STATE OF NORTH CAROLINA

COUNTIES OF MOORE & RICHMOND

EASEMENT

THIS EASEMENT, made and entered into this the 2ND day of March, 2006, by and between the **STATE OF NORTH CAROLINA**, a body politic and corporate, hereinafter referred to as GRANTOR, and the **TOWN OF SOUTHERN PINES**, hereinafter referred to as GRANTEE:

W I T N E S S E T H :

THAT, WHEREAS, the North Carolina Department of Environment and Natural Resources, Wildlife Resources Commission has authorized and approved the execution of this instrument for the purposes herein expressed; and,

WHEREAS, the execution of this instrument for and on behalf of the State of North Carolina has been duly approved by the Council of State by resolution adopted at a meeting held in the City of Raleigh, North Carolina, on the 7th day of June, 2005.

NOW, THEREFORE, in consideration of the sum of TWO HUNDRED FIFTY AND NO/100 ($250.00) DOLLARS, the receipt of which is hereby acknowledged, the Grantor does

hereby grant unto Grantee, its successors and assigns, the right, privilege and easement to go in and upon the waters of Drowning Creek in its course through the Sandhills Game Land for the construction and installation of weir and water intake structures in Drowning Creek, situated in Moore and Richmond Counties, North Carolina, and more particularly described as follows:

> As is more particularly set forth and described on Exhibit A attached hereto and fully incorporated herein by reference.

IT IS UNDERSTOOD AND AGREED BETWEEN THE GRANTOR AND GRANTEE as follows:

1. That the facilities erected hereunder shall remain the property of Grantee.

2. All activity to be performed in the easement area must be accomplished and maintained in accordance with the plans and specifications contained and described in the plan sheets of Hobbs, Upchurch and Associates, P.A. entitled "RAW WATER INTAKE WEIR TOWN OF SOUTHERN PINES WTP, Moore County, North Carolina, dated March, 2003, as set forth in Exhibit B attached hereto and fully incorporated herein by reference. In the event of the failure to abide by the plans and specifications as set forth in Exhibit B, this easement may be voided by the Grantor and all structures constructed with the easement area may be removed and the easement area restored to its pre-easement condition at the expense of the Grantee. Subject to the provisions of the preceding paragraph Grantee shall have the right to inspect, rebuild, remove, repair, improve, relocate on the areas above described, and make such changes, alterations, substitutions, additions to or extensions of its facilities as Grantee may from time to time deem advisable.

3. If said weir and water intake structure is not maintained and used at the locations described above for a continuous period of twelve (12) months, the easement herein granted shall be deemed abandoned and upon that, or any other abandonment or termination of the easement herein granted, the Grantee and its successors and assigns will, at its sole cost, promptly remove all portions of said weir and water intake structure from the easement area.

4. It is further understood and agreed that this conveyance is made subject to the condition that the Grantee shall properly obtain all necessary permits required by State and Federal law. Failure to obtain such permits in a timely manner shall be deemed an abandonment of said easement.

TO HAVE AND TO HOLD the aforesaid rights, privileges and easements unto said Grantee, its successors and assigns, for so long as Grantee maintains said low-level dam and raw water intake structures and no longer.

IN TESTIMONY WHEREOF, the STATE OF NORTH CAROLINA has caused this instrument to be executed in its name by MICHAEL F. EASLEY, Governor, attested by ELAINE F. MARSHALL, Secretary of State, and the Great Seal of the State of North Carolina to be hereto affixed by virtue of the power and authority aforesaid.

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STATE OF NORTH CAROLINA

By _____
Governor

ATTEST:

By Elaine F. Marshall
Secretary of State

APPROVED AS TO FORM:

ROY COOPER
ATTORNEY GENERAL

BY _____
J. Douglas Hill
Assistant Attorney General

STATE OF NORTH CAROLINA

COUNTY OF WAKE

I, Linda J. Duckworth, a Notary Public for Johnston County, North Carolina, do certify that ELAINE F. MARSHALL, Secretary of State of the State of North Carolina, personally came before me this day and acknowledged that she is Secretary of State of the State of North Carolina, and that by authority duly given and as the act of the State, the foregoing instrument was signed in its name by MICHAEL F. EASLEY, Governor of the State of North Carolina, sealed with the Great Seal of the State of North Carolina, and attested by herself as Secretary of State.

IN WITNESS WHEREOF, I have hereunto set my hand and Notarial Seal, this the 2nd day of March, 2006.

"OFFICIAL SEAL"
Notary Public, North Carolina
County of Johnston
Linda J. Duckworth

Linda J. Duckworth
Notary Public

My commission expires: 6-22-2008

Hobbs, Upchurch & Associates, P.A.
Consulting Engineers
300 S.W. Broad Street • Post Office Box 1737 • Southern Pines, NC 28388

DESCRIPTION FOR
TOWN OF SOUTHERN PINES
ON PROPERTY OF
STATE OF NORTH CAROLINA

January 7, 2005

Lying and being in Beaver Dam Township, Richmond County, North Carolina about 1178 feet west of US Hwy. #1 and bounded on the north by other lands of the Town of Southern Pines, and on the east, south and west by other lands of the State of North Carolina, and being more particularly described as follows:

BEGINNING at a point in the center of Drowning Creek, said point being located S 05°35'48" W 30.00 feet from an existing concrete monument, in the eastern line of the Town of Southern Pines property as conveyed to them by deed recorded in Deed Book 475 Page 70, Moore County Registry, said monument also being located S 52°29'29" W 3014. 63 feet from NCGS monument "High" having grid coordinates of N=480,142.2397' and E=1,853,750.1823', and also being located N 46°27'52" W 1178.80 feet from a PK nail at the centerline intersection of Drowning Creek and US Hwy. #1 bridge, said BEGINNING point being the southeast corner of the Town of Southern Pines property and runs thence S 10°55'27" E 50.31 feet to a point; thence S 54°37'36" W 78.12 feet to a point; thence N 66°59'42" W 90.10 feet to a point; thence N 51°29'59" W 179.56 feet to a point; thence N 39°21'06" W 92.60 feet to a point; thence S 71°43'12" W 95.59 feet to a point; thence N 81°43'12" W 84.02 feet to a point; thence N 17°19'24" E 73.35 feet to a point in the center of Drowning Creek, said point being the southwest corner of the Town of Southern Pines property; thence as the run of Drowning Creek S 61°55'18" E 72.38 feet to a point in said creek; thence N 71°43'12" E 107.56 feet to a point in the creek; thence S 39°21'06" E 109.99 feet to a point in the creek; thence S 75°30'06" E 85.87 feet to a point in the creek; thence S 32°26'36" E 117.87 feet to a point in the creek; thence S 66°59'42" E 63.79 feet to a point in the creek; thence N 40°46'48" E 72.86 feet to the ***BEGINNING***, containing 0.70 acres and being a portion of the lands of the State of North Carolina conveyed to them by deed recorded in Deed Book 1271 Page 337, Richmond County Registry. All bearings herein are to NC Grid North Meridian, Nad83.

William C. McIlwain, Jr. PLS L-2421
300 SW Broad Street
Southern Pines, NC 28387

NORTH CAROLINA PROFESSIONAL SEAL L-2421 LAND SURVEYOR WILLIAM C. McILWAIN, JR.

EXHIBIT
A