

Auction Tract 4

Vested in/Owner Independence Lumber, Inc
Property Address: 8-A-2 and 8-A-1
500 and 300 acres

Legal:

Lot _____ Block _____ Section _____
Subdivision _____ and/or Acreage 500
County/City Court House Smyth

Preliminary Report on Title

A.

Tax Assessment for 2020		Current Deed Book and Page	
Tax Map No.	<u>8-A-2</u>	Deed Book	<u>1000</u>
Land	<u>500,000</u>	Page	<u>312</u>
Improvements		Instrument No	
Total	<u>500,000</u>	Copies	<u>19</u>
Total Tax	<u>1665.00</u>	Cost	
Paid Thru	<u>12/5/19</u>	Date Received	
Paid	<u>Annual</u>	Date Searched	<u>1/8/2021</u>
Delinquencies	<u>1846.76</u>		

Tax Data reported is provided from the Treasurer’s Office and is for informational purposes only. Closing/Settlement Agents SHOULD NOT RELY on this information for final settlement. You are responsible for verifying exact taxes, storm water, utilities, abatements, or other special assessments or fees. No responsibility is assumed by our company in the reporting of this data other than the accuracy of transcription from Treasurer’s Public Records at the time of the search.

B. DEED INFO: BEING: same/part conveyed to

Independence Lumber Inc
from Mountain Resources Inc
Dated 10/3/16 Recorded 11/16/16 Court House Smyth
Deed Book 1000 Page 312 Instr No. _____

C. Interest is N/A

ENCUMBRANCES

- Taxes next due: 12/5/21 Land Use: Yes No
Tax Printout Available: Yes No
- Judgments found: Yes No # Enclosed _____
- Financial Statements found: Yes No # Enclosed _____
- Probate/Wills found: Yes No # Enclosed _____
- Deed of Trust: Grantors Mountain Resources Inc
to Kenneth Hart and Jonathan Mullins, Trustee(s),
Dated 2/23/05 Recorded 2/23/05 Open Closed
Deed Book 673 Page 227 Instr No. _____
To Secure \$ 700,000 Payable to New Peoples Bank
Additional Info No release found
- Deed of Trust: Grantors _____
to _____, Trustee(s),
Dated _____ Recorded _____ Open Closed
Deed Book _____ Page _____ Instr No. _____
To Secure \$ _____ Payable to _____
Additional Info _____

7. PMM Deed of Trust:
 Grantors _____
 to _____, Trustee(s),
 Dated _____ Recorded _____ Open Closed
 Deed Book _____ Page _____ Instr _____
 No. _____
 To Secure \$ _____ Payable _____
 to _____
 Additional Info _____

8. Restrictions: No Yes
 Deed Book _____ Page _____ Instr No. _____

Title has been searched to access easement: Yes No
 Easements: None found in search period OR Abstracted below

9. EASEMENT: _____ To _____
 Deed Book _____ Page _____ Instr No. _____
 Granting _____ ft. access

10. EASEMENT: _____ To _____
 Deed Book _____ Page _____ Instr No. _____
 Granting _____ ft. access

11. EASEMENT: _____ To _____
 Deed Book _____ Page _____ Instr No. _____
 Granting _____ ft. access

ADDITIONAL PARCELS OR TOWN TAXES

Tax Assessment for _____	Tax Assessment for _____
Tax Map No. _____	Tax Map No. _____
Land _____	Land _____
Improvements _____	Improvements _____
Total _____	Total _____
Total Tax _____	Total Tax _____
Paid Thru _____	Paid Thru _____
Paid _____ Annual	Paid _____ Annual
Delinquencies _____	Delinquencies _____

LIST OF ALL NAMES RUN FOR JUDGMENTS:

1. <u>Independence Lumber Inc</u>	Clear <input checked="" type="checkbox"/>	Judgment(s) Attached <input type="checkbox"/>
2. <u>Mountain Resources Inc</u>	Clear <input checked="" type="checkbox"/>	Judgment(s) Attached <input type="checkbox"/>
3. _____	Clear <input type="checkbox"/>	Judgment(s) Attached <input type="checkbox"/>
4. _____	Clear <input type="checkbox"/>	Judgment(s) Attached <input type="checkbox"/>
5. _____	Clear <input type="checkbox"/>	Judgment(s) Attached <input type="checkbox"/>
6. _____	Clear <input type="checkbox"/>	Judgment(s) Attached <input type="checkbox"/>
7. _____	Clear <input type="checkbox"/>	Judgment(s) Attached <input type="checkbox"/>
8. _____	Clear <input type="checkbox"/>	Judgment(s) Attached <input type="checkbox"/>

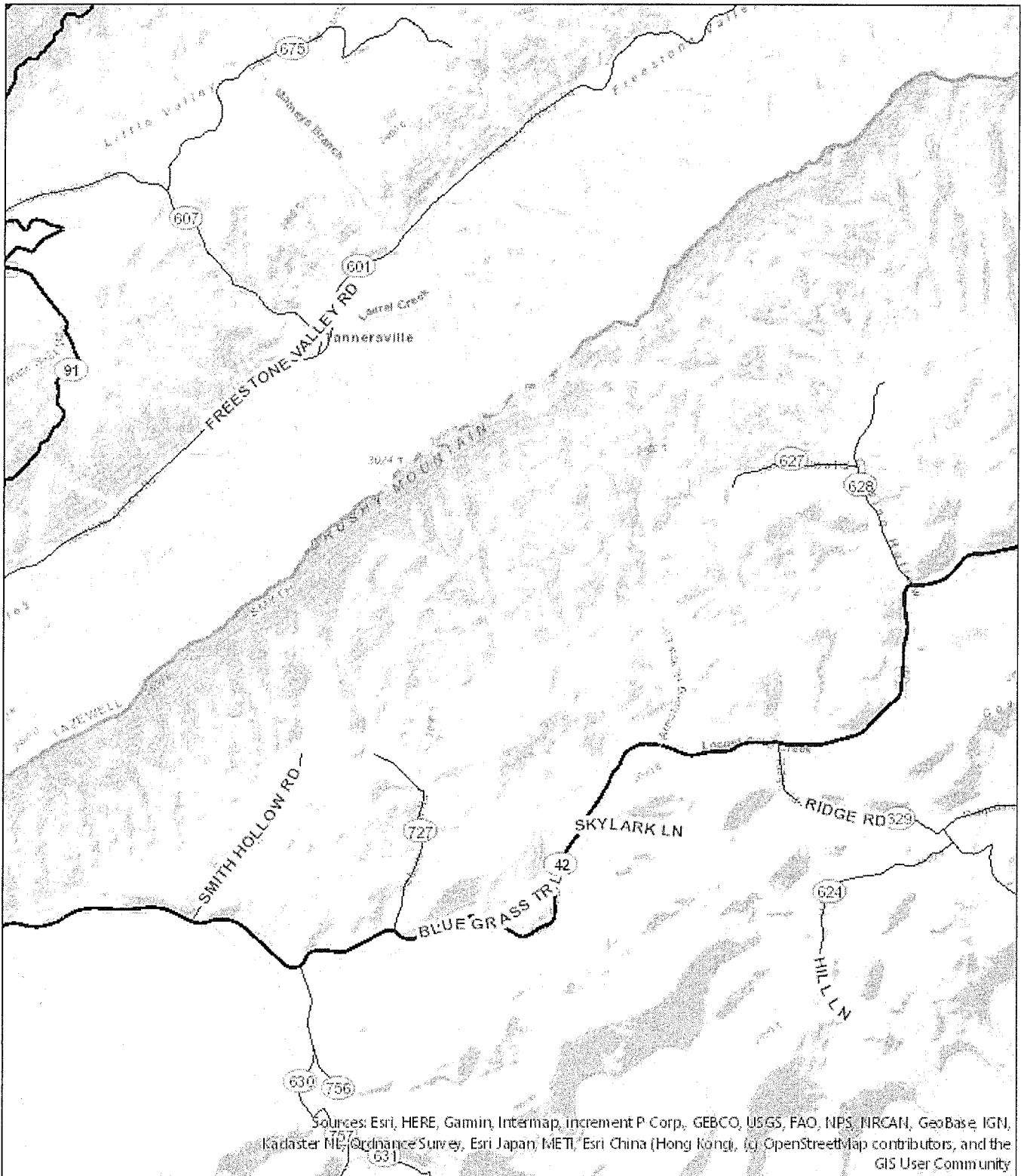
ABTRACTOR'S NOTES TO UNDERWRITER:

Deed Chain: 520/283, 520/281, 354/586, 290/707, 290/609. Searched 60 years.

This report reflects the public records as of the date of search and DOES NOT constitute an opinion of title or taxes.

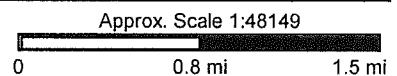
Effective this 6 day of January, 2021 at 8 o'clock A.M.

Record searched by _____



Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), (c) OpenStreetMap contributors, and the GIS User Community

Disclaimer: The information contained on this page is NOT to be construed or used as a survey or legal description. Map information is believed to be accurate but accuracy is not guaranteed.



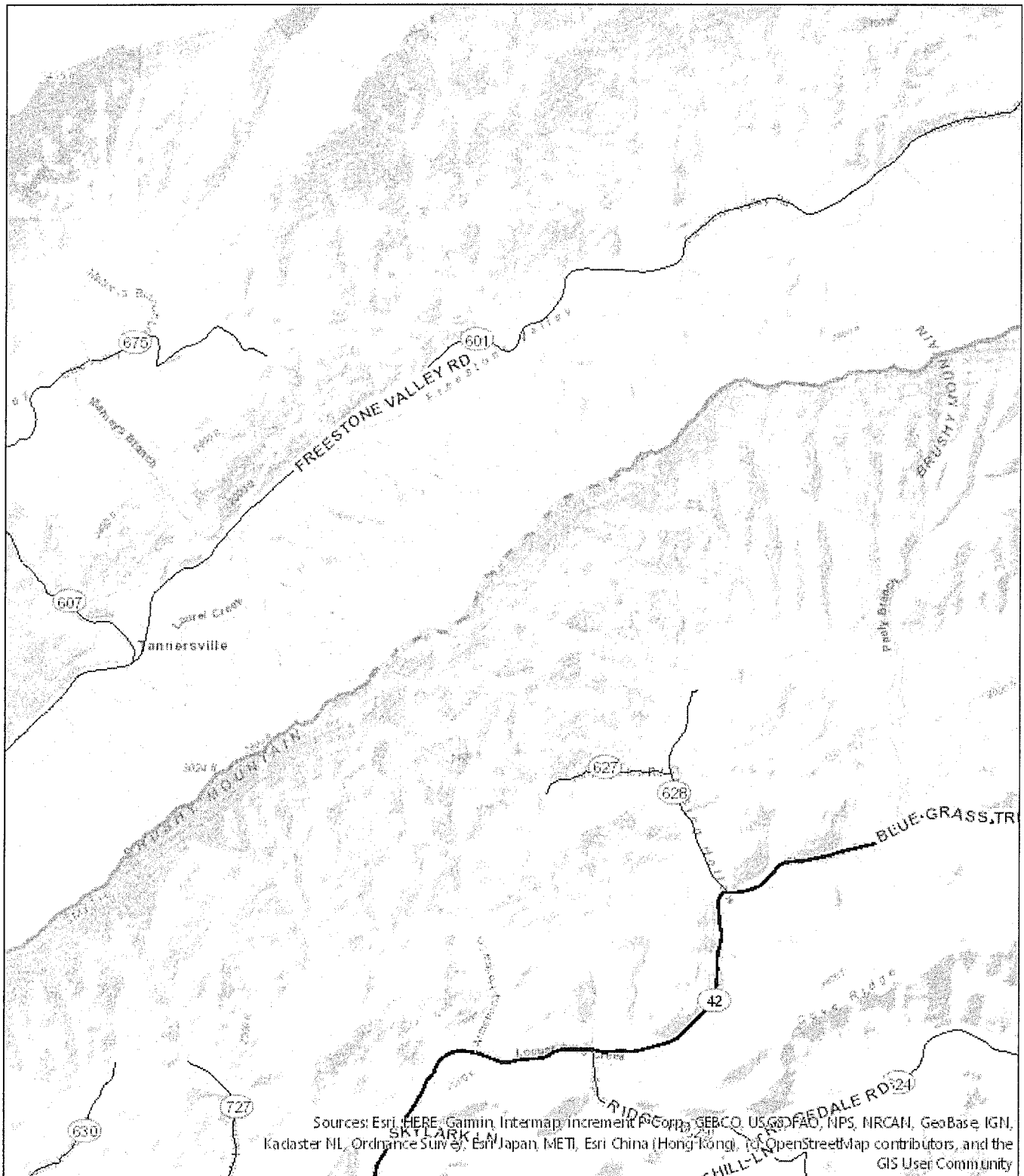
Layer: Parcels

Tax ID: 8-A-2
 ACCOUNT: 53325
 Owner Name: INDEPENDENCE LUMBER INC
 Owner address: 407 LUMBER LANE
 City: INDEPENDENCE
 State: VA
 Zip Code: 24348
 Acres: 500
 Land Value: 500000
 Description 1: POORE VALLEY

Sale Amount: 317657
 Land Use: 225000
 Sale Year: 2016
 Deed Book: 1000
 Deed Page: 312
 Grantor: MOUNTAIN RESOURCES INC
 SOURCE: PLAT
 Link: S:\Plats\Slide273\016.pdf
 Shape_Length: 22379.755856661
 Shape_Area: 18545854.226926

Attributes at point: 10574584, 3524861	
Layer: Magisterial Districts NAME: NORTH FORK	Layer: School Districts SCHOOL: RICH VALLEY ELEMENTARY, NORTHWOOD MIDDLE, NORTHWOOD HIGH
Layer: Voting Districts NAME: NORTH FORK	Layer: Zip Codes Zip Code: 24370 Name: SALTVILLE
Layer: Zoning DISTRICT: A NAME: Agricultural (A)	Layer: ESN ESNNUM: 563 FIRE: STA 7 NEBO LAW: Smyth County Sheriff MEDICAL: STA 10 SRS & STA 7 Nebo

\$1,665.00
 Del 1846.76



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Layer: Parcels

Tax ID: 8-A-1	Sale Amount: 317657
ACCOUNT: 53511	Land Use: 135000
Owner Name: INDEPENDENCE LUMBER INC	Sale Year: 2016
Owner address: 407 LUMBER LANE	Deed Book: 1000
City: INDEPENDENCE	Deed Page: 312
State: VA	Grantor: MOUNTAIN RESOURCES INC
Zip Code: 24348	SOURCE: PLAT
Acres: 300	Link: S:\Plats\Slide273\016A.pdf
Land Value: 300000	Shape_Length: 20664.384732531
Description 1: BRUSHY MOUNTAIN	Shape_Area: 16169844.551522

Attributes at point: 10579675, 3529130	
Layer: Magisterial Districts NAME: NORTH FORK	Layer: School Districts SCHOOL: RICH VALLEY ELEMENTARY, NORTHWOOD MIDDLE, NORTHWOOD HIGH
Layer: Voting Districts NAME: NORTH FORK	Layer: Zip Codes Zip Code: 24370 Name: SALTVILLE
Layer: Zoning DISTRICT: A NAME: Agricultural (A)	Layer: ESN ESNUM: 563 FIRE: STA 7 NEBO LAW: Smyth County Sheriff MEDICAL: STA 10 SRS & STA 7 Nebo

\$ 999.00
Del 1108.06

#16-2412

THIS DEED, made and entered into this the 3rd day of October, 2016, by and between MOUNTAIN RESOURCES, INC., Grantor; and INDEPENDENCE LUMBER, INC., Grantee:

WITNESSETH:

That for and in consideration of the sum of **THREE HUNDRED SEVENTEEN THOUSAND SIX HUNDRED FIFTY-SEVEN DOLLARS AND EIGHTY-SIX CENTS (\$317,657.86)**, cash in hand paid, the receipt of which is hereby acknowledged, the Grantor does hereby grant, transfer and convey unto the Grantee, with General Warranty and English Covenants of Title, all those two certain tracts or parcels which will be described as hereinafter set forth:

DESCRIPTIONS:

TRACT 1: That certain tract or parcel of land shown to contain approximately 800 acres lying and being in Rich Valley District, Smyth County, Virginia, and shown on a map or plat of record in the Circuit Court Clerk's Office of Smyth County, Virginia, at Slide 273, page 16. Reference is made to the deed dated November 11, 1998, of record in Deed Book 520, page 283, for further reference to the description and title.

TRACT 2: Being that certain tract or parcel of land lying and being in Rich Valley District, Smyth County, Virginia, and being the same property conveyed to Jerry W. Morehead by Edward L. Harris et ux by Deed dated July 23, 1979, and of record in the Circuit Court Clerk's Office of Smyth County, Virginia, at Deed Book 305, page. 709.

There is hereby excepted a 12 acre tract of land that has been conveyed to Donnie Fullen.

2016 NOV 16 PM 1:45
CLERK OF CIRCUIT COURT
SMYTH COUNTY VIRGINIA

Prepared by: Randall A. Eads, Attorney at Law, VSB#14581
825 Colonial Road, Abingdon, VA 24210
Tax Assessed Value: 8-A-1 Brushy Mtn - \$300,000.00
8-A-2 Poor Valley - \$500,000.00
8-A-5 Cove - \$155,800.00

SOURCE OF TITLE: And being the same identical property that Mountain Resources, Inc. acquired from Jerry W. Morehead, by deed dated November 11, 1998, of record in the Smyth County Circuit Court Clerk's Office as Deed Book 520, page 283.

RESTRICTIONS: This conveyance is made subject to all conditions, easements, restrictions, and rights of way of record to the extent they are binding on the Grantor and the property herein conveyed.

WITNESS the following signature and seal:

MOUNTAIN RESOURCES, INC.

BY: Warren Pinnick (SEAL)

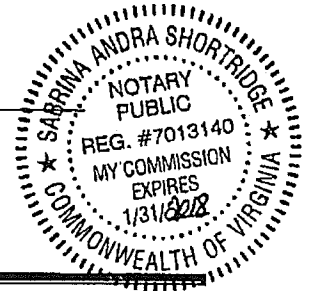
TITLE: President

STATE OF VIRGINIA
COUNTY OF WASHINGTON, to-wit:

The foregoing Deed was duly acknowledged before me by **WARREN PINNICK, President, of MOUNTAIN RESOURCES, INC.**, this 7th day of October, 2016, in my State and County aforesaid.

Sabrina Andra Shortridge
NOTARY PUBLIC

My commission expires: January 31, 2018



Prepared by: Randall A. Eads, Attorney at Law, VSB#14581
825 Colonial Road, Abingdon, VA 24210
Tax Assessed Value: 8-A-1 Brushy Mtn - \$300,000.00
8-A-2 Poor Valley - \$500,000.00
8-A-5 Cove - \$155,800.00

Grantee's Address:

407 Lumber Lane
Independence, VA 24348

INSTRUMENT #160002412
RECORDED IN THE CLERK'S OFFICE OF
SMYTH ON
NOVEMBER 16, 2016 AT 01:49PM
\$956.00 GRANTOR TAX WAS PAID AS
REQUIRED BY SEC 58.1-802 OF THE VA. CODE
STATE: \$478.00 LOCAL: \$478.00

JOHN H. GRAHAM, CLERK
RECORDED BY: ADR

*Jo: Mountain Resources
Warren Pinnick*

Prepared by: Randall A. Eads, Attorney at Law, VSB#14581
825 Colonial Road, Abingdon, VA 24210
Tax Assessed Value: 8-A-1 Brushy Mt - \$300,000.00
8-A-2 Poor Valley - \$500,000.00
8-A-5 Cove - \$155,800.00

BK0673

PG227

736
RECEIVED
CIRCUIT COURT CLERK
SMITH COUNTY

2005 FEB 23 PM 3:10

Commonwealth of Virginia _____ Space Above This Line For Recording Data _____

THIS IS A CREDIT LINE DEED OF TRUST

(With Future Advance Clause)

Parcel Identification Number and/or Tax Reference Number:

THIS IS A REFINANCE OF A DEED OF TRUST RECORDED IN THE CLERK'S OFFICE, CIRCUIT COURT OF _____, VIRGINIA, IN DEED BOOK _____, PAGE _____, IN THE ORIGINAL PRINCIPAL AMOUNT OF \$ _____ AND WITH THE OUTSTANDING PRINCIPAL BALANCE WHICH IS \$ _____.

This document was prepared by (name, address): NEW PEOPLES BANK, INC.
350 WEST MAIN STREET
ABINGDON, VA 24210

1. **DATE AND PARTIES.** The date of this Credit Line Deed of Trust (Security Instrument) is 02-23-2005 and the parties, their addresses and tax identification numbers, if required, are as follows:

GRANTOR: MOUNTAIN RESOURCES, INC., A VIRGINIA CORPORATION
2312 LEE HIGHWAY
MARION, VA 24354

If checked, refer to the attached Addendum incorporated herein, for additional Grantors, their signatures and acknowledgments.

TRUSTEE: KENNETH HART AND JONATHAN MULLINS
2 GENT DRIVE, P. O. BOX 1810
HONAKER, VA 24260

LENDER: NEW PEOPLES BANK, INC. - ABINGDON BRANCH
ORGANIZED AND EXISTING UNDER THE LAWS OF THE STATE OF VIRGINIA
350 W. MAIN STREET
P. O. BOX 69 ABINGDON, VA 24212

2. **CREDIT LINE DEED OF TRUST.** THIS IS A CREDIT LINE DEED OF TRUST within the meaning of Section 55-58.2 of the Code of Virginia (1950), as amended. For purposes of such section, (i) the name of the noteholder secured by this Security Instrument is NEW PEOPLES BANK, INC. - ABINGDON BRANCH, (ii) the address at which communications may be mailed or delivered to the noteholder is 350 W. MAIN STREET, P. O. BOX 69, ABINGDON, VA 24212, and (iii) the maximum aggregate principal amount to be secured is 700,000.00.

This limitation of amount does not include interest and other fees and charges validly made pursuant to this Security Instrument. Also, this limitation does not apply to advances made under the terms of

this Security Instrument to protect Lender's security and to perform any of the covenants contained in this Security Instrument.

- 3. **CONVEYANCE.** For good and valuable consideration, the receipt and sufficiency of which is acknowledged, and to secure the Secured Debt (defined below) and Grantor's performance under this Security Instrument, Grantor irrevocably grants, conveys and sells to Trustee, in trust for the benefit of Lender, with power of sale, the following described property:
SEE ATTACHED SCHEDULE "A'S"

The property is located in SMYTH, WASHINGTON, RUSSELL at SEE ATTACHED SCHEDULE A'S
(County (or City))

FOR PROPERTY ADDRESSES SMYTH, WASHINGTON, RUSSELL COUNTY, Virginia
(Address) (City) (Zip Code)

Together with all rights, easements, appurtenances, royalties, mineral rights, oil and gas rights, crops, timber, all diversion payments or third party payments made to crop producers, all water and riparian rights, wells, ditches, reservoirs, and water stock and all existing and future improvements, structures, fixtures, and replacements that may now, or at any time in the future, be part of the real estate described above (all referred to as "Property").

- 4. **SECURED DEBT AND FUTURE ADVANCES.** The term "Secured Debt" is defined as follows:
 - A. Debt incurred under the terms of all promissory note(s), contract(s), guaranty(ies) or other evidence of debt described below and all their extensions, renewals, modifications or substitutions. *(When referencing the debts below it is suggested that you include items such as borrowers' names, note amounts, interest rates, maturity dates, etc.)*
 - B. All future advances from Lender to Grantor or other future obligations of Grantor to Lender under any promissory note, contract, guaranty, or other evidence of debt existing now or executed after this Security Instrument whether or not this Security Instrument is specifically referenced. If more than one person signs this Security Instrument, each Grantor agrees that this Security Instrument will secure all future advances and future obligations that are given to or incurred by any one or more Grantor, or any one or more Grantor and others. All future advances and other future obligations are secured by this Security Instrument even though all or part may not yet be advanced. All future advances and other future obligations are secured as if made on the date of this Security Instrument. Nothing in this Security Instrument shall constitute a commitment to make additional or future loans or advances in any amount. Any such commitment must be agreed to in a separate writing.
 - C. All obligations Grantor owes to Lender, which now exist or may later arise, to the extent not prohibited by law, including, but not limited to, liabilities for overdrafts relating to any deposit account agreement between Grantor and Lender.
 - D. All additional sums advanced and expenses incurred by Lender for insuring, preserving or otherwise protecting the Property and its value and any other sums advanced and expenses incurred by Lender under the terms of this Security Instrument.

This Security Instrument will not secure any other debt if Lender fails to give any required notice of the right of rescission.

5. **PAYMENTS.** Grantor agrees that all payments under the Secured Debt will be paid when due and in accordance with the terms of the Secured Debt and this Security Instrument.
6. **WARRANTY OF TITLE.** Grantor warrants that Grantor is or will be lawfully seized of the estate conveyed by this Security Instrument and has the right to irrevocably grant, convey and sell the Property to Trustee, in trust, with power of sale. Grantor also warrants that the Property is unencumbered, except for encumbrances of record.
7. **PRIOR SECURITY INTERESTS.** With regard to any other mortgage, deed of trust, security agreement or other lien document that created a prior security interest or encumbrance on the Property, Grantor agrees:
- To make all payments when due and to perform or comply with all covenants.
 - To promptly deliver to Lender any notices that Grantor receives from the holder.
 - Not to allow any modification or extension of, nor to request any future advances under any note or agreement secured by the lien document without Lender's prior written consent.
8. **CLAIMS AGAINST TITLE.** Grantor will pay all taxes, assessments, liens, encumbrances, lease payments, ground rents, utilities, and other charges relating to the Property when due. Lender may require Grantor to provide to Lender copies of all notices that such amounts are due and the receipts evidencing Grantor's payment. Grantor will defend title to the Property against any claims that would impair the lien of this Security Instrument. Grantor agrees to assign to Lender, as requested by Lender, any rights, claims or defenses Grantor may have against parties who supply labor or materials to maintain or improve the Property.
9. **DUE ON SALE OR ENCUMBRANCE.** Lender may, at its option, declare the entire balance of the Secured Debt to be immediately due and payable upon the creation of, or contract for the creation of, any lien, encumbrance, transfer or sale of the Property. This right is subject to the restrictions imposed by federal law (12 C.F.R. 591), as applicable. This covenant shall run with the Property and shall remain in effect until the Secured Debt is paid in full and this Security Instrument is released.
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.
10. **TRANSFER OF AN INTEREST IN THE GRANTOR.** If Grantor is an entity other than a natural person (such as a corporation or other organization), Lender may demand immediate payment if:
- A beneficial interest in Grantor is sold or transferred.
 - There is a change in either the identity or number of members of a partnership or similar entity.
 - There is a change in ownership of more than 25 percent of the voting stock of a corporation or similar entity.
- However, Lender may not demand payment in the above situations if it is prohibited by law as of the date of this Security Instrument.
11. **ENTITY WARRANTIES AND REPRESENTATIONS.** If Grantor is an entity other than a natural person (such as a corporation or other organization), Grantor makes to Lender the following warranties and representations which shall continue as long as the Secured Debt remains outstanding:
- Grantor is duly organized and validly existing in the Grantor's state of incorporation or organization. Grantor is in good standing in all states in which Grantor transacts business. Grantor has the power and authority to own the Property and to carry on its business as now being conducted and, as applicable, is qualified to do so in each state in which Grantor operates.
 - The execution, delivery and performance of this Security Instrument by Grantor and the obligation evidenced by the Secured Debt are within the power of Grantor, have been duly authorized, have received all necessary governmental approval, and will not violate any provision of law, or order of court or governmental agency.
 - Other than previously disclosed in writing to Lender, Grantor has not changed its name within the last ten years and has not used any other trade or fictitious name. Without Lender's prior written consent, Grantor does not and will not use any other name and will preserve its existing name, trade names and franchises until the Secured Debt is satisfied.
12. **PROPERTY CONDITION, ALTERATIONS AND INSPECTION.** Grantor will keep the Property in good condition and make all repairs that are reasonably necessary. Grantor shall not commit or allow any waste, impairment, or deterioration of the Property. Grantor will keep the Property free of noxious weeds and grasses. Grantor agrees that the nature of the occupancy and use will not substantially change without Lender's prior written consent. Grantor will not permit any change in any license, restrictive covenant or easement without Lender's prior written consent. Grantor will notify Lender of all demands, proceedings, claims, and actions against Grantor, and of any loss or damage to the Property.

(page 3 of 9)

J.R.E.

W

No portion of the Property will be removed, demolished or materially altered without Lender's prior written consent except that Grantor has the right to remove items of personal property comprising a part of the Property that become worn or obsolete, provided that such personal property is replaced with other personal property at least equal in value to the replaced personal property, free from any title retention device, security agreement or other encumbrance. Such replacement of personal property will be deemed subject to the security interest created by this Security Instrument. Grantor shall not partition or subdivide the Property without Lender's prior written consent.

Lender or Lender's agents may, at Lender's option, enter the Property at any reasonable time for the purpose of inspecting the Property. Lender shall give Grantor notice at the time of or before an inspection specifying a reasonable purpose for the inspection. Any inspection of the Property shall be entirely for Lender's benefit and Grantor will in no way rely on Lender's inspection.

- 13. AUTHORITY TO PERFORM.** If Grantor fails to perform any duty or any of the covenants contained in this Security Instrument, Lender may, without notice, perform or cause them to be performed. Grantor appoints Lender as attorney in fact to sign Grantor's name or pay any amount necessary for performance. Lender's right to perform for Grantor shall not create an obligation to perform, and Lender's failure to perform will not preclude Lender from exercising any of Lender's other rights under the law or this Security Instrument. If any construction on the Property is discontinued or not carried on in a reasonable manner, Lender may take all steps necessary to protect Lender's security interest in the Property, including completion of the construction.
- 14. LEASEHOLDS; CONDOMINIUMS; PLANNED UNIT DEVELOPMENTS.** Grantor agrees to comply with the provisions of any lease if this Security Instrument is on a leasehold. If the Property includes a unit in a condominium or a planned unit development, Grantor will perform all of Grantor's duties under the covenants, by-laws, or regulations of the condominium or planned unit development.
- 15. DEFAULT.** Grantor will be in default if any of the following occur:
- Any party obligated on the Secured Debt fails to make payment when due;
 - A breach of any term or covenant in this Security Instrument or any other document executed for the purpose of creating, securing or guarantying the Secured Debt;
 - The making or furnishing of any verbal or written representation, statement or warranty to Lender that is false or incorrect in any material respect by Grantor or any person or entity obligated on the Secured Debt;
 - The death, dissolution, or insolvency of, appointment of a receiver for, or application of any debtor relief law to, Grantor or any other person or entity obligated on the Secured Debt;
 - A good faith belief by Lender at any time that Lender is insecure with respect to any person or entity obligated on the Secured Debt or that the prospect of any payment is impaired or the value of the Property is impaired;
 - A material adverse change in Grantor's business including ownership, management, and financial conditions, which Lender in its opinion believes impairs the value of the Property or repayment of the Secured Debt; or
 - Any loan proceeds are used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity, as further explained in 7 C.F.R. Part 1940, Subpart G, Exhibit M.
- 16. REMEDIES ON DEFAULT.** In some instances, federal and state law will require Lender to provide Grantor with notice of the right to cure, or other notices and may establish time schedules for foreclosure actions. Subject to these limitations, if any, Lender may accelerate the Secured Debt and foreclose this Security Instrument in a manner provided by law if Grantor is in default. At the option of Lender, all or any part of the agreed fees and charges, accrued interest and principal shall become immediately due and payable, after giving notice if required by law, upon the occurrence of a default or anytime thereafter. In addition, Lender and Trustee shall be entitled to all the remedies provided by law, the terms of the Secured Debt, this Security Instrument and any related documents, including without limitation, the power to direct the Trustee to execute the trust created hereby and in so doing exercise all of the powers under applicable law and as set forth in Va. Code Section 55-59 and 55-59.1 through 55-59.4, as in effect on the date of this Deed of Trust. If there is a default, Trustee shall, in addition to any other permitted remedy, at the request of the Lender, advertise and sell the Property as a whole or in separate parcels at public auction to the highest bidder for cash at such time and place as Trustee designates. Trustee shall give notice of sale including the time, terms and place of sale and a description of the Property to be sold as required by the applicable law in effect at the time of the proposed sale. Advertisement required: Advertisement shall be sufficient if published in a newspaper having a general circulation in the County or City where the Property or some part thereof is located either (a) once a week for two weeks, or (b) once a day for three days, which may be consecutive days.

Upon any sale of the Property, Trustee will make and deliver a special or limited warranty deed that conveys the property sold to the purchaser or purchasers. Under this special or limited warranty deed, Trustee will covenant that Trustee has not caused or allowed a lien or an encumbrance to burden the Property and that Trustee will specially warrant and defend the Property's title of the purchaser or purchasers at the sale against all lawful claims and demand of all persons claiming by, through or under Trustee. The recitals in any deed of conveyance will be prima facie evidence of the facts set forth therein. Upon sale of the Property, Trustee shall apply the proceeds in the order prescribed by law. Lender may purchase the Property.

All remedies are distinct, cumulative and not exclusive, and the Lender is entitled to all remedies provided at law or equity, whether or not expressly set forth. The acceptance by Lender of any sum in payment or partial payment on the Secured Debt after the balance is due or is accelerated or after foreclosure proceedings are filed shall not constitute a waiver of Lender's right to require full and complete cure of any existing default. By not exercising any remedy on Grantor's default, Lender does not waive Lender's right to later consider the event a default if it continues or happens again.

17. **SECTION 55-60 OF THE CODE OF VIRGINIA.** This Security Instrument shall be construed to impose and confer upon the parties hereto, and the beneficiaries hereunder, all duties, rights and obligations prescribed in Section 55-60 of the Code of Virginia (1950), as amended, and in effect on the date of this Security Instrument, and the following provisions of that section are incorporated in this Security Instrument by short form reference:

- A. Exemptions waived.
- B. Subject to call upon default.
- C. Renewal, extension or reinstatement permitted.
- D. Any Trustee may act.
- E. Substitution of Trustees permitted.

18. **EXPENSES; ADVANCES ON COVENANTS; ATTORNEYS' FEES; COLLECTION COSTS.** Except when prohibited by law, Grantor agrees to pay all of Lender's expenses if Grantor breaches any covenant in this Security Instrument. Grantor will also pay on demand any amount incurred by Lender for *insuring, inspecting, preserving or otherwise protecting the Property and Lender's security interest.* These expenses will bear interest from the date of the payment until paid in full at the highest interest rate in effect as provided in the terms of the Secured Debt. Grantor agrees to pay all costs and expenses incurred by Lender in collecting, enforcing or protecting Lender's rights and remedies under this Security Instrument. This amount may include, but is not limited to, attorneys' fees, court costs, and other legal expenses. This Security Instrument shall remain in effect until released. Grantor agrees to pay for any recordation costs of such release.

19. **ENVIRONMENTAL LAWS AND HAZARDOUS SUBSTANCES.** As used in this section, (1) Environmental Law means, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA, 42 U.S.C. 9601 et seq.), all other federal, state and local laws, regulations, ordinances, court orders, attorney general opinions or interpretive letters concerning the public health, safety, welfare, environment or a hazardous substance; and (2) Hazardous Substance means any toxic, radioactive or hazardous material, waste, pollutant or contaminant which has characteristics which render the substance dangerous or potentially dangerous to the public health, safety, welfare or environment. The term includes, without limitation, any substances defined as "hazardous material," "toxic substances," "hazardous waste," "hazardous substance," or "regulated substance" under any Environmental Law.

Grantor represents, warrants and agrees that:

- A. Except as previously disclosed and acknowledged in writing to Lender, no Hazardous Substance has been, is, or will be located, transported, manufactured, treated, refined, or handled by any person on, under or about the Property, except in the ordinary course of business and in strict compliance with all applicable Environmental Law.
- B. Except as previously disclosed and acknowledged in writing to Lender, Grantor has not and will not cause, contribute to, or permit the release of any Hazardous Substance on the Property.
- C. Grantor will immediately notify Lender if (1) a release or threatened release of Hazardous Substance occurs on, under or about the Property or migrates or threatens to migrate from nearby property; or (2) there is a violation of any Environmental Law concerning the Property. In such an event, Grantor will take all necessary remedial action in accordance with Environmental Law.

- D. Except as previously disclosed and acknowledged in writing to Lender, Grantor has no knowledge of or reason to believe there is any pending or threatened investigation, claim, or proceeding of any kind relating to (1) any Hazardous Substance located on, under or about the Property; or (2) any violation by Grantor or any tenant of any Environmental Law. Grantor will immediately notify Lender in writing as soon as Grantor has reason to believe there is any such pending or threatened investigation, claim, or proceeding. In such an event, Lender has the right, but not the obligation, to participate in any such proceeding including the right to receive copies of any documents relating to such proceedings.
- E. Except as previously disclosed and acknowledged in writing to Lender, Grantor and every tenant have been, are and shall remain in full compliance with any applicable Environmental Law.
- F. Except as previously disclosed and acknowledged in writing to Lender, there are no underground storage tanks, private dumps or open wells located on or under the Property and no such tank, dump or well will be added unless Lender first consents in writing.
- G. Grantor will regularly inspect the Property, monitor the activities and operations on the Property, and confirm that all permits, licenses or approvals required by any applicable Environmental Law are obtained and complied with.
- H. Grantor will permit, or cause any tenant to permit, Lender or Lender's agent to enter and inspect the Property and review all records at any reasonable time to determine (1) the existence, location and nature of any Hazardous Substance on, under or about the Property; (2) the existence, location, nature, and magnitude of any Hazardous Substance that has been released on, under or about the Property; or (3) whether or not Grantor and any tenant are in compliance with applicable Environmental Law.
- I. Upon Lender's request and at any time, Grantor agrees, at Grantor's expense, to engage a qualified environmental engineer to prepare an environmental audit of the Property and to submit the results of such audit to Lender. The choice of the environmental engineer who will perform such audit is subject to Lender's approval.
- J. Lender has the right, but not the obligation, to perform any of Grantor's obligations under this section at Grantor's expense.
- K. As a consequence of any breach of any representation, warranty or promise made in this section, (1) Grantor will indemnify and hold Lender and Lender's successors or assigns harmless from and against all losses, claims, demands, liabilities, damages, cleanup, response and remediation costs, penalties and expenses, including without limitation all costs of litigation and attorneys' fees, which Lender and Lender's successors or assigns may sustain; and (2) at Lender's discretion, Lender may release this Security Instrument and in return Grantor will provide Lender with collateral of at least equal value to the Property secured by this Security Instrument without prejudice to any of Lender's rights under this Security Instrument.
- L. Notwithstanding any of the language contained in this Security Instrument to the contrary, the terms of this section shall survive any foreclosure or satisfaction of this Security Instrument regardless of any passage of title to Lender or any disposition by Lender of any or all of the Property. Any claims and defenses to the contrary are hereby waived.
- 20. CONDEMNATION.** Grantor will give Lender prompt notice of any pending or threatened action, by private or public entities to purchase or take any or all of the Property through condemnation, eminent domain, or any other means. Grantor authorizes Lender to intervene in Grantor's name in any of the above described actions or claims. Grantor assigns to Lender the proceeds of any award or claim for damages connected with a condemnation or other taking of all or any part of the Property. Such proceeds shall be considered payments and will be applied as provided in this Security Instrument. This assignment of proceeds is subject to the terms of any prior mortgage, deed of trust, security agreement or other lien document.
- 21. INSURANCE.** Grantor agrees to maintain insurance as follows:
- A. Grantor shall keep the Property insured against loss by fire, flood, theft and other hazards and risks reasonably associated with the Property due to its type and location. This insurance shall be maintained in the amounts and for the periods that Lender requires. What Lender requires pursuant to the preceding two sentences can change during the term of the Secured Debt. The insurance carrier providing the insurance shall be chosen by Grantor subject to Lender's approval, which shall not be unreasonably withheld. If Grantor fails to maintain the coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property according to the terms of this Security Instrument.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard "mortgage clause" and, where applicable, "loss payee clause." Grantor shall immediately notify Lender of cancellation or termination of the insurance. Lender shall have the right to hold the policies and renewals. If Lender requires, Grantor shall immediately give to Lender all receipts of paid premiums and renewal notices. Upon loss, Grantor shall give immediate notice to the insurance carrier and Lender. Lender may make proof of loss if not made immediately by Grantor.

Unless otherwise agreed in writing, all insurance proceeds shall be applied to restoration or repair of the Property or to the Secured Debt, whether or not then due, at Lender's option. Any application of proceeds to principal shall not extend or postpone the due date of scheduled payment nor change the amount of any payments. Any excess will be paid to the Grantor. If the Property is acquired by Lender, Grantor's right to any insurance policies and proceeds resulting from damage to the Property before the acquisition shall pass to Lender to the extent of the Secured Debt immediately before the acquisition.

- B. Grantor agrees to maintain comprehensive general liability insurance naming Lender as an additional insured in an amount acceptable to Lender, insuring against claims arising from any accident or occurrence in or on the Property.
- C. Grantor agrees to maintain rental loss or business interruption insurance, as required by Lender, in an amount equal to at least coverage of one year's debt service, and required escrow account deposits (if agreed to separately in writing), under a form of policy acceptable to Lender.
- 22. ESCROW FOR TAXES AND INSURANCE.** Unless otherwise provided in a separate agreement, Grantor will not be required to pay to Lender funds for taxes and insurance in escrow.
- 23. FINANCIAL REPORTS AND ADDITIONAL DOCUMENTS.** Grantor will provide to Lender upon request, any financial statement or information Lender may deem reasonably necessary. Grantor agrees to sign, deliver, and file any additional documents or certifications that Lender may consider necessary to perfect, continue, and preserve Grantor's obligations under this Security Instrument and Lender's lien status on the Property.
- 24. JOINT AND INDIVIDUAL LIABILITY; CO-SIGNERS; SUCCESSORS AND ASSIGNS BOUND.** All duties under this Security Instrument are joint and individual. If Grantor signs this Security Instrument but does not sign an evidence of debt, Grantor does so only to mortgage Grantor's interest in the Property to secure payment of the Secured Debt and Grantor does not agree to be personally liable on the Secured Debt. If this Security Instrument secures a guaranty between Lender and Grantor, Grantor agrees to waive any rights that may prevent Lender from bringing any action or claim against Grantor or any party indebted under the obligation. These rights may include, but are not limited to, any anti-deficiency or one-action laws. Grantor agrees that Lender and any party to this Security Instrument may extend, modify or make any change in the terms of this Security Instrument or any evidence of debt without Grantor's consent. Such a change will not release Grantor from the terms of this Security Instrument. The duties and benefits of this Security Instrument shall bind and benefit the successors and assigns of Grantor and Lender.
- 25. APPLICABLE LAW; SEVERABILITY; INTERPRETATION.** This Security Instrument is governed by the laws of the jurisdiction in which Lender is located, except to the extent otherwise required by the laws of the jurisdiction where the Property is located. This Security Instrument is complete and fully integrated. This Security Instrument may not be amended or modified by oral agreement. Any section in this Security Instrument, attachments, or any agreement related to the Secured Debt that conflicts with applicable law will not be effective, unless that law expressly or impliedly permits the variations by written agreement. If any section of this Security Instrument cannot be enforced according to its terms, that section will be severed and will not affect the enforceability of the remainder of this Security Instrument. Whenever used, the singular shall include the plural and the plural the singular. The captions and headings of the sections of this Security Instrument are for convenience only and are not to be used to interpret or define the terms of this Security Instrument. Time is of the essence in this Security Instrument.
- 26. SUCCESSOR TRUSTEE.** Lender, at Lender's option, may from time to time remove Trustee and appoint a successor or successors to any trustee without any other formality than the designation in writing. The successor or any successors to any trustee, without conveyance of the Property, shall succeed to all the title, power and duties conferred upon Trustee by this Security Instrument and applicable law.

27. **NOTICE.** Unless otherwise required by law, any notice shall be given by delivering it or by mailing it by first class mail to the appropriate party's address on page 1 of this Security Instrument, or to any other address designated in writing. Notice to one grantor will be deemed to be notice to all grantors.
28. **WAIVERS.** Except to the extent prohibited by law, Grantor waives the benefit of the homestead exemption as to this obligation and any rights of appraisal and reinstatement.
GRANTOR HEREBY EXPRESSLY WAIVES AND RELEASES ANY REQUIREMENT OR OBLIGATION THAT THE LENDER OR THE TRUSTEE PRESENT EVIDENCE OR OTHERWISE PROCEED BEFORE ANY COURT, CLERK, OR OTHER JUDICIAL OR QUASI-JUDICIAL BODY BEFORE EXERCISE OF THE POWERS OF SALE CONTAINED IN THIS SECURITY INSTRUMENT AND IN SECTION 55-59 AND SECTIONS 55-59.1 THROUGH 55-59.4 OF THE CODE OF VIRGINIA (1950), AS AMENDED.
29. **U.C.C. PROVISIONS.** If checked, the following are applicable to, but do not limit, this Security Instrument:
- Construction Loan.** This Security Instrument secures an obligation incurred for the construction of an improvement on the Property.
 - Fixture Filing.** Grantor grants to Lender a security interest in all goods that Grantor owns now or in the future and that are or will become fixtures related to the Property.
 - Crops; Timber; Minerals; Rents, Issues, and Profits.** Grantor grants to Lender a security interest in all crops, timber, and minerals located on the Property as well as all rents, issues, and profits of them including, but not limited to, all Conservation Reserve Program (CRP) and Payment in Kind (PIK) payments and similar governmental programs (all of which shall also be included in the term "Property").
 - Personal Property.** Grantor grants to Lender a security interest in all personal property located on or connected with the Property, including all farm products, inventory, equipment, accounts, documents, instruments, chattel paper, general intangibles, and all other items of personal property Grantor owns now or in the future and that are used or useful in the construction, ownership, operation, management, or maintenance of the Property (all of which shall also be included in the term "Property"). The term "personal property" specifically excludes that property described as "household goods" secured in connection with a "consumer" loan as those terms are defined in applicable federal regulations governing unfair and deceptive credit practices.
 - Filing As Financing Statement.** Grantor agrees and acknowledges that this Security Instrument also suffices as a financing statement and any carbon, photographic or other reproduction may be filed of record for purposes of Article 9 of the Uniform Commercial Code.
30. **OTHER TERMS.** If checked, the following are applicable to this Security Instrument:
- Line of Credit.** The Secured Debt includes a revolving line of credit provision. Although the Secured Debt may be reduced to a zero balance, this Security Instrument will remain in effect until released.
 - Agricultural Property.** Grantor covenants and warrants that the Property will be used principally for agricultural or farming purposes and that Grantor is an individual or entity allowed to own agricultural land as specified by law.
 - Additional Terms.**

BK0673 PG235

SIGNATURES: By signing below, Grantor agrees to the terms and covenants contained in this Security Instrument and in any attachments. Grantor also acknowledges receipt of a copy of this Security Instrument on the date stated on page 1.

Witness the following signatures and seals.

Entity Name: MOUNTAIN RESOURCES, INC.

Warren D. Pinnick (Seal)
(Signature) WARREN D. PINNICK, PRESIDENT (Date)

Joseph Randall Eller (Seal)
(Signature) JOSEPH RANDALL ELLER, SECRETARY (Date)

(Signature) (Date) (Seal)

(Signature) (Date) (Seal)

ACKNOWLEDGMENT:

(Individual) COMMONWEALTH OF _____, COUNTY (OR CITY) OF _____} ss.

This instrument was acknowledged before me this _____ day of _____

by _____

My commission expires:

(Seal)

(Notary Public)

COMMONWEALTH OF VIRGINIA, COUNTY (OR CITY) OF SMYTH} ss.

(Business or Entity Acknowledgment) This instrument was acknowledged before me this 23RD day of FEBRUARY, 2005

by WARREN D. PINNICK, PRESIDENT; JOSEPH RANDALL ELLER, SECRETARY (Title(s))

of MOUNTAIN RESOURCES, INC. (Name of Business or Entity)

a VIRGINIA CORPORATION on behalf of the business or entity.

My commission expires: 8/31/08
(Seal)

Deanna Blissett
(Notary Public)

BK0673 PG236

EXHIBIT "A"

Legal Description

SMYTH COUNTY PROPERTY

TRACT NO. 1:

That certain tract or parcel of land lying and being in Marion District, Smyth County, Virginia, and described as follows:

" . . . all that certain tract of land with buildings and appurtenances thereunto belonging and subject to easements thereto pertaining, estimated to contain 88 acres, more or less, but this sale is made by the boundary and not be the acre, located immediately south of and adjoining Interstate Highway No. 81, with the greater part of said land lying and being in Marion District and a small portion of the same in the Town of Marion, Smyth County, Virginia, known as part of the Wythe M. Hull farm and designated as Tract No. 6 containing 85 acres, Tract No. 7 containing 13.4 acres and Tract No. 8 containing 17.3 acres as shown on plat of survey made August, 1941, by Walter L. Gollehon, C.S., and recorded in the Clerk's Office of Smyth County, Virginia, in Plat Book 2, Page 71, and being the same land conveyed by Virginia Lincoln Corporation *et al* to C. C. Lincoln, Jr. *et al* by deed dated March 27, 1946, of record in the Clerk's Office of Smyth County, Virginia, in Deed Book 92, Page 556, less and excepting therefrom the several tracts of land and rights of way heretofore sold and conveyed by the said owners."

According to the Office of the Smyth County Commissioner of Revenue, this Tract No. 1 contains 88 acres.

The aforesaid property is the same property conveyed to Mountain Resources, Inc. by Annabel Cox Jennings, widow, by deed dated September 25, 2001, and recorded in the Clerk's Office of Smyth County, Virginia, in Deed Book 578, Page 250.

The aforesaid Tract No. 1 is subject to all easements, restrictions and reservations of record in the Clerk's Office of Smyth County, Virginia, in the chain of title to said property including, but not limited to the roll-back tax reservation contained in deed dated September 25, 2001, and of record in the Clerk's Office of Smyth County, Virginia, in Deed Book 578, Page 250.

J.R.E.
W

As to Tract No. 1, described above, this deed of trust is second to a prior deed of trust securing Farm Credit of the Virginias, ACA, dated October 1, 2001, in the original amount of \$104,000.00, and of record in the Clerk's Office of Smyth County, Virginia, in Deed Book 578, Page 253.

Default in the prior deed of trust shall be considered default in this deed of trust, and default in this deed of trust shall be considered default in the prior deed of trust.

Map No. 57-1-6

TRACT NO. 2:

That certain tract or parcel of land lying and being in North Fork Magisterial District (formerly Rich Valley District), Smyth County, Virginia, and described as follows:

"BEGINNING at a point corner to Edward Lee Harris and Jerry Morehead, being the northernmost point of the property herein conveyed and shown on the hereinafter referenced map or plat as Point 44; thence, leaving said point of beginning and as a new division line S 0° 18' 18" E 1,693.15 feet to a point in the line of C. R. Burkett Estate; thence, S 85° 57' 22" W 26.30 feet to Point 28; thence, S 86° 27' 19" W 151.71 feet; thence, S 85° 26' 49" W 216.37 feet to Point 30 in the line of the J. T. Buchanan, Jr. Estate; thence, with the line of the J. T. Buchanan, Jr. Estate N 47° 08' 04" W 50.04 feet; thence, N 46° 30' 37" W 104.62 feet; thence, N 15° 25' 44" W 56 feet; thence, N 38° 44' 53" W 96.79 feet; thence, N 45° 36' 48" W 79.31 feet; thence, N 43° 26' 43" W 72.13 feet; thence, N 25° 35' 53" W 120.94 feet; thence, N 18° 23' 16" W 95.40 feet; thence, N 21° 40' 24" W 115.53 feet; thence N 4° 30' 48" W 62.77 feet; thence, N 30° 14' 54" W 46.64 feet; thence, N 25° 37' 28" W 37.30 feet to a point in the line of Edward Lee Harris; thence, with the line of Edward Lee Harris N 42° 25' 35" E 1,230.62 feet; thence, N 34° 22' 03" E 31.92 feet to the point of BEGINNING."

Reference is also made to a plat of record in the Circuit Court Clerk's Office of Smyth County, Virginia, at Slide 267, Page 9.

According to the Office of the Smyth County Commissioner of Revenue, this Tract No. 2 contains 21.08 acres.

The aforesaid property is the same property conveyed to Mountain Resources, Inc., by Michael E. Untiedt, Trustee on behalf of Wyle Wayne Maloyed, dated September 8, 1999, and recorded in the Clerk's Office of Smyth County, Virginia, in Deed Book 535, Page 479.

JRE W

As contained in Deed Book 446, Page 431, dated August 19, 1993, this property is subject to and/or has benefit of an easement appurtenant 20 feet in width for access to and from State Secondary Highway 628.

The aforesaid Tract No. 2 is subject to all other easements, restrictions, and reservations of record in the Clerk's Office of Smyth County, Virginia, in the chain of title to said property.

Map No. 9-A-14A

TRACT NO. 3:

Those certain tracts or parcels of land lying and being in Rich Valley District, Smyth County, Virginia, and described as follows:

Parcel No. 1:

Consisting of two parcels of land containing 367.82 acres, more or less, and 431.39 acres, more or less, as shown on plat entitled, "Jerry Morehead, Gene Morehead" by David B. Scott, CLS, dated June 20, 1979, revised November 19, 1979, recorded in the Clerk's Office of Smyth County, Virginia, on Plat Slide 273, Pages 16, 16A, and 16B.

According to the Office of the Smyth County Commissioner of Revenue, this Parcel No. 1 is assessed as 800 acres.

Map No. 8-A-1

Map No. 8-A-2

Parcel No. 2:

Consisting of those two certain tracts or parcels of land lying and being in North Fork District on the south side of Brushy Mountain on State Route 627, and according to the Office of the Smyth County Commissioner of Revenue contains a total of 124.50 acres.

Map No. 8-A-5

The aforesaid Tract No. 4, consisting of Parcel No. 1 and Parcel No. 2 above, is the same property conveyed to Mountain Resources, Inc., by Jerry W. Morehead *et als* by deed dated November 11, 1998, and recorded in the Clerk's Office of Smyth County, Virginia, in Deed Book 520, Page 283.

J.R.E. W

As referenced in deed dated November 11, 1998, and of record in Deed Book 520, Page 283, Parcel No. 1 reflects no road access, but Parcel No. 2 has access to the public road and Parcel No. 1 is adjacent to Parcel No. 2.

The aforesaid Tract No. 4 is subject to all easements, restrictions, and reservations of record in the Clerk's Office of Smyth County, Virginia, in the chain of title to said property.

WASHINGTON COUNTY PROPERTY

TRACT NO. 1:

That certain tract or parcel of land lying and being in Monroe Magisterial District, Washington County, Virginia, on the south side of Walker's Mountain near McCall's Gap, containing 15 and 3/5 acres, more or less, and described on plat in Common Law Order Book "L," Pages 520 and 521, and being the same property conveyed to Mountain Resources, Inc., by William W. Venable *et als* by deed dated January 31, 2003, and recorded in the Clerk's Office of Washington County, Virginia, on Instrument No. 000034267.

This property has benefit of a right-of-way reserved in deed dated April 28, 1921, and recorded in the Clerk's Office of Washington County, Virginia, in Deed Book 98, Page 553.

The aforesaid Tract No. 5 is subject to all easements, restrictions, and reservations of record in the Clerk's Office of Washington County, Virginia, in the chain of title to said property.

Map No. 37-A-104

TRACT NO. 2:

That certain tract or parcel of land lying and being in Jefferson Magisterial District, Washington County, Virginia, on Little Mountain, and according to the Office of the Washington County Commissioner of Revenue contains 299.5 acres, and being the same property conveyed to Mountain Resources, Inc., by Fred C. Alexander, Jr. *et al* by deed dated December 1, 2000, and recorded in the Clerk's Office of Washington County, Virginia, on Instrument No. 000008968.

It is noted in the aforesaid deed dated December 1, 2000, and recorded on Instrument No. 000008968, that there is no known means of ingress and egress to the property from the State Highway.

J.R.E. W

BK0673 PG240

The aforesaid Tract No. 6 is subject to all easements, restrictions, and reservations of record in the Clerk's Office of Washington County, Virginia, in the chain of title to said property.

Map No. 45-A-16

J.R.E. W

BK0673 PG241
RUSSELL COUNTY PROPERTY

TRACT 1:

PARCEL NO. 1:

All those two certain tracts or parcels of land, with all improvements thereon and appurtenances thereunto belonging, lying and being in the Castlewood Magisterial District of Russell County, Virginia, lying and being on the North side of Red Oak Ridge and containing in the aggregate 50 acres, be the same more or less.

PARCEL NO. 2:

All that certain tract or parcel of land, on the waters of Lick Creek in the Castlewood Magisterial District of Russell County, Virginia, containing one and one-half (1 ½) acres more or less.

A survey plat prepared by L. K. Addison, C.L.S., purporting to describe Parcel No. 1 and Parcel No. 2 has been recorded in the Clerk's Office of Russell County, Virginia. The said plat, dated May 14, 1987, is entitled "PROPERTY OF LEO TURNER RECORDED D.B. 249, PG 45 SITUATE ON THE NORTH SIDE OF REDOAK RIDGE, CASTLEWOOD MAGISTERIAL DISTRICT, RUSSELL CO., VA.," and shows the property as containing 70.750 acres.

And being the same property conveyed unto Mountain Resources, Inc. by deed dated October 4, 2000, of record in Deed Book 515, at Page 418.

TRACT 2:

All those tracts or parcels of land, situate, lying and being in Russell County, Virginia, and more particularly bounded and described as follows:

BEGINNING at a sycamore stub on the north side of Clinch River at the mouth of a dry branch and a corner to Lot No. 1 and with the lines of same N 13 13 ½ poles to a mulberry in west edge of a dry branch, N 45 W 18 ½ poles to a small red oak on a steep point N 25 W 5 ½ poles to a cedar on top of spur N 22 ½ W 20 poles to a small black oak N 26 W 38 poles to a small hickory N 28 W 19 poles to a chestnut oak, N 37 ½ W 38 poles to a hickory on tip of ridge, N 23 ½ W 21 poles to a red oak corner to the lands of Joseph Kelly and with his lines N 63 ½ E 28 poles to a small poplar in a low gap N 37 ¾ E 25 poles to a black pine N 40 E 20 poles to a red oak on a high knobb, N 80 E 14 poles to a small black gum N 64 E 8 poles to a double maple in gap by a rock N 48 E 17 poles to a red oak near old fence N 88 E 12 poles to a stake in lock of fence S 12 ½ E 27 poles to a SourWood in lock of fence S 78 E 12 poles to a small red oak S 45 E 21 poles to a small cedar and white oak grub S 33 E 18 poles to a stake in lock of fence S 3 E 15 poles to a forked red bud S 25 E 12 poles to a stake above corner of fence S 51 E 21 poles to a post oak black oak and dogwood grub a corner to Lot No. 3 and with lines of same S 20 W 8 poles to a large black oak S 54 ½ W 19 poles to a small dogwood S 46 W 20 poles to a double white oak S 15 ½ W 12 ½ poles to a small black oak S 14 ½ E 12 poles to two small hickories S 2 W 22 poles to a small black oak S 65 W 24 poles to a cedar on end of a slaty point S 38 W 26 poles to a sycamore on bank of river near Spring thence down the river N 69 W 10 ½ poles N 73 ½ W 19 ¾ poles to the BEGINNING and contains 120 ¼ acres.

And being the same property conveyed unto Mountain Resources, Inc. by deed dated September 27, 2002, of record in the Russell County Circuit Court Clerk's Office in Deed Book 583, at Page 82.

J.R.F. W

BK0673 PG242
ALLOCATION OF VALUE PER JURISDICTION

Smyth County, Virginia:


Deed of Trust - \$567,000.00 \$1,935.00

Washington County, Virginia:

Deed of Trust - \$84,000.00 \$326.00

Russell County, Virginia:

Deed of Trust - \$49,000.00 \$209.33

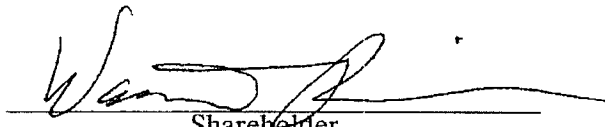
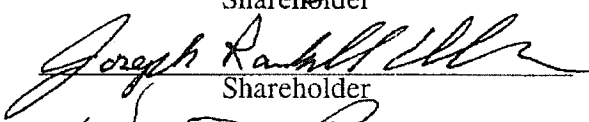
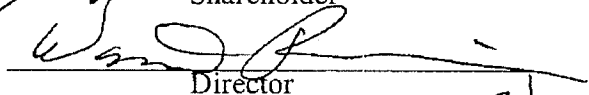
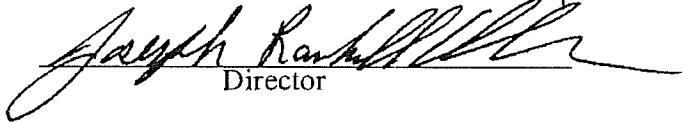
JRF. 

At a special called joint meeting of the shareholders and directors of MOUNTAIN RESOURCES, INC., held on January 3, 2005, it was

RESOLVED that Warren D. Pinnick, President of the corporation, be and he is hereby authorized on behalf of the corporation to encumber property owned by Mountain Resources, Inc., located in Smyth County, Virginia, Washington County, Virginia, and Russell County, Virginia, in connection with two (2) loans from New People's Bank in the amounts of \$100,000.00 and \$600,000.00.

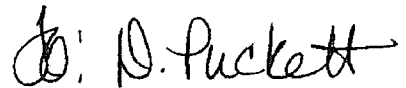
This resolution is duly and unanimously adopted as is evidenced by the signatures of the shareholders and directors undersigned.

This the 23rd day of February, 2005.


Shareholder

Shareholder

Director

Director

INSTRUMENT #050000736
RECORDED IN THE CLERK'S OFFICE OF
SMYTH ON
FEBRUARY 23, 2005 AT 03:14PM
JIMMY L. WARREN, CLERK

RECORDED BY: TJS



BK0520 P6283

DEED

This Deed made this 11th day of November, 1998, by and between JERRY W. MOREHEAD, married, Grantor, party of the first part; MOUNTAIN RESOURCES, INC., a Virginia corporation, Grantee, party of the second part; and CONNIE L. MOREHEAD, wife of Jerry W. Morehead, party of the third part.

WITNESSETH:

That for and in consideration of the sum of Ten Dollars (\$10.00), cash in hand paid, which consideration the Grantor herein does hereby acknowledge to be good and sufficient, the receipt of which is hereby acknowledged, the party of the first part does hereby BARGAIN, SELL, GRANT, CONVEY and WARRANT SPECIALLY AS TO TRACT 1 and does hereby BARGAIN, SELL, GRANT and CONVEY AS TO TRACT 2 unto the said party of the second part those two certain tracts or parcels which will be described as hereinafter set forth:

DESCRIPTIONS:

TRACT 1: That certain tract or parcel of land shown to contain approximately 800 acres lying and being in Rich Valley District, Smyth County, Virginia, and shown on a map or plat of record in the Circuit Court Clerk's Office of Smyth County, Virginia, at Slide 273, Page 16.

Tract 1 is the same tract or parcel of land conveyed to Ruth B. Mai et vir to Gene L. Morehead and Jerry W. Morehead by deed dated December 12, 1977, and of record in the Circuit Court Clerk's Office of Smyth County, Virginia, at Deed Book 290, Page 707.

Gene L. Morehead conveyed his interest in the property to Jerry W. Morehead by Special Warranty Deed dated February 15, 1985, which Deed is of record at Deed Book 354, Page 586 and which Special Warranty Deed contains the following description and reservations, to-wit:

Lying on the south side of Brushy Mountain above Locust Cove near the old Wythe-Washington County Lines and described as bounded on the east by the properties now or formerly owned by Charles Pruitt and Joe Harris; on the south by the properties now or formerly owned by Helen Webb, Edward Lee Harris, Armstrong, Rupart, and Lamie; and on the west by the Raymond Holmes farm; and on the north by the top of Brushy Mountain.

The exact acreage of the premises herein conveyed is unknown, but it is said to contain between 500 and 800 acres, or more acres, being assessed in the Commissioner's Office of Smyth County as 800 in two tracts, but the grantor does not covenant the amount of acreage herein conveyed and there is to be no liability on the Grantee should the acreage exceed the estimate set forth above.

The property hereby conveyed is in two adjacent tracts, the easternmost tract being owned jointed by the heirs or devisees of W. P. Buchanan, D. J. Buchanan, and J. D. Buchanan, and was derived by them through many conveyances or devises from Israel Hator Buchanan in his Last Will and Testament probated November 21, 1898, and recorded in Will Book 7, at Page 417, in which he devised land to his three sons, W. P. Buchanan, D. J. Buchanan, E. W. Buchanan, equally and jointly, and by Deed dated July 26, 1912, recorded in Deed Book 37, at Page 342, in which W. H. Buchanan, executor of Nancy H. Buchanan, conveyed to W. P. Buchanan, D. J. Buchanan, B. F. Buchanan, and J. D. Buchanan, equally and jointly, and as the heirs of Patrick Buchanan and James H. Buchanan. References is further made to the Deed dated May 22, 1928, recorded in Deed Book 62, at Page 113, between Edward w. Buchanan, et ux., and W. P. Buchanan, D. J. Buchanan, B. G. Buchanan and J. D. Buchanan, in regard to an overlap of the two (2) properties.

Regardless of the source of title, it is the intention of this Deed to convey to the Grantee all of the real estate conveyed to Ruth B. Mai by Deed dated November 28, 1977, by and between R. Crocket Gwyn, Jr., and A. A. Campbell, special commissioners by virtue of a certain chancery cause filed in the Circuit Court of Smyth County styled William P. Buchanan, Jr., et al., vs. Ruth B. Mai. The Grantor hereby conveys to the Grantee such rights of way, roadways and easements for ingress and egress to the property as he may have and may have derived by virtue of the hereinbefore described Deed from R. Crockett Gwyn, Jr., and A. A. Campbell, special commissioners, but the Grantor does not warrant ownership of any such rights of way, roadbeds or easements.

Gene L. Morehead accepted and reserved unto himself, his heirs and assigns, an undivided one-fourth (1/4) interest in and to all of the oil, gas and other minerals, in and on and under the above-described tract of land being conveyed herein, which one-fourth (1/4) interest being in addition to and cumulative of that undivided interest in the mineral estate in said tract which is theretofore been accepted and reserved by prior grantors and predecessors entitled thereto and as stated herein.

BK0520 PG285

Donna R. Morehead quit claimed to Jerry W. Morehead any interest she may have in and to the aforesaid property, which Quit Claim Deed bears date of October 5, 1998, and is to be recorded prior to this Deed.

TRACT 2: Being that certain tract or parcel of land lying and being in Rich Valley District, Smyth County, Virginia, and being the same property conveyed to Jerry W. Morehead by Edward L. Harris et ux by Deed dated July 23, 1979, and of record in the Circuit Court Clerk's office of Smyth County, Virginia, at Deed Book 305, Page 709.

WARRANTIES:

The party of the first part hereto does hereby convey Tract 1 by Special Warranty to party of the second part. The party of the first part hereto does hereby convey Tract 2 by General Warranty to the party of the second part. The party of the first part does hereby specially covenant that Tract 2 has access to public roads and Tract 1 is adjacent to Tract 2.

The party of the first part does hereby specially covenant and warrant that he has good title to all timber and lumber on the property herein conveyed, which timber and lumber is hereby sold and conveyed to the party of the second part.

Subject to any and all easements, restrictions, reservations, and rights-of-way affecting said property.

Together with all and singular the buildings and improvements thereon, the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining.

The party of the third part joins in the execution of this Deed in order to quit claim and specifically release unto the party of the second part any contingent interest she may have in and to all the aforesaid property by virtue of the fact she is the wife of Jerry W. Morehead, the part of the first part.

BK0520 PG286

WITNESS THE FOLLOWING SIGNATURE AND SEAL:

Jerry W. Morehead (SEAL)
Jerry W. Morehead

Connie L. Morehead (SEAL)
Connie L. Morehead

STATE OF MISSOURI

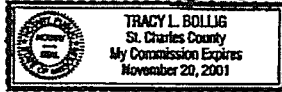
COUNTY OF ST. CHARLES, to-wit:

I, Tracy L. Bollig, a notary public in and for the County and State aforesaid do hereby certify that Jerry W. Morehead whose name is signed to the foregoing writing bearing dated of the 11th day of November, 1998, has acknowledged the same before me in the County and State aforesaid.

Given under my hand and seal this the 11th day of November, 1998.

Tracy L. Bollig
Notary Public

My Commission Expires:



STATE OF MISSOURI

COUNTY OF ST. CHARLES, to-wit:

I, Tracy L. Bollig, a notary public in and for the County and State aforesaid do hereby certify that Connie L. Morehead whose name is signed to the foregoing writing bearing dated of the 11th day of November, 1998, has acknowledged the same before me in the County and State aforesaid.

Given under my hand and seal this the 11th day of November, 1998.

Tracy L. Bollig
Notary Public

My Commission Expires:



1051408

INSTRUMENT #980004188
RECORDED IN THE CLERK'S OFFICE OF
Notary Public
NOVEMBER 16, 1998 AT 10:50AM
\$270.00 GRANTOR TAX WAS PAID AS
REQUIRE BY SEC 58.1-802 OF THE VA. CODE
\$135.00 LOCAL: \$135.00
JIMMY L. WARREN, CLERK

BY: Connie L. Morehead doc
(86)

BK0520 PG281

THIS QUIT CLAIM DEED MADE THIS 5TH DAY OF OCTOBER, 1998, by and between DONNA R. MOREHEAD, wife of Gene L. Morehead, Grantor, party of the first part and JERRY W. MOREHEAD, Grantee, party of the second part;

: W I T N E S S E T H :

THAT FOR AND IN CONSIDERATION OF THE SUM OF TEN DOLLARS (\$10), cash in hand paid, which consideration the grantor herein does hereby acknowledge to be good and sufficient, the receipt of which is hereby acknowledged, the party of the first part does hereby QUIT CLAIM unto the said party of the second part any right, title, or interest she may have in and to that certain tract or parcel of land lying and being in Rich Valley District, Smyth County, Virginia, and described as follows:

That certain tract or parcel of land shown to contain approximately 800 acres lying and being in Rich Valley District, Smyth County, Virginia, and shown on a map or plat of record in the Circuit Court Clerk's Office of Smyth County, Virginia, at Slide 273, Page 16.

Tract 1 is the same tract or parcel of land conveyed by Ruth B. Mai et vir to Gene L. Morehead and Jerry W. Morehead by deed dated December 12, 1977, and of record in the Circuit Court Clerk's Office of Smyth County, Virginia, at Deed Book 290, page 707.

LAW OFFICE OF
MICHAEL E. UNTIEDT
SMYTH COUNTY MUTUAL INSURANCE BUILDING
101 EAST MAIN STREET
P.O. BOX 668
MARION, VA 24354
(540) 783-6193
(540) 783-6194 FAX

BK0520 PG282

Gene L. Morehead conveyed his interest in the property to Jerry W. Morehead by deed dated February 15, 1985, which deed is of record at Deed Book 354, Page 586.

Subject to any and all easements, restrictions, reservations, and rights of way affecting said property.

Together with all and singular the buildings and improvements thereon, the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining.

WITNESS THE FOLLOWING SIGNATURE AND SEAL:

Donna R. Morehead (SEAL)
Donna R. Morehead

STATE OF Georgia
COUNTY OF Winneba, to-wit:

I, Bernice Ballant, a notary public in and for the County and State aforesaid do hereby certify that Donna R. Morehead whose name is signed to the foregoing writing bearing date of the 5th day of October, 1998, has acknowledged the same before me in my County and State aforesaid.

Given under my hand and seal this the 5th day of October, 1998.

Notary Public, Winneba County, Georgia
My Commission Expires Oct. 16, 1999

My Commission Expires:

Bernice Ballant
Notary Public

AFTER RECORDING THIS DOCUMENT SHOULD BE MAILED TO:

INSTRUMENT #980004187
RECORDED IN THE CLERK'S OFFICE OF
SMYTH ON
NOVEMBER 16, 1998 AT 10:31AM
JIMMY L. WARREN, CLERK

BY: James H. Thomas ^{goc} (DEC)
J. M. Lu

STATE OF VIRGINIA	I	
NORTH FORK MAGISTERIAL DISTRICT	I	SPECIAL
COUNTY OF SMYTH	I	WARRANTY DEED
	I	

FOR AND IN CONSIDERATION of the sum of Ten Dollars (\$10.00), cash in hand paid, and other good and valuable considerations, the receipt of which is hereby acknowledged, I, GENE L. MOREHEAD, do hereby grant, bargain, sell, convey and warrant specially my undivided one-half (1/2) interest and title unto JERRY W. MOREHEAD, the following described property together with all the appurtenances and improvements thereunto belonging, lying and being situated in the North Fork Magisterial District of Smyth County, Virginia, and being more particularly described as follows, to-wit:

Lying on the south side of Brushy Mountain above Locust Cove near the old Wythe-Washington County Lines and described as bounded on the east by the properties now or formerly owned by Charles Pruitt and Joe Harris; on the south by the properties now or formerly owned by Helen Webb, Edward Lee Harris, Armstrong, Rupart, and Lamie; and on the west by the Raymond Holmes farm; and on the north by the top of Brushy Mountain.

The exact acreage of the premises herein conveyed is unknown, but it is said to contain between 500 and 800 acres, or more acres, being assessed in the Commissioner's Office of Smyth County as 800 in two tracts, but the grantor does not covenant the amount of acreage herein conveyed and there is to be no liability on the Grantee should the acreage exceed the estimates set forth above.

The property hereby conveyed is in two adjacent tracts, the easternmost tract being owned jointly by the heirs or devisees of W. P. Buchanan, D. J. Buchanan, and E. W. Buchanan, and the westernmost tract by the heirs or devisees of W. P. Buchanan, D. J. Buchanan, B. F. Buchanan, and J. D. Buchanan, and was derived by them through many conveyances or devises from Israel Hator Buchanan in his Last Will And Testament probated November 21, 1898, and recorded in Will Book 7, at Page 417, in which he devised land to his three sons, W. P. Buchanan, D. J. Buchanan, E. W. Buchanan, equally and jointly, and by Deed

dated July 26, 1912, recorded in Deed Book 37, at Page 342, in which W. H. Buchanan, executor of Nancy H. Buchanan, conveyed to W. P. Buchanan, D. J. Buchanan, B. F. Buchanan, and J. D. Buchanan, equally and jointly, and as the heirs of Patrick Buchanan and James H. Buchanan. Reference is further made to the Deed dated May 22, 1928, recorded in Deed Book 62, at Page 113, between Edward W. Buchanan, et ux., and W. P. Buchanan, D. J. Buchanan, B. G. Buchanan and J. D. Buchanan, in regard to an overlap of the two (2) properties.

Regardless of the source of title, it is the intention of this Deed to convey to the Grantee all of the real estate conveyed to Ruth B. Mai by Deed dated November 28, 1977, by and between R. Crockett Gwyn, Jr., and A. A. Campbell, special commissioners by virtue of a certain chancery cause filed in the Circuit Court of Smyth County styled William P. Buchanan, Jr., et al., vs. Ruth B. Mai. The Grantor hereby conveys to the Grantee such rights of way, roadways and easements for ingress and egress to the property as he may have and may have derived by virtue of the hereinbefore described Deed from R. Crockett Gwyn, Jr., and A. A. Campbell, special commissioners, but the Grantor does not warrant ownership of any such rights of way, roadbeds or easements.

This conveyance is subject to that certain reservation set out in the Deed to the Grantor, Gene L. Morehead, and to his predecessor in title, Ruth B. Mai, through the Chancery Court Action referred to in the paragraph above which reserved unto the parties of said Chancery Cause, their heirs and assigns, a one-half (1/2) undivided interest in all minerals, gas and oil and mining rights on the premises hereby conveyed for a period of ten (10) years from the date of the earlier deed dated November 28, 1977. This reservation shall not include the right to disturb the surface of the land for any purpose other than to open shafts for mines or ventilation together with a reasonable right of ingress and egress and for mining, but specifically excluding the right to surface mine, strip mine or engage in any other type of mining extraction which disturbs the surface, without the prior written consent of Ruth B. Mai and the Grantor herein. This reservation of mineral rights does not include a reservation of any timber or lumber.

TO HAVE AND TO HOLD, unto the Grantee, his heirs and assigns, forever in fee-simple. It is the intention of the

Grantor to EXCEPT AND RESERVE unto himself, his heirs and assigns an undivided one-fourth (1/4) interest in and to all of the oil, gas and other minerals, in and on and under the above described tract of land being conveyed herein, which one-fourth (1/4) interest being in addition to and cumulative of that undivided interest in the mineral estate in said tract which has theretofore been excepted and reserved by prior Grantors or predecessors in title thereto and as stated herein.

WITNESS my signature on this, the 15 day of February, A. D., 1985.

Gene L. Morehead
GENE L. MOREHEAD

STATE OF MISSISSIPPI I
 I
COUNTY OF FORREST I

PERSONALLY came and appeared before me, the undersigned authority in and for said County and State, GENE L. MOREHEAD, who acknowledged that he signed, executed and delivered the above and foregoing instrument on the day and year therein mentioned as his voluntary act and deed.

GIVEN under my hand and seal on this, the 15th day of February, A. D., 1985.

Bitte N. Zell
NOTARY PUBLIC

My Commission Expires: MY COMMISSION EXPIRES AUGUST 27, 1985

Wherein is the true and correct copy of said instrument as shown to the undersigned on this Sunday day of July, 1985, the foregoing being the correct and true copy of the original, admitted to record of 11:15 o'clock PM, after payment of \$ 20 tax imposed by Sec. 20-54 (2).

J. Williams
Notary Public

STATE OF VIRGINIA

X

NORTH FORK MAGISTERIAL DISTRICT

X

SPECIAL
WARRANTY DEED

COUNTY OF SMYTH

X

X

FOR AND IN CONSIDERATION of the sum of Ten Dollars (\$10.00), cash in hand paid, and other good and valuable considerations, the receipt of which is hereby acknowledged, we, the undersigned, RUTH B. MAI and HERBERT K. MAI, do hereby grant, bargain, sell, convey and warrant specially unto GENE L. MOREHEAD and JERRY W. MOREHEAD, as tenants in common, the following described property together with all the appurtenances and improvements thereunto belonging, lying and being situated in the North Fork Magisterial District of Smyth County, Virginia, and being more particularly described as follows, to-wit:

Lying on the south side of Brushy Mountain above Locust Cove near the old Wythe-Washington County Lines and described as bounded on the east by the properties now or formerly owned by Charles Pruitt and Joe Harris; on the south by the properties now or formerly owned by Helen Webb, Edward Lee Harris, Armstrong, Rupart, and Lamie; and on the west by the Raymond Holmes farm; and on the north by the top of Brushy Mountain.

The exact acreage of the premises herein conveyed is unknown, but it is said to contain between 500 and 800 acres, or more acres, being assessed in the Commissioner's Office of Smyth County as 800 in two tracts, but the grantors do not covenant the amount of acreage herein conveyed and there is to be no liability on the Grantees should the acreage exceed the estimates set forth above.

The property hereby conveyed is in two adjacent tracts, the easternmost tract being owned jointly by the heirs or devisees of W. P. Buchanan, D. J. Buchanan, and E. W. Buchanan, and the westernmost tract by the heirs or devisees of W. P. Buchanan, D. J. Buchanan, B. F. Buchanan, and J. D. Buchanan, and was derived by them through many conveyances or devises from Israel Hator Buchanan in his Last Will And Testament probated November 21, 1898, and recorded in Will Book 7, at Page 417, in which he devised land to his three sons, W. P. Buchanan, D. J. Buchanan, E. W. Buchanan, equally and jointly, and by Deed

dated July 26, 1912, recorded in Deed Book 37, at Page 342, in which W. H. Buchanan, executor of Nancy H. Buchanan, conveyed to W. P. Buchanan, D. J. Buchanan, B. F. Buchanan, and J. D. Buchanan, equally and jointly, and as the heirs of Patrick Buchanan and James H. Buchanan. Reference is further made to the Deed dated May 22, 1928, recorded in Deed Book 62 at Page 113, between Edward W. Buchanan, et ux, and W. P. Buchanan, D. J. Buchanan, B. G. Buchanan, and J. D. Buchanan, in regard to an overlap of the two properties.

Regardless of the source of title, it is the intention of this Deed to convey to the grantees all the real estate conveyed to Ruth B. Mai by Deed dated November 28, 1977, by and between R. Crocket Gwyn, Jr., and A. A. Campbell, special commissioners by virtue of a certain chancery cause filed in the Circuit Court of Smyth County styled William P. Buchanan, Jr., et al, vs. Ruth B. Mai. The grantors hereby convey to the Grantees such rights of way, roadways and easements for ingress and egress to the property as they may have and may have derived by virtue of the hereinbefore described Deed from R. Crockett Gwyn, Jr., and A. A. Campbell, special commissioners, but the Grantors do not warrant ownership of any such rights of way, roadbeds, or easements.

This conveyance is subject to that certain reservation described in the Deed to the Grantor, Ruth B. Mai, referred to in the paragraph above reserving unto the parties of said Chancery Cause, their heirs and assigns, a one-half undivided interest in all minerals, gas and oil and mining rights on the premises hereby conveyed for a period of ten years from the date of this deed. This reservation shall not include the right to disturb the surface of the land for any purpose other than to open shafts for mines or ventilation together with a reasonable right of ingress and egress and for mining, but specifically excluding the right to surface mine, strip mine or engage in any other type of mining extraction which disturbs the surface, without the prior written consent of the grantee. This reservation of mineral rights does not include a reservation of any timber or lumber.

TO HAVE AND TO HOLD, unto the Grantees, their heirs, and assigns, forever in fee-simple as tenants in common.

It is the intention of the Grantors to convey all right, title and interest to the oil, gas and other minerals in on and under the lands being conveyed hereby subject to the reservation contained herein.

WITNESS our signatures on this, the 12th day of Dec, A.D., 1977.

[Signature]
HERBERT K. MAI

[Signature]
RUTH B. MAI

STATE OF MISSISSIPPI X
COUNTY OF Franklin X

Personally appeared before me, the undersigned authority in and for said County and State, HERBERT K. MAI and RUTH B. MAI who acknowledged that they signed, executed and delivered the above and foregoing instrument on the day and year therein mentioned as their voluntary act and deed.

GIVEN under my hand and seal on this, the 12th day of Dec, A.D., 1977.

[Signature]
NOTARY PUBLIC

My Commission Expires: _____

Notary Public in and for the State of Mississippi
I, [Signature], Notary Public in and for the State of Mississippi, do hereby certify that the foregoing instrument was duly executed and delivered by the parties thereto on the day and year therein mentioned.
Witness my hand and seal at [Location], Mississippi, this 12th day of Dec, 1977.
Teste: [Signature]

BOOK 290 PAGE 609

THIS DEED, made and entered into this 28th day of November, 1977, by and between R. Crockett Gwyn, Jr. and A. A. Campbell, Special Commissioners, parties of the first part; and Ruth B. Mai, party of the second part.

WITNESSETH:

THAT WHEREAS, the undersigned, R. Crockett Gwyn and A. A. Campbell, were appointed Special Commissioners in that certain chancery cause for partition styled William P. Buchanan, Jr., et al, vs. Ruth B. Mai by the Circuit Court of Smyth County for the purpose of executing this deed.

NOW, THEREFORE, WITNESSETH, that for and in consideration of the sum of Fifty Thousand Dollars (\$50,000.00), cash in hand paid, the receipt of which is hereby acknowledged, the parties of the first part do grant, bargain, sell and convey unto the party of the second part with special warranty of title, all of the following described real estate together with all appurtenances and improvements thereto belonging, situated in the North Fork Magisterial District of Smyth County, Virginia, and more particularly described as follows, to-wit:

Lying on the south side of Brushy Mountain above Locust Cove near the old Wythe-Washington County lines and described as bounded on the east by the properties now or formerly owned by Charles Pruitt and Joe Harris; on the south by the properties now or formerly owned by Helen Webb, Edward Lee Harris, Armstrong, Rupard, and Lamie; and on the west by the Raymond Holmes farm; and on the north by the top of Brushy Mountain.

The exact acreage of the premises herein conveyed is unknown, but it is said to contain between 500 and 800 acres or more acres. It is assessed in the Commissioner's Office of Smyth County as 800 acres in two tracts. The grantors do not covenant the amount of acreage hereby conveyed and there is to be no liability on the grantee should the acreage exceed the estimates set forth above.

BOOK 290 AND 610

The property hereby conveyed is in two adjacent tracts, the east-most tract being owned jointly by the heirs or devisees of W. P. Buchanan, D. J. Buchanan, and E. W. Buchanan, and the west-most tract by the heirs or devisees of W. P. Buchanan, D. J. Buchanan, B. F. Buchanan, and J. D. Buchanan, and was derived by them through mean conveyances or devises from Israel Haytor Buchanan in his will probated November 21, 1898, recorded in Will Book 7, Page 417, in which he devised his lands to his three sons, W. P. Buchanan, D. J. Buchanan, and E. W. Buchanan, equally and jointly, and by Deed dated July 26, 1912, recorded in Deed Book 37, Page 342, in which W. H. Buchanan, Executor of Nancy H. Buchanan, conveyed to W. P. Buchanan, D. J. Buchanan, B. F. Buchanan, and J. D. Buchanan, equally and jointly, and as heirs of Patrick Buchanan and James H. Buchanan. Reference is further made to the Deed dated May 22, 1928, recorded in Deed Book 62, Page 113, between Edward W. Buchanan, Et ux, and W. P. Buchanan, D. J. Buchanan, B. G. Buchanan, and J. D. Buchanan, in regard to an overlap of the two properties.

Regardless of the source of title, it is the intention of this Deed to convey to the grantee all of the real estate jointly owned by the parties to said chancery cause on the south side of Brushy Mountain above Locust Cove.

The grantors hereby convey to the grantee such rights of ways, ^{as they may have} roadways and easements for ingress and egress to the property ^{WFO} but do not warrant ownership of any such rights of ways, roadways or easements.

The grantors herein reserve unto the parties to said chancery cause, their heirs or assigns, a one-half undivided interest in all the minerals, gas and oil and mining rights on the premises hereby conveyed for a period of ten years from the date of this deed. This reservation shall not include the right to disturb the surface of the land for any purpose other than to open shafts for mines or ventilation together with a reasonable right of ingress and egress and for mining, but specifically excluding the right to surface mine, strip mine or engage in any other type of mining extraction which disturbs the surface, without the prior written consent of the grantee. This reservation of mineral rights does not include a reservation of any timber or lumber.

BOOK 290 PAGE 611

W. P. Buchanan died intestate survived by W. P. Buchanan, Jr. his only child and heir at law.

E. W. Buchanan died intestate survived by four children: Ruth Buchanan Hlai, Elizabeth Buchanan Bookhardt, Edward W. Buchanan, Jr. and Rachel Buchanan Smith.

B. F. Buchanan died testate and in his will recorded in Will Book 11, Page 266, devised the residue of his estate equally and jointly to Josephine Buchanan, Eleanor Buchanan Starcher, Virginia Buchanan Denit, and David H. Buchanan. The said David H. Buchanan died testate and in his will left all of his property to his widow, Katherine P. Buchanan.

J. D. Buchanan, who is the same person as James David Buchanan, conveyed his interest herein by Deed dated August 24, 1948, recorded in Deed Book 104, Page 486, to Josephine Buchanan and Eleanor Buchanan Starcher.

D. J. Buchanan died testate leaving a will probated November 27, 1937, recorded in Will Book 13, Page 265, which Will was interpreted and his devisees determined by the Circuit Court of Smyth County by decree entered on February 20, 1970, in that suit styled Laura Mae Carlisle vs. Robert Porterfield which is of record in the Clerk's Office of Smyth County in Common Law Order Book 21, Page 114, all of whom are parties to the chancery cause, except L. B. Porterfield who died leaving as his only heir a daughter, Eleanor Porterfield Jenkins, and except Laura Mae Carlisle who died leaving a will of record in the Clerk's Office of Wythe County in which she devised her interest in the property hereby conveyed to her daughter, Elizabeth Carlisle Jones and her granddaughters, Hallett J. Worrell, Laura J. Hill and Susan J. Bell, the said Elizabeth Carlisle Jones having died leaving a will of record in the Clerk's Office of Wythe County in which she left her interest herein to her daughters, Hallett J. Worrell, Laura J. Hill and Susan J. Bell, with her husband, Thomas E. Jones, as Executor and Trustee with power to sell real estate, and except Robert Porterfield who died leaving a will, of record in the Clerk's Office of Washington County leaving the residue of his estate to Mary Dudley Porterfield, and except Robert Boyd Huffard who died survived by his wife,

Grace Thompson Huffard, and no children, and except Elizabeth B. Huffard who died leaving a will in which she appointed R. A. Guy King as her Executor with power to sell her real estate.

Real estate taxes for the year 1977 will be paid by the grantors herein.

This deed has been exhibited to and approved by the Circuit Court of Smyth County and delivery thereof has been directed by said Court.

Witness the following signatures and seals:

R. Crockett Gwyn, Jr. (SEAL)
R. Crockett Gwyn, Jr., Special Commissioner

A. A. Campbell (SEAL)
A. A. Campbell, Special Commissioner

STATE OF VIRGINIA, *at large*
COUNTY OF SMYTH, To-Wit:

I, *W. C. Newberry*, a Notary Public in and for the State of Virginia, County of Smyth, do hereby certify that R. Crockett Gwyn, Jr. and A. A. Campbell, Special Commissioners, whose names are signed to the foregoing instrument bearing date of November 28, 1977, have this day personally appeared before me in my County and State aforesaid and acknowledged the same.

Given under my hand this the 28th day of November, 1977.

My commission expires *8-3-81*.

W. C. Newberry
Notary Public

VIRGINIA: In the Clerk's Office of the Circuit Court of Smyth County this *19* day of *Dec.* 19*77*, the foregoing writing was presented and by the Court approved, admitted to record at *12:05* o'clock *P.* M. after payment of *50.00* fee imposed by Sec. 58-54 (b)
Weste: *Francis L. Warren* Dep. Clerk.
Jimmy L. Warren, Clerk