respect to ownership and/or management authority over the Lake, if applicable) (hereinafter, "**Duke Energy**") and all applicable

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governmental authorities, waterfront structures, including fixed piers, boat slips or floats, covered docks, boat ramps, decking and sitting areas attached to piers, walkways and other similar structures. Grantee acknowledges by acceptance of this deed that policies, laws and regulations regarding its ability to construct or install such structures may change from time to time before or after Grantee's acquisition of the Property and Grantor makes no representation or warranty as to Grantee's ability to construct or install such structures either now or in the future. Such structures may be located wholly or partially within the Buffer Area provided no more than a total of two hundred (200) square feet of such structures shall be located within the Buffer Area.

7. Site Development Requirements. The Property shall be subject to the following specific development requirements.

- a. No portion (or portions) of the Property greater than two thousand (2000) square feet shall be: (i) denuded of ground cover or topsoil, (ii) graded, (iii) excavated or (iv) covered with earth or other natural or man-made fill material, unless all required building, grading and erosion control permits have been issued by the applicable municipal authorities.
- b. All denuded, graded, excavated or filled areas shall be stabilized and replanted on or before: (i) the thirtieth (30th) day following the initial denuding, grading, excavation, or filling (unless footings and foundations are being installed upon the disturbed area and construction is being diligently and continuously pursued upon such area); or (ii) such time as construction is completed or interrupted for a period of thirty (30) continuous days. In addition to, or in the absence of local or state government regulations on such land disturbance, none of the activities described in (i) through (iv) in **Section 7 (a)** above shall be allowed to commence without compliance with the following requirements:
 - i. The surveying and flagging of the Buffer Area (defined below) and any portion of the Buffer Area that may be disturbed as a result of any activities permitted hereunder;
 - ii. The flagging of all trees in the Buffer Area that equal or exceed six (6) inches in diameter, as measured four and one-half feet (4.5') from the base of each tree. The trees, Buffer Area (defined below) and disturbed areas referenced in **Sections 7 (a) and (b)** shall be clearly and distinctly flagged, staked, or otherwise designated in order to prevent the unintentional violation of these restrictions by parties performing work upon the Property; and
 - iii. The proper installation (in accordance with manufacturer's instructions) of construction silt fencing on the lower perimeters of all areas within the Property to be disturbed, and any other areas which may be impacted by silt runoff from any disturbed areas located on the Property.

8. Buffer Area Restrictions. As used herein, the term "**Buffer Area**" shall mean any portion of the Property that is located within fifty feet (50') of any common boundary (the "**Contour Line**") of the Property and Lake James (the "**Lake**"). No portion of the Buffer Area may be disturbed in any way, including any disturbance or removal of topsoil, trees and other natural growth. The Contour Line of the Lake shall not change as a result of erosion or stabilization measures occurring following the conveyance of this Property to Grantee. Notwithstanding the second sentence in this **Section 8**, the following activities are permitted within the Buffer Area:

- a. Trees which are less than six (6) inches in diameter, as measured four and one-half feet (4.5') from the base of each tree may be removed. Any tree removal shall be performed using hand held gas or electric chain saws and/or manual handsaws. No other mechanical equipment or vehicles may be used in removing any trees. Additionally, trees having a greater diameter than that set forth above that have become diseased or damaged through natural processes may be removed in the same manner.
- b. An access corridor may be created within the Buffer Area for the purpose of providing lake access to install shoreline stabilization or to install and use water access structures (such as docks or boat ramps) that have been approved in advance by Duke Energy and otherwise comply with Section 6(c) above. The access corridor may not exceed fifteen (15) feet in width. Trees with diameters equaling or exceeding six (6) inches, as measured four and one-half feet (4.5') from base, may be removed within the access corridor and grading or ground disturbance (which otherwise complies with the restrictions set forth herein) may be performed if reasonably necessary to provide access to the Lake for the purposes described above in this Section 8(b).
- c. Underbrush (defined as nuisance shrubs, vines and similar plant growth beneath the tree canopy, and generally growing less than six feet (6') in height) may be removed.
- d. Pruning and trimming of trees is permitted, provided that pruning is limited to tree branches beginning with the lowest to the ground and extending up the tree trunk no more than one-half of the total height of the tree. Trimming may also be performed on any limbs or branches that are diseased or naturally damaged.
- e. The use of rip-rap, bulkheading or other shoreline stabilization methods or materials may be initiated with the prior written approval by Duke Energy and any shoreline stabilization shall be performed in compliance with Duke Energy's Shoreline Management Guidelines which are in effect at the time such stabilization occurs. Generally, Duke Energy allows structural stabilization to extend only to a height five feet above the Contour Line of the Lake. If Duke Energy authorizes Grantee to perform certain shoreline stabilization, then at all points where shoreline stabilization occurs, the inner boundary line of the Buffer Area (i.e. the boundary line opposite the Contour Line of the Lake) shall be adjusted inward (i.e. away from the Contour Line of the Lake) by the same distance that the stabilization structures or improvements extend from the Contour Line of the Lake into the Property, provided however, that in no event shall the width of the undisturbed Buffer Area be reduced to less than fifty (50) feet between any portion of the interior edge of the stabilization structures or improvements and any residence or other structure or improvement located on the Property (other than docks, boat ramps, or other water access structures which have been approved in writing by Duke Energy).

9. No Claims. No owner of the Property or of any Benefited Property (defined below) shall have any claim or cause of action against Grantor or its affiliates arising out of the exercise, or non-exercise, or enforcement, or failure to enforce, or the amendment, release or grant of variance with respect to any covenant, condition, restriction, easement or other right reserved hereunder or referred to herein.

10. No Delay. No delay or failure on the part of Grantor to invoke an available remedy with respect to a violation of any restriction contained herein shall be held to be a waiver by Grantor of any right

available to it upon the recurrence or continuance of said violation or the occurrence of a different violation.

11. Rights of Enforcement. The covenants, conditions and restrictions set forth herein shall run with the title to the Property and shall benefit Grantor and all property (the "**Benefited Property**") owned on the date hereof by Grantor or its subsidiaries located within one thousand feet of any portion of the Property (other than any property located within the FERC boundaries of the Lake. If the Property owner, its heirs, successors, tenants, or assigns shall violate or attempt to violate any of the covenants, conditions or restrictions contained herein, Grantor and any subsequent owner of any portion of the Benefited Property may enforce the covenants, conditions and restrictions set forth herein by any remedy available at law or in equity, either to prevent or remediate such violation, or recover damages for such violation, or both; provided that, with the exception of Grantor, no Benefited Property owner shall have the right to enter the Property in order to monitor or enforce compliance without court order. The party bringing such action shall be entitled to recover its reasonable attorney's fees and expenses incurred in such proceedings from the person or entity violating or attempting to violate the same. Nothing herein shall be held to impose any restriction on any other land owned by Grantor, its subsidiaries or affiliates.

12. Modification, Amendment, Variances. Grantor hereby reserves the right for itself and its successors or assigns, to amend or modify, release, or grant variances with respect to the covenants, conditions, easements and restrictions set forth herein. As used in this **Section 12**, the term "successors or assigns" shall be limited to Grantor's successors or assigns by merger or consolidation or by written assignment.

13. Reserved Easement. Grantor hereby reserves unto itself and any successors in title, (i) a ten (10) foot wide easement extending into the subject lot from and along all side Property lines, and (ii) a fifteen (15) foot wide easement for the same purposes from and along any public or private road right of way for utility lines, drainage ditches or facilities, or any other related improvements that may be required by Grantor or its successors or assigns.

14. Minimum Lot Size. The Property may not be subdivided in a manner that will result in any lot or parcel being created which is less than 21,780 square feet.

15. No Modular or Mobile Homes. No mobile, manufactured or modular home or structure having the characteristics or appearance of a mobile, modular or manufactured home, including, without limitation, any mobile, modular or manufactured home as defined by the building codes or other applicable laws of the state in which the Property is located, shall be located upon the Property.

16. Bald Eagle Mitigation Restrictions and Easement.

a. **Receipt of Documentation.** Grantee, by its acceptance of this Deed acknowledges receipt of copies of the following documents: (i) Incidental Take Permit Number TE034491-0, issued by the U.S. Fish and Wildlife Service to Crescent Resources, LLC ("**Permit**"); (ii) Implementing Agreement by and between Crescent Resources, LLC and the U.S. Fish and Wildlife Service to Establish a Bald Eagle Mitigation Program - Lake James, Burke and McDowell Counties, North Carolina dated May 31, 2001 ("**Implementing Agreement**"); and (iii) American Bald Eagle Habitat Conservation Plan For the Lake James Project - Burke and McDowell Counties, North Carolina ("**Habitat Conservation Plan**"). As used herein, the Permit, Implementing Agreement and Habitat Conservation Plan, together with any amendments thereto, are collectively referred to as the "**Mitigation Documents**". Grantee and its successors and assigns shall comply with the requirements of the Mitigation Documents and shall notify Grantor and the US Fish and Wildlife Service if a *Haliaeetus Leucocephalus* (American Bald Eagle) nest is discovered upon the Property.

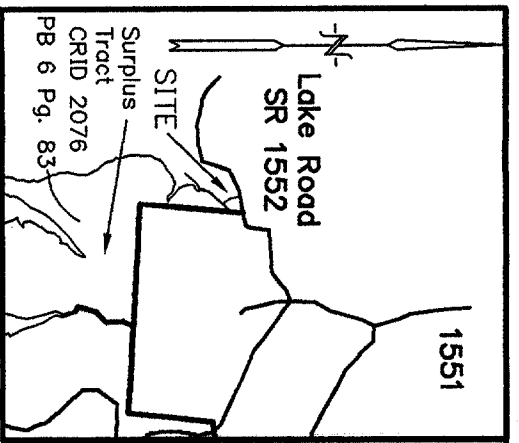
b. **Mitigation Restrictions.**

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i. **Mitigation Area.** If a *Haliaeetus Leucocephalus* (American Bald Eagle) has built (or builds in the future) a nest anywhere on the Property, the portion of the Property within a three-hundred (300) foot radius of the nest shall constitute a "**Mitigation Area**."

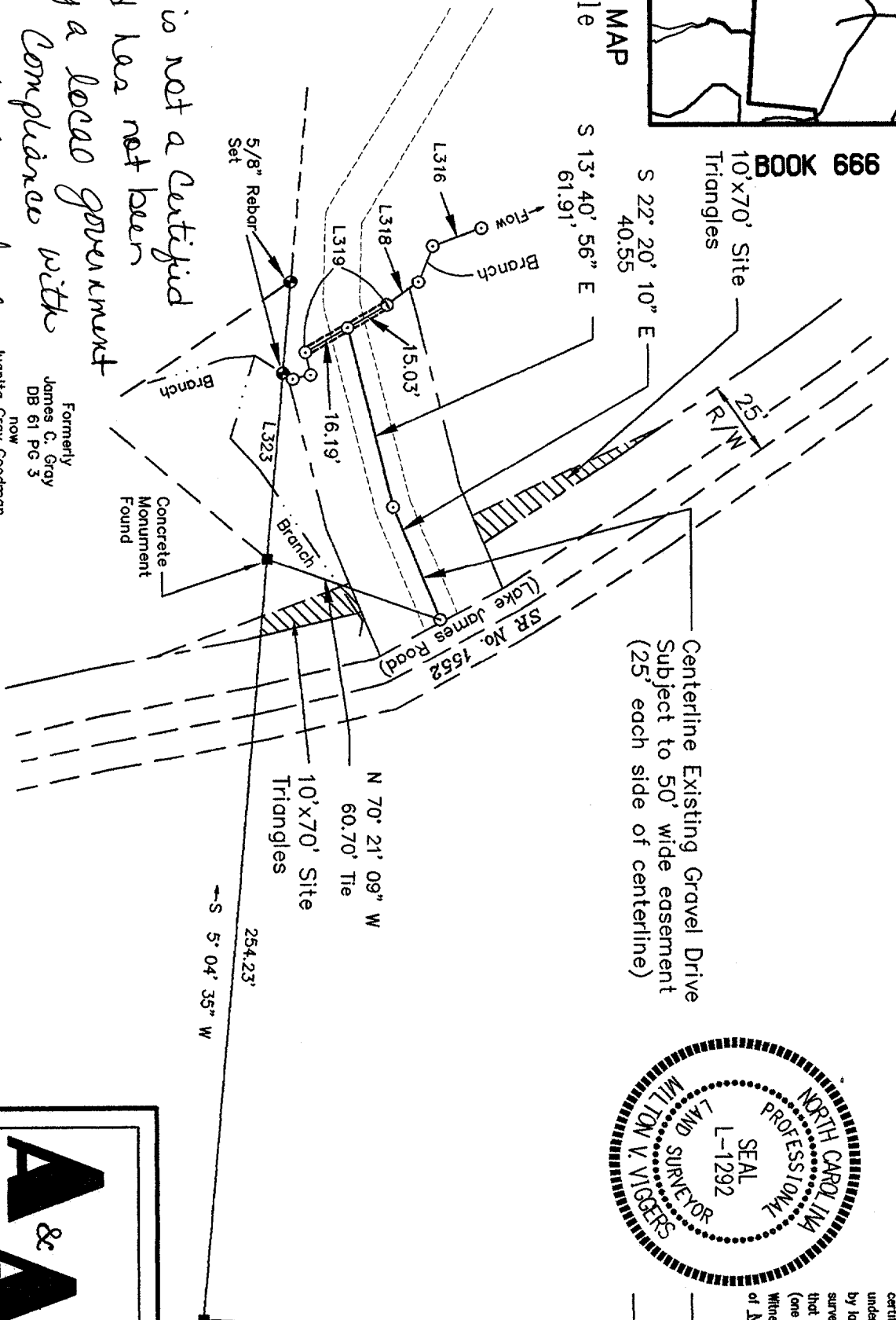
ii. **Restrictions.** The following activities are expressly prohibited within any portion of the Mitigation Area: (A) any and all real estate development, land clearing, building, construction, utilities, earth moving, or any such land altering activities that may harm, alter, or destroy the elements of the natural environment upon which *Haliaeetus Leucocephalus* (the American Bald Eagle) may depend; and (B) any timber harvest and other management of vegetation in the Mitigation Area except for the purposes of control of noxious or non-native pests or pathogens, but only such control as is approved in advance by the United States and Fish and Wildlife Service pursuant to Incidental Take Permit No. TE034491-0, Condition 11.R.

c. **Mitigation Easement.** Grantor reserves for the benefit of itself and its successors and assigns and any other parties as may be authorized under the Mitigation Documents (including without limitation, representatives of the US Fish and Wildlife Service), permanent, non-exclusive easements over and through the Property for pedestrian and vehicular ingress, egress and regress and the exercise of all rights and the performance of all obligations under the Mitigation Documents (including without limitation, performing monitoring activities with respect to the Mitigation Documents and the restrictions set forth herein).

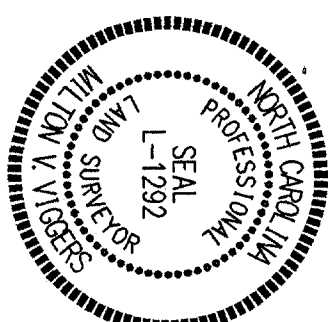


VICINITY MAP
No Scale

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Centerline Existing Gravel Drive
Subject to 50' wide easement
(25' each side of centerline)



STATE OF NORTH CAROLINA COUNTY OF BURKE
MILTON V. VIGGERS, a Professional Land Surveyor,
certify that this map was prepared from a random traverse field survey made under my direction and supervision; that the ratio of precision as calculated by latitudes and departures exceeds 1: 10,000; that the boundaries not surveyed are shown as broken lines plotted from information shown hereon; that this plat was prepared in accordance with G. S. 47-30 as amended (one exception to G. S. 47-30 as amended, plat size)
Witness my original signature, registration number and seal this 14TH day of NOVEMBER, A.D., 2001.
Milton V. Viggers
SURVEYOR
L-1292
N. C. P. L. S.

Note— The purpose of this plat is to dedicate 10'x70' site triangles at the right-of-way intersections of Secondary Road No. 1552 and existing road to serve Crescent Resources surplus tract 2076. Site triangles were omitted from Inset No. 2 Road Easement as shown on plat recorded in Plat Book 6 Page 83 McDowell County Registry.

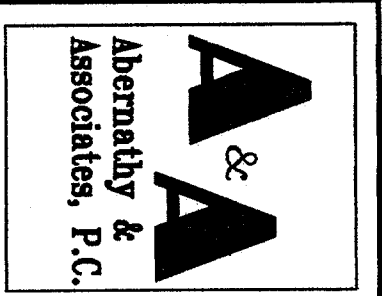
Concrete Monument Found
(Control Corner)

This map is not a Certified Survey and has not been reviewed by a local government agency for compliance with any applicable land development regulations.

Formerly
James C. Gray
DB 61 PG 3
now
Juanita Gray Goodman



REVISED - / /20
REVISED - / /20



| | | |
|---|--|--|
| PROPERTY OF CRESCENT RESOURCES, LLC NEBO TOWNSHIP, MCDOWELL COUNTY, NORTH CAROLINA | REF. DEED: BK. <u>218</u> PAGE <u>870</u> BK. <u> </u> PAGE <u> </u> T.M. NO. <u>1274</u> R. <u>82</u> LOT <u>0</u> | REF. PLAT: BK. <u>6</u> PAGE <u>83</u> |
| ABERNATHY & ASSOCIATES, P.C. 145 WEST PARKER ROAD MORRANTON, N.C. 28655 PH. (828) 457-2280 | SCALE: 1" = 50' | SURVEYED BY: C. Housen, PLS |
| | FILE NO. | CHECKED BY: T. Abernathy, PLS |
| | PG | DATE OF SURVEY: |

TO HAVE AND TO HOLD the Property and all privileges and appurtenances thereto belonging to Grantee in fee simple.

And Grantor covenants with Grantee, that Grantor has done nothing to impair such title as Grantor received, and Grantor will warrant and defend the title against the lawful claims of all persons claiming by, under or through Grantor, except for the exceptions hereinafter stated.

Title to the Property is subject to the following exceptions:

- (1) flood easements in favor of Duke Energy Corporation (formerly known as Duke Power Company) and riparian rights of others, including, but not limited to, the flood easement to flood to the 1,210 foot contour line and all other reservations, restrictions and conditions contained in that deed recorded in Deed Book 206, Page 870;
- (2) transmission line and retail electric line rights-of-way, if any, reserved by or granted to Duke Energy Corporation (formerly known as Duke Power Company);
- (3) ad valorem taxes for the year 2001 and subsequent years;
- (4) "rollback" or other deferred ad valorem property taxes;
- (5) matters affecting title to the Property as shown on the Plat or which would be shown on a current and accurate survey of the Property (including any encroachments);
- (6) easements, covenants, restrictions and conditions of record, and rights-of-way of public and private streets and roads;
- (7) easements, restrictions and rights-of-way as may be apparent from an inspection of the Property;
- (8) zoning, subdivision, land use and other laws, regulations or ordinances applicable to the Property; and
- (9) the reservations and restrictions set forth herein.

[SIGNATURE ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Grantor has hereunto set its hand and seal, the day and year first above written.

CRESCENT RESOURCES, LLC,
a Georgia limited liability company

By: [Signature]
James M. Short, Jr.
Senior Vice President

STATE OF NORTH CAROLINA
COUNTY OF Mecklenburg

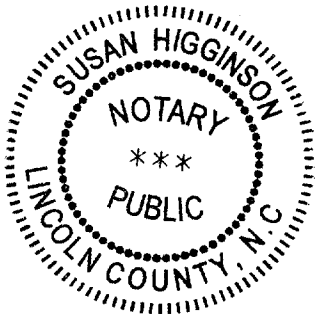
I, a Notary Public of said County and State, do hereby certify that James M. Short, Jr., Senior Vice President of CRESCENT RESOURCES, LLC, a Georgia limited liability company, personally came before me this day and acknowledged the due execution of the foregoing instrument on behalf of the limited liability company.

Witness my hand and notarial seal, this the 4th day of December, 2001.

[Signature]
Notary Public

My Commission Expires 3/27/2006

[NOTARIAL STAMP-SEAL]



The foregoing Certificate(s) of _____

[Signature]

_____, Notary(ies) Public
is/are certified to be correct. This instrument and this certificate are
duly registered at the date and time and in this Book and Page shown
on the first page hereof.

Patricia A. Reel REGISTER OF DEEDS

FOR McDowell COUNTY

By [Signature]
Deputy/Assistant-Register of Deeds.