

BK 0892 PG 02504

TAX PARCELS: #48.1-140
#48.1-104
#48.1-139

THIS PURCHASE MONEY DEED OF TRUST, made and entered into this the 31st day of August, 2006, by and between **DEER CREEK WATER CO., INC.**, a Virginia Corporation, hereinafter referred to as GRANTOR; and **DAVID A. FURROW**, resident of 115 East Court Street, Rocky Mount, Virginia, 24151, hereinafter referred to as TRUSTEE; and Peter S. Fenn and Ann T. Fenn, hereinafter referred to as BENEFICIARY.

WITNESSETH:

THAT FOR AND IN CONSIDERATION of the sum of TEN DOLLARS (\$10.00), and other valuable consideration, the receipt of which is hereby acknowledged, the Grantor does grant, bargain, sell and convey, unto the Trustee with General Warranty of Title, the following described real estate with all appurtenances thereto:

PARCEL I
TAX PARCEL #48.1-140

All that certain lot or parcel of land known as Lot 40 of Section 6 of Deer Creek Estates, lying and being in Franklin County, Virginia, and being more particularly described as follows:

BEGINNING at a point on Clubhouse Drive, a common corner to Lots 40 and 41, N. 13° 04' 32" W. 361.80 feet to a point, a common corner to Lots 40 and 41, N. 41° 54' 44" E. 60 feet to a point S. 68° 53' 21" E. 123.53 feet to a point, a common corner to Lots 40 and 39; thence S. 7° 39' 05" E. 345.95 feet to a point on Clubhouse Drive, a common corner to Lots 40 and 39; thence along Clubhouse Drive, N. 89° 22' 30" W. 100 feet thence continuing along Clubhouse Drive N. 89° 22' 30" W. 20 feet to the point of BEGINNING; and

BEING the same property conveyed by Deer Creek Estates, Inc. unto Deer Creek

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Water Co., Inc. by deed dated October 1, 1987, of record in the Clerk's Office of the Circuit Court of Franklin County, Virginia, in Deed Book 421, Page 1495.

PARCEL II
TAX PARCEL #48.1-104

All that certain tract or parcel of land designated as "LOT 19A, WELL LOT" on that plat of record in the Clerk's Office of the Circuit Court of Franklin County, Virginia, in Deed Book 308, Page 5; and

BEING the same property conveyed by Peter S. Fenn and Ann T. Fenn unto Deer Creek Water Co., Inc. by deed dated April 21, 1988, of record in the Clerk's Office of the Circuit Court of Franklin County, Virginia, in Deed Book 433, Page 118.

PARCEL III
TAX PARCEL #48.1-139

All that certain well lot consisting of **0.540 ACRE**, lying behind Lot 40 of Deer Creek Estates as shown on a plat of survey of record in the Clerk's Office of the Circuit Court of Franklin County, Virginia, in Deed Book 387, Page 384; and

BEING the same property conveyed by Peter S. Fenn and Ann T. Fenn unto Deer Creek Water Co., Inc. by deed dated October 13, 1989, of record in the Clerk's Office of the Circuit Court of Franklin County, Virginia, in Deed Book 457, Page 1411.

TOGETHER WITH all easements appurtenant to the above described parcels including, but not limited to the following:

1. Deed of Easement dated October 9, 1998, from Rebecca A. Dotson unto Deer Creek Water Co., Inc. of record in the aforesaid Clerk's Office in Deed Book 640, Page 1263; and
2. Easement Deed dated October 13, 2003, from John E. Shifflet and Jeanne S. Shifflet unto Deer Creek Water Co., Inc. of record in the aforesaid Clerk's Office in Deed Book 799, Page 1358.

TOGETHER with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents (subject to the rights and authorities given herein to Beneficiary to collect and apply such rents), royalties, mineral, water and water rights, and all fixtures now or hereafter attached to the property, all of which, including replacements and

additions thereto, herein referred to as the "Property" shall be deemed to be and remain a part of the property covered by this Deed of Trust.

IN TRUST, NEVERTHELESS, to secure the payment of a certain negotiable, promissory note, bearing even date herewith, of which note the David G. Petrus and Deer Creek Water Co., Inc. are the makers, and being payable to Peter S. Fenn and Ann T. Fenn, for the principal sum of Sixty Thousand and No/100 Dollars (\$60,000.00) with interest thereon at the rate of seven percent per annum (7%), said note being payable in 120 equal monthly installments of \$696.80, first to interest, balance to principal, commencing on the 30th day of September, 2006, and on the 30th day of each succeeding month thereafter, until the principal and interest are fully paid, except the entire indebtedness as evidenced thereby, if not sooner paid, shall be due and payable on the 31st day of August, 2016, and to secure all the terms and conditions of said note.

THIS DEED OF TRUST shall be construed to impose and confer upon the parties hereto all duties, rights and obligations prescribed in Sections 55-59 through 55-59.4 and 55-60 of the Code of Virginia of 1950, as amended to date, in like manner as if the same were expressly set forth herein, except so far as may be herein otherwise provided; and the following provisions of said Sections are hereby incorporated in and made a part of this Deed of Trust in the respective short forms, with the full meaning and intent as expressed and set forth therein; namely

- (a) Deferred purchase money.
- (b) Exemptions waived.
- (c) Subject to all upon default.
- (d) Renewal of extension permitted.
- (e) Right of anticipation reserved.
- (f) Insurance required: Maximum amount insurable.
- (g) Advertisement required: Once a week for two successive weeks in a newspaper having general circulation in the county or city in which the above property lies.

The Grantors expressly covenant to keep the property in tenantable condition and in as good condition and repair as it now is, and the said Trustees are hereby constituted the sole and exclusive judges of the provisions of this covenant to keep the property in tenantable condition and in good condition and repair, and the Trustee's decision with regard hereto shall be final and binding. This covenant shall apply to all improvements on the property, whether now or existing or hereafter created.

If default be made as to any part of the debt herein secured or as to any of the covenants herein obtained or contained in the Note, the Trustees may immediately enter upon and take possession of the Property, at the Trustees' discretion, and take over any existing leases or cause said property to be rented pending a sale hereunder, and collect the rents therefrom and apply the same as in the following order: (a) to all reasonable costs and expenses of the sale, including, but not limited to, Trustees' fees of 5% of the gross sale price, reasonable attorney's fees and costs of

title evidence; (b) to the discharge of all taxes, levies and assessments on the Property, if any, as provided by applicable law; (c) to all sums secured by this Deed of Trust; and (d) the excess, if any, to the person or persons legally entitled thereto, including, if any, holders of liens inferior to this Deed of Trust in order of their priority, provided that Trustees has actual notice of such liens.

The Grantors further covenant that the Grantors are seized in fee simple of the property; that the Grantors have the right to convey same; that it is free of encumbrances except as herein mentioned; that the Grantors will execute all such further assurances of title as may be required and that any purchaser from the Trustees shall have quiet and peaceable possession of the Property.

All covenants and agreements of the Grantors herein contained shall extend to and bind Grantors' heirs, devisees, executors, administrators, successors and assigns.

Beneficiary may make or cause to be made reasonable entries upon and inspection of the Property. Beneficiary may, but need not, pay and discharge any lien or charge upon the Property whether now existing or hereafter created by Grantor in order to protect its interest in the Property, and the sums so paid, including all expenses and fees incurred by Beneficiary, shall be added to, and become a part of, the indebtedness secured by this Deed of Trust, and shall bear interest at the highest rate as the indebtedness evidenced by the Note.

The entire proceeds of any condemnation award or suit or conveyance in lieu of condemnation whether direct or consequential in connection with any condemnation shall be paid to Beneficiary to be applied against the indebtedness secured by this Deed of Trust and any excess shall be refunded to Grantor. In the event that such proceeds so not equal the amount of indebtedness so secured, then the receipt of such proceeds by Beneficiary shall not extend or postpone the due dates of the installments called for in the Note.

Upon request of Grantors, Beneficiary, at Beneficiary's option prior to release of this Deed of Trust, may make future advances to Grantors. Such future advances, with interest thereon, shall be secured by this Deed of Trust when evidenced by promissory notes stating that said notes are secured hereby.

Any forbearance by Beneficiary as to any rights or options Beneficiary may have under the terms of this Deed of Trust, or under applicable law, shall not be construed as a waiver of, or preclude the exercise of, the same or any other right or option.

NOTICE: THE DEBT SECURED HEREBY IS SUBJECT TO CALL IN FULL OR THE TERMS THEREOF BEING MODIFIED IN THE EVENT OF SALE OR CONVEYANCE OF THE PROPERTY CONVEYED.

IN WITNESS WHEREOF, pursuant to due corporate authority, Deer Creek Water Co., Inc., a Virginia corporation, has caused this Deed to be executed by its President,
David C. Peters

BK 0892 PG 02508
DEER CREEK WATER CO., INC.

By: David G. Petrus (SEAL)

Its: David G. Petrus

COMMONWEALTH OF VIRGINIA)
) To-wit:
CITY/COUNTY OF Leanoke)

I, a Notary Public in and for the Commonwealth of Virginia at large, do hereby certify that
David G. Petrus, as President of Deer Creek Water Co., Inc., whose name is
signed to the foregoing Purchase Money Deed of Trust, has this day personally appeared before
me and acknowledged the same.

Given under my hand this the 31st day of August, 2006.

Michael J. Ferguson
NOTARY PUBLIC

My Commission Expires: 9/30/2008

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INSTRUMENT # 060009850
RECORDED IN THE CLERK'S OFFICE OF
FRANKLIN COUNTY ON
September 1, 2006 AT 9:29am
ATICE S. HALL, CLERK

BY: Tracye L. Ladd