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$2,894.00 70

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SECRETARY OF STATE

Brunswick Coun _ Register of Deeds
Robert J. Robinson
Inst #243257 Book 2060Page 1002
12/17/2004 01:10:33pm Rec# 215502

STATE OF NORTH CAROLINA
Real Estate Excise Tax

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NORTH CAROLINA GENERAL WARRANTY DEED
STATE OF NORTH CAROLINA
COUNTY OF BRUNSWICK

THIS DEED, made this the 17th day of December, 2004, by and between **P & P HOLDINGS, L.L.C., a North Carolina limited liability company,** party of the first part, hereinafter referred to as Grantor, and **STATE OF NORTH CAROLINA,** of C/O State Property Office, 1321 Mail Service Center, Raleigh NC 27699-1321, party of the second part, hereinafter referred to as Grantee;

W I T N E S S E T H :

THAT the Grantor, for a valuable consideration paid by the Grantee, the receipt of which is hereby acknowledged, has and by these presents does grant, bargain, sell and convey unto the Grantee, its successors and assigns, in fee simple, all that certain lot or parcel of land situated in the Town of Holden Beach, Lockwood Folly Township, Brunswick County, North Carolina, and being more particularly described as follows:

BEING all of Parcel A containing 140.27 acres, more or less, **AND** all of Parcel B containing 376.46 acres, more or less, as more fully described in a survey plat dated 11 November 2004 entitled "Map of Survey for P & P Holdings, L.L.C. and The State of North Carolina" prepared by Bob M. Jones, Jr., P.L.S., Robert H. Goslee and Associates, P.A., and recorded in Map Cabinet 31 at Page 315 in the office of the Register of Deeds for Brunswick County, North Carolina to which reference is made and which is incorporated herein for greater certainty of description ("the Property").

A metes and bounds description of Parcel A consisting of 1 page is attached hereto and incorporated herein by reference for further description as Exhibit A. A metes and bounds description of Parcel B consisting of 2 pages is attached hereto and incorporated herein by reference as Exhibit B for further description.

TO HAVE AND TO HOLD the aforesaid lots or parcels of land and all privileges and appurtenances thereunto belonging to the Grantee in fee simple.

AND the Grantor does hereby covenant with Grantee that Grantor is seized of the premises in fee simple, that it has the right to convey the same in fee simple, that title is marketable and free and clear of all encumbrances, and that Grantor will warrant and defend the title against the lawful claims of all persons whomsoever, subject to the following exceptions: utility easements, if any, of record; restrictive covenants, if any, of record; that certain right-of-way in favor of Carolina Power and Light recorded in Deed Book 278 at Page 761, Brunswick Registry as shown on said plat; rights-of-way in favor of North Carolina Department of Transportation for State Road 1539 (Boiling Spring Road) including those rights-of-way recorded in Deed Book 157 at Pages 323 and 241, Brunswick Registry (as shown on said plat); possible right-of-way in favor of North Carolina Natural Gas (as shown on said plat); and those Declarations and Restrictions consisting of 3 pages imposed on the Property by Grantee attached hereto and incorporated herein by reference as Exhibit C ("The Declarations And Restrictions").

Prepared by: Baxley and Trest, Attorneys at Law

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

P & P HOLDINGS, L.L.C., a North Carolina Limited Liability Company

By: Peter B. Watkins

Member/Manager

STATE OF NORTH CAROLINA

COUNTY OF BRUNSWICK

I, a Notary Public of the State and County aforesaid, hereby certify that Peter Bruce Watkins Member/Manager of **P & P HOLDINGS, L.L.C.,** a North Carolina Limited Liability Company, personally came before me this day and acknowledged the due execution of the foregoing instrument in his capacity as Member/manager and in the name and for and on behalf of P & P HOLDINGS, L.L.C., a limited liability company organized under the laws of North Carolina.

WITNESS my hand and official stamp or seal, this the 17th day of December, 2004.

Nancy K Nagy
NOTARY PUBLIC

My Commission Expires:

2-13-07

NANCY K. NAGY NOTARY PUBLIC BRUNSWICK COUNTY, NC

STATE OF NORTH CAROLINA
COUNTY OF BRUNSWICK

The Foregoing (or annexed) Certificate(s) of NANCY K NAGY

Notary(ies) Public is (are) Certified to be Correct. This Instrument was filed for Registration on this 17th Day of December, 2004 in the Book and page shown on the First Page hereof.

Robert J. Robinson
ROBERT J. ROBINSON, Register of Deeds

EXHIBIT A

ROBERT H. GOSLEE & ASSOCIATES
LAND SURVEYORS - LAND PLANNERS

ROBERT H. GOSLEE PLS
MANLEY D. CARR PLS
BOB M. JONES, JR. PLS
BARRY L. BARBER PLS

513 CHESTNUT STREET
WILMINGTON, NC 28401
TELEPHONE 910-763-1941
FAX 910-762-5573

Legal description for the state of North Carolina for property on the west side of Boiling Spring Road near Camp Pretty Pond in Town Creek Township, Brunswick County, North Carolina.

BEGINNING at an iron rod in the western right of way line of S. R. No. 1539 - Boiling Spring Road (60' Public Right of Way), said iron rod having N. C. Grid Coordinates of N = 118,181.930' and E = 2,294,154.274', said iron rod being located North 38 degrees 22 minutes 24 seconds East - 18361.84' from North Carolina Grid Monument "H 216", said grid monument having N. C. Grid Coordinates of N = 103,573.431' and E = 2,282,586.787', and runs thence from said iron rod, to and with the line of Section 23, Parts 5 & 6, Boiling Spring Ranches, North 16 degrees 35 minutes 20 seconds West - 3640.46' to an existing stone; thence with the line of Section 23, Part 4 of Boiling Spring Ranches, North 75 degrees 11 minutes 40 seconds East - 3410.68' to an iron rod in the western right of way of S. R. No. 1539 - Boiling Spring Road, said iron rod being located South 75 degrees 11 minutes 40 seconds West - 34.80' from a point in the centerline of S. R. No. 1539; thence from said iron rod, with the western right of way line of S. R. No. 1539, South 15 degrees 39 minutes 21 seconds West - 1.30' to an iron rod at the beginning of a curve; thence with the right of way as it curves to the west, said curve having a Radius of 1255.79', a chord bearing of South 21 degrees 16 minutes 11 seconds West, and a chord distance of 245.70', to an iron rod at the end of the curve; thence continued with the western right of way of S. R. No. 1539, South 26 degrees 53 minutes 02 seconds West - 1957.31' to an iron rod at the beginning of a curve; thence with the right of way as it curves to the west, said curve having a Radius of 2266.79', a chord bearing of South 29 degrees 09 minutes 24 seconds West and a chord distance of 179.81', to an iron rod at the end of the curve; thence with the right of way of S. R. No. 1539, South 31 degrees 25 minutes 46 seconds West - 1027.01' to an iron rod at the beginning of a curve; thence with the right of way of S. R. No. 1539 as it curves to the west, said curve having a Radius of 1665.80', a chord bearing of South 35 degrees 09 minutes 23 seconds West and a chord distance of 216.57, to an iron rod at the end of the curve; thence with the right of way of S. R. No. 1539, South 38 degrees 57 minutes 40 seconds West - 491.75' to an iron rod at the beginning of a curve; thence with the right of way of S. R. No. 1539 as it curves to the east, said curve having a Radius of 1030.10', a chord bearing of South 30 degrees 24 minutes 13 seconds West and a chord distance of 309.20', to an iron rod, the corner of a small piece of property owned by the Girl Scout Council of Coastal Carolina; thence with the Girl Scout line, South 38 degrees 49 minutes 40 seconds West - 55.50' to an iron pipe, a corner of the Girl Scout property; thence with the Girl Scout line, South 00 degrees 19 minutes 40 seconds West - 60.43' to an iron rod in the western right of way of S. R. No. 1539; thence with the right of way line of S. R. No. 1539 as it curves to the east, said curve having a Radius of 1030.10', a chord distance of South 07 degrees 04 minutes 16 seconds West - 308.40', to an iron rod at the end of the curve; thence with the right of way line of S. R. No. 1539, South 01 degrees 32 minutes 18 seconds East - 115.36' to the point of beginning, containing 140.27 Acres more or less, and being the portion of that property described in a deed to P & P Holdings, L.L.C. as recorded in Deed Book 1833, Page 537 of the Brunswick County Registry, which lies on the west side of S. R. No. 1539.

NORTH CAROLINA PROFESSIONAL SEAL L-2977 LAND SURVEYOR BOB M. JONES, JR.

Bob M. Jones, Jr.
11-11-2004

EXHIBIT B

ROBERT H. GOSLEE & ASSOCIATES
LAND SURVEYORS - LAND PLANNERS

ROBERT H. GOSLEE PLS
MANLEY D. CARR PLS
BOB M. JONES, JR. PLS
BARRY L. BARBER PLS

513 CHESTNUT STREET
WILMINGTON, NC 28401
TELEPHONE 910-763-1941
FAX 910-762-5573

Legal description for the state of North Carolina for property on the east side of Boiling Spring Road near Camp Pretty Pond in Town Creek Township, Brunswick County, North Carolina.

BEGINNING at an existing stone, said stone being in the Laurence G. Sprunt line (Deed Book 1658, Page 823), said stone having N. C. Grid Coordinates of N = 122,805.930 and E = 2,298,045.539, said stone being located South 89 degrees 16 minutes 06 seconds West - 16960.38' from N. C. Grid Monument "Vaught", said N. C. Grid Monument "Vaught" having N. C. Grid Coordinates of N = 123,022.526' and E = 2,315,005.938', and runs thence with the Sprunt line, South 16 degrees 04 minutes 39 seconds East - 5847.71' to an existing stone; thence with the Sprunt line, South 39 degrees 57 minutes 50 seconds West - 212.31' to an iron pipe; thence with the Sprunt line, North 54 degrees 55 minutes 48 seconds West - 179.91' to an iron pipe; thence with the Sprunt line, North 82 degrees 18 minutes 23 seconds West - 873.73' to an iron pipe in the run of Eagles Branch; thence with the run of Eagles Branch and the Sprunt line the following 20 calls: (1) South 38 degrees 43 minutes 34 seconds East - 115.41' to an existing stone, (2) South 43 degrees 16 minutes 33 seconds West - 176.88', (3) North 57 degrees 30 minutes 36 seconds West - 150.98', (4) South 36 degrees 04 minutes 55 seconds West - 45.37', (5) South 79 degrees 52 minutes 09 seconds West - 51.66', (6) North 42 degrees 55 minutes 25 seconds West - 308.62', (7) North 87 degrees 05 minutes 49 seconds West - 115.91', (8) North 68 degrees 22 minutes 39 seconds West - 71.83', (9) North 79 degrees 58 minutes 00 seconds West - 119.66', (10) South 81 degrees 21 minutes 53 seconds West - 119.78', (11) South 77 degrees 23 minutes 39 seconds West - 234.64', (12) South 76 degrees 56 minutes 32 seconds West - 59.94', (13) South 50 degrees 09 minutes 29 seconds West - 143.85', (14) South 37 degrees 57 minutes 44 seconds West - 125.17', (15) South 21 degrees 26 minutes 48 seconds West - 60.00', (16) South 41 degrees 32 minutes 41 seconds West - 51.30', (17) South 55 degrees 53 minutes 14 seconds West - 125.44' (18) South 55 degrees 08 minutes 20 seconds West - 99.51', (19) South 47 degrees 08 minutes 16 seconds West - 79.87', and (20) South 20 degrees 24 minutes 02 seconds West - 47.35' to an iron pipe; thence with the Sprunt line, South 59 degrees 54 minutes 06 seconds West - 162.10' to an iron rod; thence with the Sprunt line, South 70 degrees 36 minutes 06 seconds West - 303.61' to an iron pipe, the southwest corner of the Girl Scout Council of Coastal Carolina tract (Deed Book 176, Page 468); thence with the Girl Scout line, North 05 degrees 38 minutes 56 seconds West - 2320.80' to an existing concrete monument; thence continued with the Girl Scout line, North 45 degrees 24 minutes 12 seconds West - 809.83' to an existing concrete monument; thence continued the same course and with the Girl Scout line, North 45 degrees 24 minutes 12 seconds West - 718.42' to an iron rod in the eastern right of way line of S. R. No. 1539 - Boiling Spring Road (60' Public Right of Way); thence with the eastern right of way line of S. R. No. 1539, North 31 degrees 25 minutes 46 seconds East - 255.60' to an iron rod at the beginning of a curve; thence with the right of way line of S. R. No. 1539 as it curves to the west, said curve having a Radius of 2326.79', a chord bearing of North 29 degrees 09 minutes 24 seconds East and a chord distance of 184.57', to an iron rod at the end of the curve; thence with the right of way line of S. R. No. 1539, North 26 degrees 53 minutes 02 seconds East - 1957.31' to an iron rod at the beginning of a curve; thence with the right of way line of S. R. No. 1539 as it curves to the west, said curve having a Radius of 1315.79', a chord bearing of North 21 degrees 16 minutes 11 seconds East and a chord distance of 257.44', to an iron rod at the end of the curve; thence

with the right of way line of S. R. No. 1539, North 15 degrees 39 minutes 21 seconds East - 36.59' to an iron rod, the southwest corner of the Michael lot (Deed Book 966, Page 561), said iron rod being located North 75 degrees 11 minutes 40 seconds East - 34.80' from a point in the centerline of S. R. No. 1539; thence from said iron rod, with the Michael line and others, North 75 degrees 11 minutes 40 seconds East - 793.18' to an iron pipe; thence continued the same course, North 75 degrees 11 minutes 40 seconds East - 1002.49' to the point of beginning, containing 376.46 Acres more or less, and being the portion of that property described in a deed to P & P Holdings, L.L.C. as recorded in Deed Book 1833, Page 537 of the Brunswick County Registry, which lies on the west side of S. R. No. 1539.

Subject to an easement granted to Carolina Power & Light for electrical transmission lines. Said easement recorded in Deed Book 278, Page 761 of the Brunswick County Registry.

NORTH CAROLINA PROFESSIONAL SEAL L-2977 LAND SURVEYOR BOB M. JONES, JR.

Bob M. Jones Jr

11-11-2004

EXHIBIT C

DECLARATIONS AND RESTRICTIONS

The State of North Carolina has received funding from the N.C. Ecosystem Enhancement Program for acquisition of the Property as conveyed and described in the attached General Warranty Deed. In consideration of this funding, the N.C. Ecosystem Enhancement Program has required that these Declarations and Restrictions be inserted in this deed, and the State sets aside, declares, reserves and recognizes, for all related State Agencies, and for the benefit of the people of the State, a perpetual riparian buffer, hereinafter identified as the ("**Restricted Area**"). The Restricted Area extends outwardly 300' (Three Hundred Feet) from both sides of the top of bank of Lilliput Creek, including all associated stream channels, creeks, rivers and all other identified tributaries on the Property. The Restricted Area also applies to any and all identified or defined wetlands on the Property. The Restricted Area as defined is subject to the restrictions as recited below and will be forever conserved and managed in a manner that will improve and protect the quality of the waters of the Lilliput Creek and its associated tributaries within the Property that drain to Allen Creek, and otherwise promote the public purposes authorized under the provisions of N.C. General Statute § 143-214.8.

The purposes of these Restrictions are to maintain, restore, enhance, create and preserve wetland and/or riparian resources within the Restricted Area that contribute to the protection and improvement of water quality, flood prevention, fisheries, aquatic habitat, wildlife habitat, and recreational opportunities; to maintain permanently the Restricted Area in its natural condition, consistent with these purposes; and to prevent any use of the Restricted Area that will significantly impair or interfere with these purposes. To achieve these purposes, the following conditions and restrictions are set forth:

RESERVED USES AND RESTRICTED ACTIVITES

A. Motorized Vehicles. Usage of motorized vehicles in the Restricted Area is prohibited, except as they are used exclusively for management, maintenance, or stewardship purposes, and on existing trails, paths or roads for the purposes recited above.

B. Vegetative Cutting. Except as related to the removal of non-native plants, diseased or damaged trees, and vegetation that obstructs, destabilizes or renders unsafe the Restricted Area to persons or natural habitat, all cutting, removal, mowing, harming, or destruction of any trees and vegetation in the Restricted Area is prohibited.

C. Industrial, Agricultural, Residential and Commercial Uses. All are prohibited in the Restricted Area.

D. New Construction. There shall be no building, facility, mobile home, antenna, utility pole, tower, or other structure constructed or placed in the Restricted Area.

E. Roads and Trails. There shall be no new construction of roads, trails, walkways, or paving in the Restricted Area. Existing roads or trails located in the Restricted Area may be maintained in order to minimize runoff, sedimentation and for access to the interior of the Property for management, maintenance, stewardship purposes, or undeveloped recreational and educational uses of the Restricted Area. Existing roads, trails or paths may be maintained with loose gravel, soil, or permanent vegetation to stabilize or cover the surfaces.

F. Signs. No signs shall be permitted in the Restricted Area except interpretive signs describing restoration activities and the conservation values of the Restricted Area, signs identifying the owner of the Property, signs giving directions, or signs prescribing rules and regulations for the use of the Restricted Area may be allowed.

G. Dumping or Storing. Dumping or storage of soil, trash, ashes, garbage, waste, abandoned vehicles, appliances or machinery, or other material in the Restricted Area is prohibited.

H. Grading, Mineral Use, Excavation, Dredging. Unless related to approved restoration activities, there shall be no grading, filling, excavation, dredging, mining, or drilling within the Restricted Area.

I. Water Quality and Drainage Patterns. Unless related to approved restoration activities, there shall be no diking, draining, dredging, channeling, filling, leveling, pumping, impounding or diverting, causing, allowing or permitting the diversion of surface or underground water in the Restricted Area. No altering or tampering with water control structures or devices, or disruption or alteration of the restored, enhanced, or created drainage patterns. Any use of pesticide or biocides is prohibited. In the event of an emergency interruption or shortage of all other water sources, water from within the Restricted Area may temporarily be used for good cause shown as needed for the survival of livestock and agricultural production.

J. Subdivision and Conveyance. No further subdivision, partitioning, or dividing of the Restricted Area is allowed.

K. Disturbance of Natural Features. Any change, disturbance, alteration or impairment of the natural features of the Restricted Area or any intentional introduction of non-native plants, trees and/or animal species is prohibited.

L. Restoration Activities Are Permitted. Includes but not limited to planting of trees, shrubs and herbaceous vegetation, installation of monitoring wells, utilization of heavy equipment to grade, fill, and prepare the soil, modification of the hydrology of the site, and installation of natural and manmade materials as needed to direct in-stream, above ground, and subterraneous water flow according to a restoration plan as provided, contracted, or managed by the N.C. Ecosystem Enhancement Program.

M. Permission. Permission to vary from the above restrictions may be granted by the N.C. Ecosystem Enhancement Program for good cause shown, provided that any such request is consistent with the purposes of these Restrictions. Permission and approval to vary must be obtained in writing from the N.C. Ecosystem Enhancement Program, whose mailing address is 1652 Mail Services Center, Raleigh, NC 27699-1652.

N. Enforcement. The right of enforcement of these Restrictions is hereby granted to and vested entirely with the N.C. Ecosystem Enhancement Program, its successors and assigns. The Grantor is not reserving any right of enforcement in these Declarations or Restrictions or any other right, title or interest in the Property not set forth herein.