STATE OF NORTH CAROLINA
COUNTY OF MACON
Each of the certificate, or certificates, namely of Susan Higginson
a Notary or Notaries Public of the County and state designated is certified to be correct and filed for registration on the 16th day of Jan 2004 in book 5-27 at page 2098 - 2105 at 11:20 o'clock A. M.

ADELAIDE K. GREEN, REGISTER OF DEEDS
BY Cynthia L. Stoddard
DEPUTY / ASSISTANT

BOOK 5-27
PAGE(S) 2098 - 2105

N. C. EXCISE TAX PAID $ 10,349.00 DATE 1-16-04 MACON CO. REGISTER OF DEEDS

Excise Tax $10,349.00	S-Tract 7058 Recording Time, Book and Page

Tax Lot No.: _____ Parcel Identifier No. _____
Verified by _____ County on the _____ day of _____, 2004
by _____
Mail after recording to Crescent Resources, LLC, Attn: S. Higginson, P.O Box 1003, Charlotte, NC 28201-1003
This instrument was prepared by Parker, Poe, Adams & Bernstein L.L.P., Three Wachovia Center, Suite 3000, 401 South Tryon Street, Charlotte, NC 28202 (BMM)
Brief Description For The Index:

Approximately 985.26 Acres, Cowee and Burningtown Townships, Macon County, NC

NORTH CAROLINA SPECIAL WARRANTY DEED

THIS DEED made this 15th day of January, 2004, by and between:

GRANTOR	GRANTEE
CRESCENT RESOURCES, LLC, a Georgia limited liability company	**STATE OF NORTH CAROLINA** N. C. State Property Office 1321 Mail Service Center Raleigh, NC 27699

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**").

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) riparian rights of others;

(2) transmission line and retail electric line rights-of-way of public record reserved by or granted to Duke Energy Corporation (formerly known as Duke Power Company);

(3) ad valorem taxes for the year 2004 and subsequent years;

(4) 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);

(5) easements, covenants, restrictions and conditions of public record, and rights-of-way of public and private streets and roads;

(6) easements and rights-of-way as may be apparent from an inspection of the Property;

(7) zoning, subdivision, land use and other laws, regulations or ordinances applicable to the Property; and

(8) lawsuit pending in Macon County Superior Court entitled Bettie D. Downs, et al. v. James B. Porter, el al. (03-CVS-19) in which Grantor is a defendant as to the Second Parcel (as described on Exhibit A) only.

IN WITNESS WHEREOF, Grantor has executed this deed as of the day and year first above written.

CRESCENT RESOURCES, LLC,
a Georgia limited liability company

By: _____
James M. Short, Jr.
Senior Vice President

STATE OF NORTH CAROLINA
COUNTY OF MECKLENBURG

I, a Notary Public of Lincoln County and State of North Carolina, do hereby certify that James M. Short, Jr., personally came before me this day and acknowledged that he is Senior Vice President of **CRESCENT RESOURCES, LLC**, a Georgia limited liability company, and that he, as Senior Vice President, being authorized to do so, executed the foregoing instrument on behalf of the limited liability company.

Witness my hand and notarial seal, this the 14th day of January, 2004.

_____
Notary Public

My Commission Expires: 3/27/2006

[NOTARIAL STAMP-SEAL]

SUSAN HIGGINSON
NOTARY
***
PUBLIC
LINCOLN COUNTY, N.C.

EXHIBIT A

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.

Lying and being in the Townships of Cowee and Burningtown, County of Macon, State of North Carolina, and being more particularly described as follows:

First Parcel: All portions lying in Macon County, North Carolina, of that certain parcel of land containing 557.50 acres, be the same more or less, as has been surveyed and platted by Lindsey & Associates, Inc. under date of October 15, 2003, as revised, entitled "Property of Crescent Resources, LLC" Survey for N.C. Nature Conservancy appearing on Sheets 11, 12, 13, 14 (a composite depicting all prior sheets appearing on Sheet 15 thereof) as appear of record in the office of the Register of Deeds for Macon County, North Carolina, on Plat Card 4036-11 through 4036-14, to which plats as so recorded reference is hereby had for a more complete and particular description of the lands, rights, privileges and easements conveyed hereby and the exceptions and easements applicable thereto; and being all or a portion of the property conveyed to Crescent Resources, Inc. (presently known as Crescent Resources, LLC) by deed from Duke Energy Corporation recorded in Deed Book S-23, Page 1149, Macon County Public Records.

Second Parcel (#6049): All the lands described in and conveyed by the deed from Lyle T. Jones and wife Gracie Jones, to Nantahala Power & Light Company, dated December 10, 1953, recorded in Book C-6 at page 631, et sec., Office of the Register of Deeds for Macon County, North Carolina, to which deed as so recorded reference is hereby had for a more complete and particular description thereof; being a portion of the land conveyed to Crescent Resources, Inc. (presently known as Crescent Resources, LLC) by deed from Duke Energy Corporation recorded in Deed Book S-23, Page 1149; LESS AND EXCEPT therefrom any and all prior conveyances by Nantahala Power & Light Company and/or Duke Energy Corporation of any portion of the lands described in this paragraph.

Third Parcel (#6098): All the lands described in and conveyed by the deed from C. L. Roland and wife Lexie M. Roland to Nantahala Power & Light Company, dated February 10, 1954, recorded in Book E-6 at page 49, et sec., Office of the Register of Deeds for Macon County, North Carolina, to which deed as so recorded reference is hereby had for a more complete and particular description thereof; being a portion of the land conveyed to Crescent Resources, Inc. (presently known as Crescent Resources, LLC) by deed from Duke Energy Corporation recorded in Deed Book S-23, Page 1149; LESS AND EXCEPT therefrom that portion thereof described in the deed dated as of January 15, 2004, from Crescent Resources, LLC to The Land Trust for the Little Tennessee, Inc. recorded in Book S-27 at page 2090-2093, Macon County Registry, and any other prior conveyances by Nantahala Power & Light Company and/or Duke Energy Corporation of any portion of the lands described in this paragraph

Fourth Parcel (#7001): All the lands described in and conveyed by the deed from Carl Leatherman and wife Betty Leatherman, to Nantahala Power & Light Company, dated March 31, 1954, recorded in Book E-6 at page 115, et sec. Office of the Register of Deeds for Macon County, North Carolina, to which deed as so recorded reference is hereby had for a more complete and particular description thereof; being a portion of the land conveyed to Crescent Resources, Inc. (presently known as Crescent Resources, LLC) by deed from Duke Energy Corporation recorded in Deed Book S-23, Page 1149; LESS AND EXCEPT therefrom any and all prior conveyances by Nantahala Power & Light Company and/or Duke Energy Corporation of any portion of the lands described in this paragraph.

Fifth Parcel (#7002): All the lands described in and conveyed by the deed from B. V. McCoy and wife

Fern McCoy, to Nantahala Power & Light Company, dated April 16, 1954, recorded in Book E-6 at page 140, et sec., Office of the Register of Deeds for Macon County, North Carolina, to which deed as so recorded reference is hereby had for a more complete and particular description thereof; being a portion of the land conveyed to Crescent Resources, Inc. (presently known as Crescent Resources, LLC) by deed from Duke Energy Corporation recorded in Deed Book S-23, Page 1149; LESS AND EXCEPT therefrom all that portion thereof described in and conveyed by the deed dated May 19, 1992 from Nantahala Power & Light Company to Zeb Manuel Robbins, as recorded in Book M-19 at page 1719, Macon County Public Records, and any other prior conveyances by Nantahala Power & Light Company and/or Duke Energy Corporation of any portion of the lands described in this paragraph.

Sixth Parcel (#7003): All the lands described in and conveyed by the deed from J. M. Allen and wife Emma Allen, to Nantahala Power & Light Company, dated May 12, 1954, recorded in Book E-6 at page177, et sec., Office of the Register of Deeds for Macon County, North Carolina, to which deed as so recorded reference is hereby had for a more complete and particular description thereof; being a portion of the land conveyed to Crescent Resources, Inc. (presently known as Crescent Resources, LLC) by deed from Duke Energy Corporation recorded in Deed Book S-23, Page 1149; LESS AND EXCEPT therefrom any and all prior conveyances by Nantahala Power & Light Company and/or Duke Energy Corporation of any portion of the lands described in this paragraph.

Seventh Parcel (#7004): All the lands described in and conveyed by the deed from C. E. Carnes, single, to Nantahala Power & Light Company, dated April 20, 1954, recorded in Book E-6 at page 185, et sec., Office of the Register of Deeds for Macon County, North Carolina, to which deed as so recorded reference is hereby had for a more complete and particular description thereof; being a portion of the land conveyed to Crescent Resources, Inc. (presently known as Crescent Resources, LLC) by deed from Duke Energy Corporation recorded in Deed Book S-23, Page 1149; LESS AND EXCEPT therefrom the lands described in the deed from Nantahala Power & Light Company to Claude M. Justice by deed dated July 1, 1958, recorded in Book L-6 at page 46, Macon County Public Records, and any other prior conveyances by Nantahala Power & Light Company and/or Duke Energy Corporation of any portion of the lands described in this paragraph.

Eighth Parcel (#7006): All the lands described in and conveyed by the deed from Lem G. Rice and wife Bertha Rice to Nantahala Power & Light Company, dated June 8, 1954, recorded in Book E-6 at page 217 et sec., Office of the Register of Deeds for Macon County, North Carolina, to which deed as so recorded reference is hereby had for a more complete and particular description thereof; being a portion of the land conveyed to Crescent Resources, Inc. (presently known as Crescent Resources, LLC) by deed from Duke Energy Corporation recorded in Deed Book S-23, Page 1149; LESS AND EXCEPT therefrom any and all prior conveyances by Nantahala Power & Light Company and/or Duke Energy Corporation of any portion of the lands described in this paragraph.

Ninth Parcel (#7043): All the lands described in and conveyed by the deed from Frank J. Waldroop, widower, to Nantahala Power & Light Company, dated August 3, 1954, recorded in Book E-6 at page 326, et sec., Office of the Register of Deeds for Macon County, North Carolina, to which deed as so recorded reference is hereby had for a more complete and particular description thereof; being a portion of the land conveyed to Crescent Resources, Inc. (presently known as Crescent Resources, LLC) by deed from Duke Energy Corporation recorded in Deed Book S-23, Page 1149; LESS AND EXCEPT therefrom any and all prior conveyances by Nantahala Power & Light Company and/or Duke Energy Corporation of any portion of the lands described in this paragraph.

Tenth Parcel (#7045): All the lands described in and conveyed by the deed from Effie Welch, unmarried, to Nantahala Power & Light Company, dated July 27, 1954, recorded in Book E-6 at page 310, et sec., Office of the Register of Deeds for Macon County, North Carolina, to which deed as so

recorded reference is hereby had for a more complete and particular description thereof; being a portion of the land conveyed to Crescent Resources, Inc. (presently known as Crescent Resources, LLC) by deed from Duke Energy Corporation recorded in Deed Book S-23, Page 1149; LESS AND EXCEPT therefrom any and all prior conveyances by Nantahala Power & Light Company and/or Duke Energy Corporation of any portion of the lands described in this paragraph.

Eleventh Parcel (#7047): All the lands described in and conveyed by the deed from Chole Collins to Nantahala Power & Light Company, dated July 24, 1954, recorded in Book E-6 at page 285, et sec., Office of the Register of Deeds for Macon County, North Carolina, to which deed as so recorded reference is hereby had for a more complete and particular description thereof; being a portion of the land conveyed to Crescent Resources, Inc. (presently known as Crescent Resources, LLC) by deed from Duke Energy Corporation recorded in Deed Book S-23, Page 1149; LESS AND EXCEPT therefrom any and all prior conveyances by Nantahala Power & Light Company and/or Duke Energy Corporation of any portion of the lands described in this paragraph.

Twelfth Parcel (#7048): All the lands described in and conveyed by the deed from Loy E. Parrish and wife Edna J. Parrish, et al, to Nantahala Power & Light Company, dated September 10, 1954, recorded in Book E-6 at page 390, et sec., Office of the Register of Deeds for Macon County, North Carolina, as corrected by that instrument between the same parties, dated January 10, 1955, recorded in Book H-6 at page 55, Macon County Registry to which deeds as so recorded reference is hereby had for a more complete and particular description thereof; being a portion of the land conveyed to Crescent Resources, Inc. (presently known as Crescent Resources, LLC) by deed from Duke Energy Corporation recorded in Deed Book S-23, Page 1149; LESS AND EXCEPT therefrom any and all prior conveyances by Nantahala Power & Light Company and/or Duke Energy Corporation of any portion of the lands described in this paragraph.

Thirteenth Parcel (#7051): All the lands described in and conveyed by the deed from Hollis Anthony and wife Alean Anthony, to Nantahala Power & Light Company, dated November 5, 1954, recorded in Book E-6 at page 527, et sec., Office of the Register of Deeds for Macon County, North Carolina, to which deed as so recorded reference is hereby had for a more complete and particular description thereof; being a portion of the land conveyed to Crescent Resources, Inc. (presently known as Crescent Resources, LLC) by deed from Duke Energy Corporation recorded in Deed Book S-23, Page 1149; LESS AND EXCEPT therefrom any and all prior conveyances by Nantahala Power & Light Company and/or Duke Energy Corporation of any portion of the lands described in this paragraph.

Fourteenth Parcel (#7052): All the lands described in and conveyed by the deed from Ralph Morgan and wife Billie Morgan, to Nantahala Power & Light Company, dated November 5, 1954, recorded in Book E-6 at page 524, et sec., Office of the Register of Deeds for Macon County, North Carolina, to which deed as so recorded reference is hereby had for a more complete and particular description thereof; being a portion of the land conveyed to Crescent Resources, Inc. (presently known as Crescent Resources, LLC) by deed from Duke Energy Corporation recorded in Deed Book S-23, Page 1149; LESS AND EXCEPT therefrom any and all prior conveyances by Nantahala Power & Light Company and/or Duke Energy Corporation of any portion of the lands described in this paragraph.

Fifteenth Parcel (#7058): All the lands described in and conveyed by the deed from Ellie Morgan, widow, et al to Nantahala Power & Light Company, dated May 10, 1955, recorded in Book H-6 at page 137. et sec., Office of the Register of Deeds for Macon County, North Carolina, to which deed as so recorded reference is hereby had for a more complete and particular description thereof; being a portion of the land conveyed to Crescent Resources, Inc. (presently known as Crescent Resources, LLC) by deed from Duke Energy Corporation recorded in Deed Book S-23, Page 1149; LESS AND EXCEPT therefrom

any and all prior conveyances by Nantahala Power & Light Company and/or Duke Energy Corporation of any portion of the lands described in this paragraph.

Sixteenth Parcel (#7832): All the lands described in and conveyed by the deed from G. R. Cody and wife Rachael C. Cody, to Nantahala Power & Light Company, dated January 22, 1956, recorded in Book H-6 at page 439, et sec., Office of the Register of Deeds for Macon County, North Carolina, to which deed as so recorded reference is hereby had for a more complete and particular description thereof; being a portion of the land conveyed to Crescent Resources, Inc. (presently known as Crescent Resources, LLC) by deed from Duke Energy Corporation recorded in Deed Book S-23, Page 1149; LESS AND EXCEPT therefrom any and all prior conveyances by Nantahala Power & Light Company and/or Duke Energy Corporation of any portion of the lands described in this paragraph.

Seventeenth Parcel (#7834): All the lands described in and conveyed by the deed from Cecile Gibson, unmarried, to Nantahala Power & Light Company, dated February 24, 1956, recorded in Book H-6 at page 465, et sec., Office of the Register of Deeds for Macon County, North Carolina, to which deed as so recorded reference is hereby had for a more complete and particular description thereof; being a portion of the land conveyed to Crescent Resources, Inc. (presently known as Crescent Resources, LLC) by deed from Duke Energy Corporation recorded in Deed Book S-23, Page 1149; LESS AND EXCEPT therefrom that portion thereof described in the deed dated as of January 15, 2004, from Crescent Resources, LLC to Macon County recorded in Book S-27 at page 2094-2097, Macon County Registry, and any other prior conveyances by Nantahala Power & Light Company and/or Duke Energy Corporation of any portion of the lands described in this paragraph.

Eighteenth Parcel (#7850): All the lands described in and conveyed by the deed from May McCoy single, to Nantahala Power & Light Company, dated September 28, 1956, recorded in Book J-6 at page 73, et sec., Office of the Register of Deeds for Macon County, North Carolina, to which deed as so recorded reference is hereby had for a more complete and particular description thereof; being a portion of the land conveyed to Crescent Resources, Inc. (presently known as Crescent Resources, LLC) by deed from Duke Energy Corporation recorded in Deed Book S-23, Page 1149; LESS AND EXCEPT therefrom that portion thereof described in the deed dated as of January 15, 2004, from Crescent Resources, LLC to The Land Trust for the Little Tennessee, Inc. recorded in Book S-27 at page 2090-2093, Macon County Registry, and any other prior conveyances by Nantahala Power & Light Company and/or Duke Energy Corporation of any portion of the lands described in this paragraph

Nineteenth Parcel (#7851): All the lands described in and conveyed by the deed from Druie T. Lequire and wife Zena Mae Lequire, to Nantahala Power & Light Company, dated September 12, 1956, recorded in Book J-6 at page 71 (map recorded at Page 70) Office of the Register of Deeds for Macon County, North Carolina, to which deed as so recorded reference is hereby had for a more complete and particular description thereof; being a portion of the land conveyed to Crescent Resources, Inc. (presently known as Crescent Resources, LLC) by deed from Duke Energy Corporation recorded in Deed Book S-23, Page 1149; LESS AND EXCEPT therefrom any and all prior conveyances by Nantahala Power & Light Company and/or Duke Energy Corporation of any portion of the lands described in this paragraph.

Twentieth Parcel (#7856): All the lands described in and conveyed by the deed from George Southards and wife Goldie Southards, to Nantahala Power & Light Company, dated January 9, 1957, recorded in Book J-6 at page 187, et sec., Office of the Register of Deeds for Macon County, North Carolina, to which deed as so recorded reference is hereby had for a more complete and particular description thereof; being a portion of the land conveyed to Crescent Resources, Inc. (presently known as Crescent Resources, LLC) by deed from Duke Energy Corporation recorded in Deed Book S-23, Page 1149; LESS AND EXCEPT therefrom any and all prior conveyances by Nantahala Power & Light Company and/or Duke Energy Corporation of any portion of the lands described in this paragraph.

Twenty-First Parcel (#7857): All the lands described in and conveyed by the deed from Nancy M. Leatherman, widow, et al, to Nantahala Power & Light Company, dated January 14, 1957, recorded in Book J-6 at page 195, et sec., Office of the Register of Deeds for Macon County, North Carolina, to which deed as so recorded reference is hereby had for a more complete and particular description thereof; being a portion of the land conveyed to Crescent Resources, Inc. (presently known as Crescent Resources, LLC) by deed from Duke Energy Corporation recorded in Deed Book S-23, Page 1149; LESS AND EXCEPT therefrom any and all prior conveyances by Nantahala Power & Light Company and/or Duke Energy Corporation of any portion of the lands described in this paragraph.

Twenty-Second Parcel (#7858): All the lands described in and conveyed by the deed from Robert B. Bryson and wife Ilah Bryson, to Nantahala Power & Light Company, dated January 16, 1957, recorded in Book J-6 at page 194, et sec., Office of the Register of Deeds for Macon County, North Carolina, to which deed as so recorded reference is hereby had for a more complete and particular description thereof; being a portion of the land conveyed to Crescent Resources, Inc. (presently known as Crescent Resources, LLC) by deed from Duke Energy Corporation recorded in Deed Book S-23, Page 1149; LESS AND EXCEPT therefrom any and all prior conveyances by Nantahala Power & Light Company and/or Duke Energy Corporation of any portion of the lands described in this paragraph.

Together with, as to each of the foregoing parcels, the non-exclusive right of Grantor, if any, in and to any easements reserved by, or granted to, Grantor over and across lands adjacent to the Property for the purposes of access to and from the Property; provided, however, that Grantor makes no representation or warranty, express or implied, regarding any such rights.

The State of North Carolina has received payment from the Ecosystem Enhancement Program for acquisition of the above-described property in consideration of which the State of North Carolina has agreed to the establishment of a perpetual riparian buffer extending three hundred (300) feet from the banks of all blue line streams and tributaries. This three hundred (300) foot buffer will forever be conserved and managed in a manner that will protect the quality of the waters mentioned above and otherwise promote the public purposes authorized under the provisions of North Carolina General Statutes §143-214.8, et. seq. This paragraph creates neither rights nor responsibilities on the part of the Grantor, its successors and assigns.