

North Carolina Department  
of Environment and Natural Resources  
Division of Soil & Water Conservation

Michael F. Easley, Governor  
William G. Ross Jr., Secretary

David S. Vogel, Director



April 8, 2003

Mr. Arey W. Grady, III  
Sumrell, Sugg, Carmichael, Hicks & Hart, P.A.  
P.O. Drawer 889  
New Bern, NC 28563

**RE: CREP Easement Title Search for William R. Callow  
CREP Contract #C-025-002-041  
Your File # 2.01**

Dear Arey;

Please find enclosed draft copies of the following closing documents for your review:

- 1) Settlement Statement with Acknowledgement of Receipt;
- 2) 30 Year Conservation Easement ;
- 3) Substitute 1099 Form;
- 4) Affidavits as to Non-Foreign Status and Tax Identification Number;

Once you have reviewed the documents, please contact me regarding any questions you or the landowner may have.

Please provide a lien waiver for title insurance purposes at the closing.

I have requested the checks and will inform your office when they have been received. At that time and after any questions or concerns have been addressed, please schedule a closing date. Someone from the CREP staff will attend the closing to deliver the checks and the final documents.

In the meantime if you have any questions, please feel free to contact me a 919-715-1178.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Daniel W. Guy". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Daniel W. Guy  
Agency Legal Specialist I

DWG  
CC William R. Callow

<b>A.</b> U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT <b>SETTLEMENT STATEMENT</b>	<b>B. TYPE OF LOAN:</b>				
	1. <input type="checkbox"/> FHA	2. <input type="checkbox"/> FmHA	3. <input type="checkbox"/> CONV. UNINS.	4. <input type="checkbox"/> VA	5. <input type="checkbox"/> CONV. INS.
	6. FILE NUMBER: CALLOW.CREP			7. LOAN NUMBER: C-025-002-041	
	8. MORTGAGE INS CASE NUMBER:				

**C. NOTE:** *This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "[POC]" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.*

<b>D. NAME AND ADDRESS OF BUYER:</b> State of North Carolina by and through the Department of Environment & Natural Resources 1614 Mail Service Center Raleigh, NC 27699 TIN:56-6000372	<b>E. NAME AND ADDRESS OF SELLER:</b> William R. Callow 843 CC Road Vanceboro, NC 28586 SSN: 241-82-8619	<b>F. NAME AND ADDRESS OF LENDER:</b>  
<b>G. PROPERTY LOCATION:</b> 23.44 Acres Number 1 Township  Craven County, North Carolina	<b>H. SETTLEMENT AGENT:</b> 56-6000372 Daniel W. Guy, Agency Legal Specialist I  <b>PLACE OF SETTLEMENT</b> 512 N. Salisbury Street Raleigh, NC 27604	<b>I. SETTLEMENT DATE:</b>  

J. SUMMARY OF BUYER'S TRANSACTION	
<b>100. GROSS AMOUNT DUE FROM BUYER:</b>	
101. Contract Sales Price	4,585.00
102. Personal Property	
103. Settlement Charges to Buyer (Line 1400)	835.00
104.	
105.	
<i>Adjustments For Items Paid By Seller in advance</i>	
106. City/Town Taxes to	
107. County Taxes to	
108. Assessments to	
109.	
110.	
111.	
112.	
<b>120. GROSS AMOUNT DUE FROM BUYER</b>	<b>5,420.00</b>
<b>200. AMOUNTS PAID BY OR IN BEHALF OF BUYER:</b>	
201. Deposit or earnest money	
202. Principal Amount of New Loan(s)	
203. Existing loan(s) taken subject to	
204.	
205.	
206.	
207.	
208. Bonus for Planting Trees	100.00
209.	
<i>Adjustments For Items Unpaid By Seller</i>	
210. City/Town Taxes to	
211. County Taxes to	
212. Assessments to	
213.	
214.	
215.	
216.	
217.	
218.	
219.	
<b>220. TOTAL PAID BY/FOR BUYER</b>	<b>100.00</b>
<b>300. CASH AT SETTLEMENT FROM/TO BUYER:</b>	
301. Gross Amount Due From Buyer (Line 120)	5,420.00
302. Less Amount Paid By/For Buyer (Line 220)	( 100.00)
<b>303. CASH ( X FROM ) ( TO ) BUYER</b>	<b>5,320.00</b>

K. SUMMARY OF SELLER'S TRANSACTION	
<b>400. GROSS AMOUNT DUE TO SELLER:</b>	
401. Contract Sales Price	4,585.00
402. Personal Property	
403.	
404.	
405.	
<i>Adjustments For Items Paid By Seller in advance</i>	
406. City/Town Taxes to	
407. County Taxes to	
408. Assessments to	
409.	
410.	
411.	
412.	
<b>420. GROSS AMOUNT DUE TO SELLER</b>	<b>4,585.00</b>
<b>500. REDUCTIONS IN AMOUNT DUE TO SELLER:</b>	
501. Excess Deposit (See Instructions)	
502. Settlement Charges to Seller (Line 1400)	10.00
503. Existing loan(s) taken subject to	
504. Payoff of first Mortgage	
505. Payoff of second Mortgage	
506.	
507.	
508. Bonus for Planting Trees	100.00
509.	
<i>Adjustments For Items Unpaid By Seller</i>	
510. City/Town Taxes to	
511. County Taxes to	
512. Assessments to	
513.	
514.	
515.	
516.	
517.	
518.	
519.	
<b>520. TOTAL REDUCTION AMOUNT DUE SELLER</b>	<b>110.00</b>
<b>600. CASH AT SETTLEMENT TO/FROM SELLER:</b>	
601. Gross Amount Due To Seller (Line 420)	4,585.00
602. Less Reductions Due Seller (Line 520)	( 110.00)
<b>603. CASH ( X TO ) ( FROM ) SELLER</b>	<b>4,475.00</b>

The undersigned hereby acknowledge receipt of a completed copy of pages 1&2 of this statement & any attachments referred to herein.

Buyer State of North Carolina by and through the Department of Environment and Natural Resources  
 BY: Willam G. Ross Jr., Secretary  
 BY: \_\_\_\_\_  
 David S. Vogel, Director Division of Soil & Water Conservation

Seller \_\_\_\_\_  
 William R. Callow

**L. SETTLEMENT CHARGES**

700. TOTAL COMMISSION Based on Price			\$	@	%		PAID FROM BUYER'S FUNDS AT SETTLEMENT	PAID FROM SELLER'S FUNDS AT SETTLEMENT
<i>Division of Commission (line 700) as Follows:</i>								
701. \$	to							
702. \$	to							
703. Commission Paid at Settlement								
704.	to							
<b>800. ITEMS PAYABLE IN CONNECTION WITH LOAN</b>								
801. Loan Origination Fee	1.0000 %	to						
802. Loan Discount	%	to						
803. Appraisal Fee		to						
804. Credit Report		to						
805. Lender's Inspection Fee		to						
806. Mortgage Ins. App. Fee		to						
807. Assumption Fee		to						
808.								
809.								
810.								
811.								
<b>900. ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE</b>								
901. Interest From	to	@ \$	/day	(	days	)		
902. MIP Totlns. for LifeOfLoan	for	months	to					
903. Hazard Insurance Premium for	1.0	years	to					
904.								
905.								
<b>1000. RESERVES DEPOSITED WITH LENDER</b>								
1001. Hazard Insurance	months	@ \$	per	month				
1002. Mortgage Insurance	months	@ \$	per	month				
1003. City/Town Taxes	months	@ \$	per	month				
1004. County Taxes	months	@ \$	per	month				
1005. Assessments	months	@ \$	per	month				
1006.	months	@ \$	per	month				
1007.	months	@ \$	per	month				
1008.	months	@ \$	per	month				
<b>1100. TITLE CHARGES</b>								
1101. Settlement or Closing Fee	to							
1102. Abstract or Title Search	to							
1103. Title Examination & Closing	to	Sumrell, Sugg, Carmichael, Hicks & Hart, P.A.					750.00	
1104. Title Insurance Binder	to							
1105. Document Preparation	to							
1106. Notary Fees	to							
1107. Attorney's Fees	to							
<i>(includes above item numbers:</i>						)		
1108. Title Insurance	to	Statewide Title, Inc.					50.00	
<i>(includes above item numbers:</i>						)		
1109. Lender's Coverage	\$							
1110. Owner's Coverage	\$							
1111.								
1112.								
1113.								
<b>1200. GOVERNMENT RECORDING AND TRANSFER CHARGES</b>								
1201. Recording Fees: Deed	\$	35.00;	Mortgage	\$		Releases	\$	
1202. City/County Tax/Stamps: Deed							35.00	
1203. State Tax/Stamps: Revenue Stamps		10.00;	Mortgage					10.00
1204.								
1205.								
<b>1300. ADDITIONAL SETTLEMENT CHARGES</b>								
1301. Survey	to							
1302. Pest Inspection	to							
1303.								
1304.								
1305.								
<b>1400. TOTAL SETTLEMENT CHARGES (Enter on Lines 103, Section J and 502, Section K)</b>							835.00	10.00

By signing page 1 of this statement, the signatories acknowledge receipt of a completed copy of page 2 of this two page statement.

Daniel W. Guy, Agency Legal Specialist I  
Settlement Agent

Certified to be a true copy.

**ACKNOWLEDGMENT OF RECEIPT OF SETTLEMENT STATEMENT**

**Buyer:** State of North Carolina by and through the Department of Envi

**Seller:** William R. Callow

**Settlement Agent:** Daniel W. Guy, Agency Legal Specialist I

**Place of Settlement:** 512 N. Salisbury Street  
Raleigh, NC 27604

**Settlement Date:**

**Property Location:** 23.44 Acres Number 1 Township  
Craven County, North Carolina

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I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of the HUD-1 Settlement Statement.

State of North Carolina by and through the Department  
of Environment and Natural Resources

\_\_\_\_\_  
William R. Callow

BY: Willam G. Ross Jr., Secretary

BY: \_\_\_\_\_  
David S. Vogel, Director Division of Soil & Water  
Conservation

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**WARNING: It is a crime to knowingly make false statements to the United States on this or any similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.**

(CALLOW.CREP.PFD/CALLOW.CREP/3)

**DEED OF CONSERVATION EASEMENT**

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Excise Tax \$ \_\_\_\_\_

Tax ID/Parcel/PIN: \_\_\_\_\_

**NORTH CAROLINA  
CRAVEN COUNTY**

**Prepared by and After Recording Return to:**

**Daniel W. Guy, Esquire  
Agency Legal Specialist I  
N.C. Dept. of Environment & Natural Resources  
Division of Soil & Water Conservation  
1614 Mail Service Center  
Raleigh, NC 27699-1614**

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**THIS DEED OF CONSERVATION EASEMENT (“Conservation Easement”)**, effective as of the 1st day of November, 2001 and given by William R. Callow, divorced (hereinafter “Grantor” or “Owner”), natural persons, citizens and residents of the County of Craven, State of North Carolina to the STATE OF NORTH CAROLINA (hereinafter “Grantee” or “State”) by and through the DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES (“DENR”);

**WITNESSETH:**

**WHEREAS**, the State has established the Conservation Reserve Enhancement Program (“CREP”) pursuant to Chapter 113A, Article 16 of the North Carolina General Statutes, for the purposes of acquiring, maintaining, restoring and enhancing wetland and riparian resources that contribute to the protection and improvement of water quality, flood prevention, fisheries, wildlife habitat, and recreational opportunities; and

**WHEREAS**, the State is authorized by Chapter 121, Article 4 of the North Carolina General Statutes to acquire conservation easements; and

**WHEREAS**, Grantor owns in fee simple absolute certain real property lying and being in Number 1 Township, Craven County, North Carolina (the "Property"), and more particularly described on the attached “Exhibit A” incorporated by reference as if fully set forth herein; and

**WHEREAS**, Grantor and Grantee have agreed to set aside 23.44 acres of the Property (as described herein below and hereinafter referred to as the “Easement Area”), for the purpose of creating a conservation easement to preserve, enhance, restore, and maintain the natural features and resources of the Easement Area, to provide habitat for native plants and animals, to improve and maintain water quality, and to control runoff of sediment (hereinafter the “Conservation Values”).

**NOW, THEREFORE**, in consideration of the mutual covenants, terms, conditions, and restrictions hereinafter set forth, Ten Dollars (\$10.00) and other good and valuable consideration provided pursuant to the terms of CREP, the receipt and sufficiency of which are hereby acknowledged, Grantor hereby unconditionally and irrevocably hereby grants and conveys unto Grantee, its successors and assigns, this Conservation Easement in the Easement Area, (exclusive of any area known to or later identified as containing hazardous substances or hazardous wastes) which is more particularly described on the attached “Exhibit B” incorporated by reference as if fully set forth  
herein.

**THE FURTHER TERMS AND CONDITIONS OF THE CONSERVATION EASEMENT ARE AS FOLLOWS:**

**I. DURATION OF EASEMENT**

This Conservation Easement shall remain in effect for thirty (30) years from the effective date. It is an easement in gross, runs with the land, and is enforceable by Grantee against Grantor, its personal representatives, heirs, successors, assigns, lessees, agents, and licensees.

**II. PROHIBITED AND RESTRICTED USES AND ACTIVITIES**

Any activity on, or use of, the Easement Area inconsistent with the purposes of this Conservation Easement is prohibited. The Easement Area shall be maintained in its natural and open condition and restricted from any development that would impair or interfere with the Conservation Values.

In addition to the foregoing, the following specific activities are prohibited, restricted, or reserved, as the case may be, within the Easement Area:

**A. PROHIBITED USES AND ACTIVITIES**

1. **Industrial Uses.** All industrial uses are prohibited.
2. **Residential Uses.** All residential uses are prohibited.
3. **Commercial Uses.** All commercial uses are prohibited.
4. **Agricultural Uses.** Agricultural uses are prohibited except for silvicultural practices as expressly allowed and described in Sections II.B.4. and II.B.5. herein-below.
5. **Dumping.** Dumping of soil, trash, ashes, garbage, waste, abandoned vehicles, appliance or machinery, or other material on the easement area is prohibited.
6. **Livestock.** There shall be no livestock grazing within the Easement Area, nor shall be allowed therein any confined animal facilities.

**B. RESTRICTED USES AND ACTIVITIES**

1. **New Construction.** There shall be no building, facility, mobile home, or other structure constructed on or placed within the Easement Area, except as necessary for the cleanup or remediation of hazardous substances or hazardous wastes on the Property.
2. **Signs.** No signs shall be permitted within the Easement Area except interpretative signs identifying the Conservation Values of the Easement Area, signs identifying CREP, the Owner, Grantee and/or DENR, and/or signs giving directions or prescribing rules and regulations for the use of the Easement Area and the Property.
3. **Grading, Mineral Use, Excavation, Dredging.** There shall be no grading, filling, excavating, dredging, mining, or drilling; no removal of topsoil, sand, gravel, rock, peat, minerals, or other materials; and no change in the topography of the land in any manner except as reasonably necessary for the purpose of alleviating erosion, dispersing sheet flow maintain water quality and wetland values, except as necessary for the cleanup or remediation of hazardous material or hazardous wastes on the Property.
4. **Burning, Cutting, Removal, Grazing or Destruction of Vegetation.** There shall be no burning, cutting, removal, grazing or destruction of trees, shrubs, grasses or other vegetation (collectively, "Vegetation") within the Easement Area except for: (1) practice establishment; (2) non-native, invasive or noxious Vegetation; (3) dead, insect-infested or diseased

Vegetation; (4) trees impeding the flow of the Water Body; (5) removal necessary to protect rare and endangered species; (6) Vegetation for one crossing for vehicular access to the remainder of the Property; (7) burning in accordance with the established Conservation Plan and/or Forest Management Plan. Notwithstanding the previous sentence, the Grantors, beginning in year 16, may selectively harvest trees more than 50 feet from the watercourse according to an established forestry management plan.

5. **Cutting, Haying, Mowing, Seed Harvesting, Grazing, Plowing and Tilling.** There shall be no cutting, haying, mowing, seed harvesting, grazing, use of pesticides, plowing or tilling within the Easement Area except for: (1) practice establishment; (2) non-native or invasive grasses or noxious weeds; (3) dead (not dormant), insect-infested or diseased grasses; (4) removal to protect rare and endangered species; or (5) burning in accordance with the established Conservation Plan. Whenever mowing is allowed as set forth in this paragraph, it shall not take place between April 15 and September 15 of any year (or as may be otherwise determined by the State). Mowing for cosmetic purposes is not permitted under any circumstances. Any of the activities described in this section II.B.5. or in Section II.B.4. herein-above, must be conducted in strict compliance with the Conservation Plan (as defined herein-below), and in no event may vegetation be cut lower than 6 inches.

### III. GRANTOR'S OBLIGATIONS AND WARRANTIES

**A. Establishment of Conservation Practices.** The Grantor shall establish and maintain riparian buffers, grass filter strips, wetlands, or hardwood tree plantings within the Easement Area and along the protected riparian resource in accordance with a written conservation plan (the "Conservation Plan"). If the Grantor chooses to establish a forested practice, the buffer must be consistent with a forest management plan developed for the Easement Area and approved by a forester registered by the North Carolina State Board of Registration for Foresters (the "Forest Management Plan"). The Forest Management Plan shall be prepared in conjunction with the State, the Natural Resource Conservation Service, and the local Soil and Water Conservation District. All practices established under CREP shall be maintained according to the Conservation Plan and the Forest Management Plan. A copy of the Conservation Plan shall be kept on file in the office of the local Soil and Water Conservation District.

**B. Establishment of Forest Management Plan.** Forest management practices shall be consistent with the intent of this Easement and the water quality and wildlife habitat purposes of CREP and shall maintain the effectiveness of the CREP enrollment. Forest management practices shall be in accordance with the Forest Management Plan. Protection of water quality shall be the primary goal of the Forest Management Plan. All Forest Management Plans shall provide for diverse wildlife habitat to the maximum extent practicable, including but not limited to early successional habitat for activities. Singletree or group selection methods should be used as harvesting methods. After canopy closure, thinning shall be allowed to an average of 25 square feet basal area below the basal area recommended in the thinning guide published by the USDA Forest Service. As a general rule, enough trees should be removed to allow direct sunlight to fall on 50 percent of the forest floor at noon on a bright day. Subsequent thinning should be considered in order to maintain the tree stand in a productive early successional wildlife habitat condition. Forest Management Plans will be used during the term of this Easement to regenerate the next stand of trees by enhancing the natural regeneration processes, including ecological succession, while maintaining water quality benefits. Forest management may be used to remedy adverse stand conditions created by natural or human-induced catastrophes. Forestry activities, including harvesting, must be carried out according to all existing Federal, State and local laws, rules, regulations and guidelines, and should be limited to a time of the year when the water table is low enough that rutting and compaction will not occur to such extent that normal hydrology is interrupted or soil structure changed. A copy of the Forest Management Plan shall be kept on file in the office of the local Soil and Water Conservation District.

**C. Warranty as to Environmental Conditions.** The Grantor warrants that it has no actual knowledge of the existence of any hazardous substances or wastes or the release or threatened release of any hazardous substances or wastes on the Easement Area, and that no notice of a violation of any state, federal or local environmental law, ordinance, statute, treaty, decree, rule or regulation has been issued or is pending with respect to the Easement Area.

#### IV. RIGHT OF ENTRY

The Grantee or the Grantee's designated representatives shall have the right to enter the Property and the Easement Area at all reasonable times for the purpose of inspecting said Easement Area to determine if Grantor is complying with the terms, conditions, restrictions, and purposes of this Easement.

#### V. ENFORCEMENT AND REMEDIES

**A. Enforcing Authority.** Grantee or its agents, representatives or designees, shall have the right to enforce all of the terms of this Easement. In addition, this Easement may only be amended by a written document that is executed by the Grantor and the Grantee and recorded among the land records of the appropriate jurisdiction.

**B. Methods of Enforcement.** In the event a violation of these terms, conditions, or restrictions is found to exist, the Grantee may institute a suit to enjoin by ex parte temporary or permanent injunction such violation and to require the restoration of the Easement Area to its prior condition. Additionally, the parties hereto may agree to binding mediation before the Soil and Water Conservation Commission of any dispute regarding an alleged violation of this Easement.

**C. Failure to Enforce.** No failure on the part of Grantee to enforce any covenant provision hereof shall discharge or invalidate such covenant or any other covenant, condition, or provision hereof or affect the right of Grantee or the State of North Carolina to enforce the same in the event of a subsequent breach or default.

#### VI. MISCELLANEOUS PROVISIONS

**A. Entire Agreement.** This instrument sets forth the entire agreement between the parties with respect to the Conservation Easement. All prior discussions, negotiations, understandings or agreements relating to the Conservation Easement are hereby merged into this Easement.

**B. Severability.** If any provision of this Easement is found to be invalid, the remainder of the provisions of the Easement, and the application of such provision to persons or circumstances other than those as to which it is found to be invalid, shall not be affected thereby.

**C. Gender.** The designations Grantor, Grantee, Owner and State as used herein shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine, or neuter gender as required by context.

**D. Headings.** The headings of the various sections of this Conservation Easement have been inserted for convenience only and shall in no way modify, define, limit or expand the express provisions of this Conservation Easement.

**E. Notices.** Any notices shall be sent by registered or certified mail, return receipt requested, to the parties at their addresses shown below:

If to Grantee:  
NCDENR  
Attn: DSWC (CREP)  
1614 Mail Service Center  
Raleigh, NC 27699-1614

If to Owner:  
William R. Callow  
843 CC Road  
Vanceboro, NC 28586

**F. Transfer of the Property.** Grantor shall notify DENR in writing of the name and street address of any party to whom the Easement Area or any part of the Property is to be transferred at or prior to the time said transfer is made. Grantor further agrees to make any subsequent lease, deed or other legal instrument by which any interest in the Easement Area or the Property is transferred subject to this Conservation Easement.

**G. Quiet Enjoyment.** Grantor reserves all rights accruing from ownership of the Easement Area, including the right to engage in or permit or invite others to engage in all uses of the Easement Area that are not

expressly prohibited or restricted herein and are not inconsistent with the purposes of the Conservation Easement. Without limiting the generality of the foregoing, Grantor expressly reserves unto itself, its invitees, licensees, successors and assigns, the rights of access to and quiet enjoyment of the Easement Area. Grantor further reserves unto itself, its licensees, invitees, successors and assigns the right to hunt, fish, temporarily camp or make any other recreational use of the Property that does not impact the Conservation Values of the Easement Area or the Property; provided however, that all such activity shall be conducted in accordance with all applicable state and federal laws, rules and regulations pertaining thereto, existing on the date hereof or as the same may be amended in the future. The Grantor also reserves the right to charge a fee to any persons engaged in such activities on the Property.

**H. Subsequent Liens on Property.** No provision of this Easement should be construed as impairing the ability of Grantor to use the Property as collateral for any subsequent loan, provided that any mortgage or lien arising from such a transaction must not be inconsistent with the terms of this Easement and must be subordinate to this Easement.

**I. Waste; Impairment of Title; Payment of Taxes and Other Charges.** Owner shall not destroy, damage or impair the Easement Area, allow it to deteriorate, commit waste on the Easement Area or otherwise take any action on the Property or in the Easement Area in conflict with the terms of the Conservation Plan, the Forest Management Plan or this Conservation Easement. Owner shall take no action that can impair his title to the Property unless otherwise allowed by the terms of this Conservation Easement. Owner shall promptly and regularly pay all taxes, assessments, charges, fines, and impositions attributable to the Property that can attain priority over this Conservation Easement.

**J. Binding Effect.** This Easement shall run with the land and be binding on the Grantor hereof, his heirs, administrators, successors and assigns.

**TO HAVE AND TO HOLD** the aforesaid rights and easements and all privileges and appurtenances thereto unto Grantee for the aforesaid purposes;

**AND** Grantor covenants that it is seized of said premises in fee and has the right to convey the easement herein granted; that the same are free and clear of encumbrances and that Grantor will warrant and defend title to the same against the claims of all persons whomsoever, subject to the following permitted exceptions, if any, to wit: None.

**IN WITNESS WHEREOF,** Grantor has hereunto set his hand and seal, as of the day and year first above written.

\_\_\_\_\_  
William R. Callow (SEAL)

NORTH CAROLINA  
\_\_\_\_\_ COUNTY

I, the undersigned, a Notary Public of the aforesaid county and state do hereby certify that before me this day personally appeared William R. Callow, divorced, Grantor, and after being first duly sworn, acknowledged the due execution of the foregoing and annexed instrument for the purposes and intents therein expressed. Witness my hand and official seal or stamp, this the \_\_\_\_\_ day of \_\_\_\_\_, 2003.

\_\_\_\_\_  
Notary Public  
Stamp/Seal

My Commission Expires: \_\_\_\_\_

**EXHIBIT A**  
**LEGAL DESCRIPTIONS OF BASE TRACTS**  
**PROPERTY OF WILLIAM R. CALLOW**  
**NUMBER 1 TOWNSHIP**  
**CRAVEN COUNTY, NORTH CAROLINA**

BEING all of that 57.746 acre tract of land shown as depicted on that survey entitled "Survey for William R. Callow and Debbi Justice Callow" prepared by Thomas and Mayo, P.A. dated April 23, 1990 and recorded at Plat Cabinet F Slide 75, Craven County Registry and Plat Cabinet E, Slide 28-5, Beaufort County Registry incorporated herein by reference.

**EXHIBIT B**

**LEGAL DESCRIPTION OF CREP EASEMENT TRACTS  
PROPERTY OF WILLIAM R. CALLOW  
NUMBER 1 TOWNSHIP  
CRAVEN COUNTY, NORTH CAROLINA**

**Easement Area One**

BEGINNING at a point, said point being located N 24° 43' 36" W a distance of 102974.0835 feet from North Carolina Grid System Monument "RESORT", N = 506653.929, E = 2598674.184, NAD 83/86; thence running N 68° 22' 44" E a distance of 508.0013 feet more or less to a point; thence running N 38° 24' 03" W a distance of 492.6634 feet more or less to a point; thence running N 19° 53' 17" W a distance of 546.9157 feet more or less to a point; thence running S 89° 33' 20" W a distance of 261.4059 feet more or less to a point; thence running S 59° 15' 22" W a distance of 435.0383 feet more or less to a point; thence running S 37° 11' 52" E a distance of 1083.6043 feet to the point and place of BEGINNING, containing 13.60 acres more or less.

**Easement Area Two**

BEGINNING at a point, said point being located S 72° 55' 52" E a distance of 113.4973 feet from point 2 of the above described Easement Area One; thence running S 80° 07' 39" E a distance of 237.9192 feet more or less to a point; thence running N 75° 33' 51" E a distance of 173.5947 feet more or less to a point; thence running N 23° 06' 44" W a distance of 528.0780 feet more or less to a point; thence running N 40° 46' 37" W a distance of 667.9166 feet more or less to a point; thence running S 78° 29' 30" W a distance of 279.9471 feet more or less to a point; thence running S 25° 25' 44" E a distance of 743.0546 feet more or less to a point; thence running S 36° 18' 49" E a distance of 331.4080 feet more or less to the point and place of BEGINNING, containing 9.84 acres more or less.

**TOGETHER WITH** the right of ingress, egress and regress over, upon and across the Property to and from the Easement Area and along that easement described in Book 1256, Page 316, Craven County Registry and also recorded in Book 926, Page 815, Beaufort County Registry.

**EXHIBIT C**

**SKETCH OF CREP EASEMENT AREAS**

**FOR ILLUSTRATIVE PURPOSES ONLY**

**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**

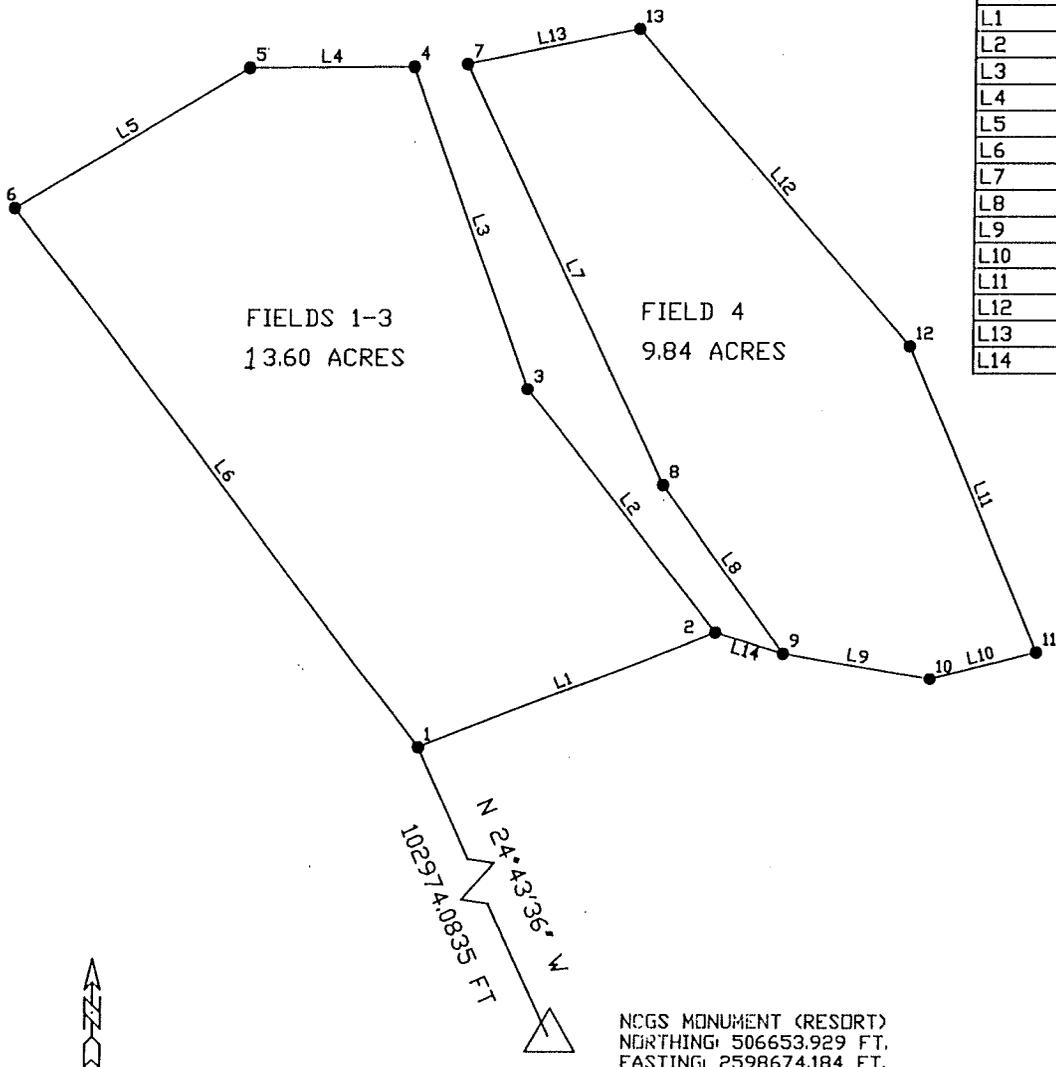
CREP PARCEL  
 CREP ID: 250241  
 TRACT 1479  
 FIELDS 1-4  
 OWNER: WILLIAM CALLOW  
 23.44 ACRES

GRID COORDINATE POINT TABLE

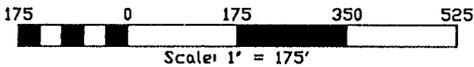
Node ID	Northing	Easting	Elevation	Description
1	600186.66	2555601.10	54.14	CREPB
2	600373.84	2556073.36	54.79	CREPB
3	600759.93	2555767.34	45.20	CREPB
4	601274.23	2555581.29	48.23	CREPB
5	601272.20	2555319.89	55.54	CREPB
6	601049.81	2554945.99	31.62	CREPB
7	601278.64	2555666.53	43.85	CREPB
8	600607.57	2555985.60	45.63	CREPB
9	600340.53	2556181.86	40.88	CREPB
10	600299.73	2556416.25	45.04	CREPB
11	600343.01	2556584.37	49.74	CREPB
12	600828.70	2556377.08	49.33	CREPB
13	601334.49	2555940.85	50.34	CREPB

LINE DIRECTION/DISTANCE TABLE

NUMBER	DIRECTION	DISTANCE
L1	N 68°22'44" E	508.0013 FT
L2	N 38°24'03" W	492.6634 FT
L3	N 19°53'17" W	546.9157 FT
L4	S 89°33'20" W	261.4059 FT
L5	S 59°15'22" E	435.0383 FT
L6	S 37°11'52" E	1083.6043 FT
L7	S 25°25'44" E	743.0546 FT
L8	S 36°18'49" E	331.4080 FT
L9	S 80°07'39" E	237.9192 FT
L10	N 75°33'51" E	173.5947 FT
L11	N 23°06'44" W	528.0780 FT
L12	N 40°46'37" W	667.9166 FT
L13	S 78°29'30" W	279.9471 FT
L14	S 72°55'52" E	113.4973 FT



NGS MONUMENT (RESORT)  
 NORTHING: 506653.929 FT.  
 EASTING: 2598674.184 FT.  
 ELEVATION: 13.227 FT.  
 STATE PLANE NAD 83/86  
 GRID COORDINATE



**SUBSTITUTE FORM 1099-S**  
**PROCEEDS FROM REAL ESTATE TRANSACTIONS**  
**FOR THE TAX YEAR:**  
**OMB No. 1545-0997**

**SETTLEMENT AGENT/FILER'S NAME AND ADDRESS**

Daniel W. Guy, Agency Legal Specialist I  
 512 N. Salisbury Street  
 Raleigh, NC 27604

Filer's Federal Tax ID Number:

File Number:

CALLOW.CREP

**SELLER/TRANSFEROR'S NAME AND ADDRESS**

William R. Callow  
  
 843 CC Road  
 Vanceboro, NC 28586

Transferor's Federal Tax ID Number:

1) Date of Closing:	2) Gross Proceeds: 4585.00	4) X here if property or services received:	5) Buyer's part of real estate tax:
3) Address or Legal Description: 23.44 Acres Number 1 Township/ NC			

THIS IS IMPORTANT TAX INFORMATION AND IS BEING FURNISHED TO THE INTERNAL REVENUE SERVICE. IF YOU ARE REQUIRED TO FILE A RETURN, A NEGLIGENCE PENALTY OR OTHER SANCTION MAY BE IMPOSED ON YOU IF THIS ITEM IS REQUIRED TO BE REPORTED AND THE IRS DETERMINES THAT IT HAS NOT BEEN REPORTED.

YOU ARE REQUIRED BY LAW TO PROVIDE DANIEL W. GUY, AGENCY LEGAL SPECIALIST I WITH YOUR CORRECT FEDERAL TAX IDENTIFICATION NUMBER. IF YOU DO NOT PROVIDE DANIEL W. GUY, AGENCY LEGAL SPECIALIST I WITH YOUR CORRECT FEDERAL TAX IDENTIFICATION NUMBER, YOU MAY BE SUBJECT TO CIVIL OR CRIMINAL PENALTIES IMPOSED BY LAW.

UNDER PENALTIES OF PERJURY, I CERTIFY THAT THE NUMBER SHOWN ABOVE ON THIS STATEMENT IS MY CORRECT FEDERAL TAX IDENTIFICATION NUMBER. I ACKNOWLEDGE RECEIPT OF A COPY OF THIS STATEMENT.

\_\_\_\_\_  
 William R. Callow

\_\_\_\_\_  
 Date

**Instructions for Transferor**

Sign and return a copy of this form immediately to Daniel W. Guy, Agency Legal Specialist I.

For sales or exchanges of certain real estate, the person responsible for closing a real estate transaction must report the real estate proceeds to the Internal Revenue Service and must furnish this statement to you. To determine if you have to report the sale or exchange of your main home on your tax return, see the Schedule D (Form 1040) instructions. If the real estate was not your main home, report the transaction on Form 4797, Sales of Business Property, Form 6252, Installment Sale Income, and/or Schedule D (Form 1040), Capital Gains and Losses.

You may have to recapture (pay back) all or part of a Federal mortgage subsidy if all the following apply:

- You received a loan provided from the proceeds of a qualified mortgage bond or you received a mortgage credit certificate.
- Your original mortgage loan was provided after 1990, and
- You sold or disposed of your home at a gain during the first 9 years after you received the Federal mortgage subsidy.

This will increase your tax. See Form 8828, Recapture of Federal Mortgage Subsidy, and Pub. 523, Selling Your Home.

If you have already paid the real estate tax for the period that includes the sale date, subtract the amount in box 5 from the amount already paid to determine your deductible real estate tax. But if you have already deducted the real estate tax in a prior year, generally report this amount as income on the "Other income" line of Form 1040. For more information, see Pub. 523.

For Paperwork Reduction Act Notice, see the Instructions for Forms 1099, 1098, 5498, and W-G2.

Department of the Treasury - Internal Revenue Service

(CALLOW.CREP.PFD/CALLOW.CREP/3)

STATE OF NORTH CAROLINA

AFFIDAVIT AS TO NON-FOREIGN  
STATUS AND TAX IDENTIFICATION  
NUMBER

COUNTY OF CRAVEN

The administrative rules of the North Carolina Conservation Reserve Enhancement Program (CREP), 15A NCAC 6G, state that any person who is an alien lawfully admitted into the United States for permanent residence under the Immigration and Nationalization Act (8 USC 1101 et seq.), or who is not a citizen of the United States is ineligible to receive payments under CREP or any CREP contract unless such person meets the requirements of 7 CFR Part 1498. To inform the State of North Carolina of Affiant's citizenship or residency status, the undersigned Affiant does hereby certify the following:

1. That the undersigned is not a foreign person, foreign corporation, foreign partnership, foreign trust or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);
2. That the undersigned is not a resident alien lawfully admitted into the United States for permanent residence under the Immigration and Naturalization Act (8 USC 1101);
3. That the undersigned is a citizen of the United States;
4. That the undersigned's taxpayer identification number is [REDACTED], and
5. That the undersigned's address is: 843 CC Road  
Vanceboro, NC 28586.

The undersigned understands that this Affidavit may be disclosed to the Internal Revenue Service by the State and that the making of any false statement herein could subject the undersigned to punishment by fine, imprisonment or both.

Under penalty of perjury, I declare that I have examined this Affidavit and that to the best of my knowledge and belief, its contents are true and correct.

\_\_\_\_\_(SEAL)  
William R. Callow

NORTH CAROLINA  
\_\_\_\_\_ COUNTY

I, the undersigned, a Notary Public in and for the aforesaid county and state, do hereby certify that personally appeared before me this day, William R. Callow, and acknowledged the due execution of the foregoing instrument for the purposes therein expressed. Witness my hand and official stamp or seal this the \_\_\_\_ day of \_\_\_\_\_, 2003.

\_\_\_\_\_  
Notary Public  
Stamp/Seal

My Commission Expires: