

**ROCKINGHAM COUNTY**  
**Chaz W. Evans-Haywood**  
**CLERK OF COURT**  
**Harrisonburg, VA 22801**



60 2011 00004963

**Instrument Number:** 2011-00004963

As

**Recorded On:** February 23, 2011

**Trustee's Deed**

**Parties:** PRESTON LAKE HOMES LLC

To

REDUS VA HOUSING LLC

**Recorded By:** BEALE DAVIDSON ETHERINGTON & MORRIS PC

**Num Of Pages:** 11

**Comment:** PARCEL CENTRAL

**\*\* Examined and Charged as Follows: \*\***

|                                |                  |                      |         |                        |                                    |
|--------------------------------|------------------|----------------------|---------|------------------------|------------------------------------|
| Trustee's Deed                 | 6.50             | 10 or Fewer Pages    | 14.50   | Deed Processing Fee    | 20.00                              |
| Open Space Preservation County | 1.00             | Transfer Fee County  | 1.00    |                        |                                    |
| <b>Recording Charge:</b>       | <b>43.00</b>     |                      |         |                        |                                    |
|                                |                  | Consideration Amount | RS#/CS# |                        |                                    |
| Transfer Tax Grantee           | 15,100.00        | 4,530,000.00         |         | State Grantor Tax      | 0.00 214 Grantee City Tax 0.00     |
|                                |                  |                      |         | State Grantee Tax      | 11,325.00 220 Grantor County 0.00  |
|                                |                  |                      |         | 213 Grantee County Ta: | 3,775.00 223 Grantor City 0.00     |
| Transfer Tax Grantor           | 4,530.00         | 4,530,000.00         |         | State Grantor Tax      | 2,265.00 214 Grantee City Tax 0.00 |
|                                |                  |                      |         | State Grantee Tax      | 0.00 220 Grantor County 2,265.00   |
|                                |                  |                      |         | 213 Grantee County Ta: | 0.00 223 Grantor City 0.00         |
| <b>Tax Charge:</b>             | <b>19,630.00</b> |                      |         |                        |                                    |

**\*\* THIS PAGE IS PART OF THE INSTRUMENT \*\***

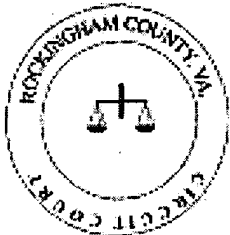
I hereby certify that the within and foregoing was recorded in the Register of Deeds Office For ROCKINGHAM COUNTY, VA

**File Information:**

**Record and Return To:**

Document Number: 2011-00004963  
 Receipt Number: 193548  
 Recorded Date/Time: February 23, 2011 03:01:42P  
 Book-Vol/Pg: Bk-OR VI-3842 Pg-329  
 Cashier / Station: A Pittman / Cash Station 3

BEALE DAVIDSON ETHERINGTON & MORRIS PC  
 701 E FRANKLIN STREET  
 SUITE 1200  
 RICHMOND VA 23219



THE STATE OF VIRGINIA }  
 COUNTY OF ROCKINGHAM }

I certify that the document to which this authentication is affixed is a true copy of a record in the Rockingham County Circuit Court Clerk's Office and that I am the custodian of that record.

*[Signature]*  
 Clerk of Court

CLERK OF COURT  
 ROCKINGHAM COUNTY, VIRGINIA

Feb 23, 2011

Parcel Numbers: See Exhibit B attached hereto

PREPARED BY:  
William K. Lewis, Esquire  
701 E. Franklin Street, Suite 1200  
Richmond, Virginia 23219

Title Insurance Provided By: Old Republic National Title Insurance Company

**SUBSTITUTE TRUSTEE'S DEED AND TRANSFER OF DECLARANT'S RIGHTS**

GRANTOR: WILLIAM K. LEWIS, SUBSTITUTE TRUSTEE

GRANTEE: REDUS VA HOUSING, LLC,  
A DELAWARE LIMITED LIABILITY COMPANY

GRANTEE'S ADDRESS: REDUS VA HOUSING, LLC  
c/o Wells Fargo Bank, National Association  
Attn.: Other Real Estate Owned Department/Chris Williard  
3563 Philips Highway, Suite 601E  
MAC 73058-060  
Jacksonville, FL 32207

APPRAISED VALUE: \$4,530,000.00

CONSIDERATION: \$3,500,000.00

PROPERTY: 124.693 ± acres,  
ROCKINGHAM COUNTY, VIRGINIA

## **SUBSTITUTE TRUSTEE'S DEED AND TRANSFER OF DECLARANT'S RIGHTS**

THIS IS A SUBSTITUTE TRUSTEE'S DEED AND TRANSFER OF DECLARANT'S RIGHTS (this "Deed") dated as of February 3, 2011, by WILLIAM K. LEWIS, SUBSTITUTE TRUSTEE ("Trustee"), to REDUS VA HOUSING, LLC, a Delaware limited liability company ("Grantee"), and PRESTON LAKE HOMES, LLC, a Virginia limited liability company ("Owner"), grantor for indexing purposes.

By Deed of Trust, Assignment of Rents and Security Agreement from Owner to TRSTE, Inc., a Virginia corporation (the "Original Trustee"), dated July 10, 2006, recorded July 10, 2006, in the Clerk's Office of the Circuit Court of Rockingham County, Virginia (the "Clerk's Office"), in Deed Book 2898, page 707, as amended by First Modification Agreement to Credit Line Deed of Trust dated January 10, 2007, recorded January 11, 2007, in the Clerk's Office in Deed Book 3018, page 362, the real estate described in Exhibit A attached hereto and incorporated herein by this reference (the "Real Estate"), together with certain other real property, was conveyed to the Original Trustee to secure the payment of a (i) Promissory Note payable to Wachovia Bank, National Association, a national banking association ("Wachovia"), in the original principal sum of \$10,500,000.00 and (ii) a Promissory Note payable to Wachovia in the original principal sum of \$10,000,000.00 (the "Notes").

By Appointment of Substitute Trustee recorded in the Clerk's Office on December 16, 2009, in Deed Book 3637, page 243, Wachovia appointed William K. Lewis and Sam T. Beale, Substitute Trustees, either of whom may act, with full power to act under the Deed of Trust.

There was a default in the payment of the indebtedness evidenced by the Notes and Wells Fargo Bank, National Association, a national banking association, successor by merger to Wachovia

(“Noteholder”), as the sole owner and legal holder of the Notes and the beneficiary under the Deed of Trust, directed Trustee to collect the indebtedness in full or sell the Real Estate at public auction. Trustee, in accordance with the provisions of the Deed of Trust and applicable law, gave notice of the time, place and terms of sale by advertisement in the *Daily News-Record*, a newspaper of general circulation in Rockingham County, Virginia, on January 19, 20 and 21, 2011, and offered the Real Estate for sale at public auction on February 3, 2011, at 12:00 o’clock noon at the entrance to the Rockingham County Circuit Court located at Court Square, Harrisonburg, Virginia 22801.

At the sale, Noteholder became the purchaser of the Real Estate with a credit bid of \$3,500,000.00, such bid being the highest bid received, and thereafter assigned its right to purchase the Real Estate to Grantee, its wholly-owned subsidiary.

The Real Estate is subject to the provisions of the Amended and Restated Declaration of Preston Lake dated as of June 22, 2007, recorded July 18, 2007, in the Clerk’s Office in Deed Book 3146, page 510 (the “Declaration”), and Owner is the “declarant” under such Declaration. Pursuant to Section 5.2 of the Declaration, Grantee, who is not an affiliate of Owner, desires to succeed to all of the special declarant rights reserved to Owner, as declarant, under the Declaration (the “Special Declarant Rights”) and, except as otherwise specifically set forth herein, to hold such Special Declarant Rights solely for transfer to another party. Accordingly, Grantee has asked Owner to transfer the Special Declarant Rights to Grantee and Owner has agreed to do so. Capitalized terms not otherwise defined herein shall have the meanings given them in the Declaration.

ACCORDINGLY, in consideration of the credit bid of \$3,500,000.00, the receipt of which is hereby acknowledged, Trustee grants, bargains, sells and conveys to Grantee, with Special Warranty, the Real Estate.

Owner hereby transfers to Grantee all of the Special Declarant Rights, and, except as otherwise specifically set forth herein, Grantee shall hold the Special Declarant Rights solely for transfer to another party acquiring title to any portion of the Real Estate, or until recording an instrument permitting the exercise of such Special Declarant Rights. Grantee may not exercise any of the Special Declarant Rights other than the rights reserved by the Declarant under the Declaration, (i) to exercise the rights and votes of the Class B Owner; (ii) to remove and replace any director elected by the Class B Owner until the meeting at which the Class A Owners are entitled to elect a majority of the directors; (iii) to make unilateral amendments to the Association Documents, as provided in Sections 4.1 and 15.1 of the Declaration; (iv) to remove and replace any director appointed by the Declarant, pursuant to Article 5 of the Articles of Incorporation of the Association; and (v) to modify the Proffers. Grantee, by its execution, acceptance and recordation of this Deed, declares its intention to hold the Special Declarant Rights as aforesaid. Owner hereby acknowledges and agrees that its rights as the Declarant under the Declaration shall cease as of the date of this Deed.

This conveyance is made subject to all easements, conditions, restrictions, liens, leases, and agreements applicable to the Real Estate, if any, having priority over the Deed of Trust.

[SIGNATURES APPEAR ON NEXT THREE PAGES]

*William K. Lewis*

William K. Lewis, Substitute Trustee

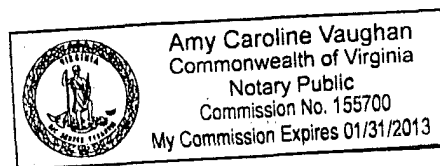
COMMONWEALTH OF VIRGINIA  
CITY OF RICHMOND, to wit:

The foregoing instrument was acknowledged in my presence this 22<sup>nd</sup> day of February, 2011, by William K. Lewis, Substitute Trustee, who is personally known to me.

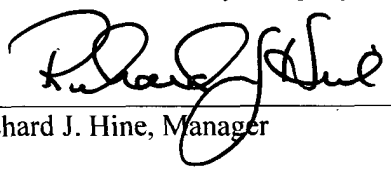
*Amy C. Vaughan*

Notary Public

My Commission Expires:  
Registration Number:

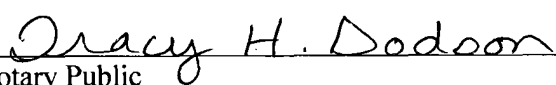


PRESTON LAKE HOMES, LLC,  
a Virginia limited liability company

By:   
Richard J. Hine, Manager

COMMONWEALTH OF VIRGINIA  
CITY/COUNTY OF Rockingham, to wit:

The foregoing instrument was acknowledged in my presence this 21<sup>st</sup> day of February, 2011, by Richard J. Hine, who is personally known to me and is Manager of Preston Lake Homes, LLC, a Virginia limited liability company.

  
Notary Public

My Commission Expires: 07/31/2011  
Registration Number: 7135518

TRACY H. DODSON  
NOTARY ID # 7135518  
NOTARY PUBLIC  
COMMONWEALTH OF VIRGINIA  
MY COMMISSION EXPIRES JULY 31, 2011

REDUS VA HOUSING, LLC,  
a Delaware limited liability company  
By: REDUS Properties, Inc.,  
a Delaware corporation, its Sole Member

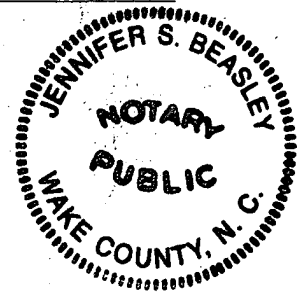
By: William Honaker  
William Honaker, Vice President

STATE OF NORTH CAROLINA  
COUNTY OF Wake, to wit:

The foregoing instrument was acknowledged in my presence this 18<sup>th</sup> day of February, 2011, by William Honaker, who is personally known to me and is Vice President of REDUS Properties, Inc., a Delaware corporation, the sole member of REDUS VA Housing, LLC, a Delaware limited liability company.

Jennifer S. Beasley  
Notary Public

My Commission Expires: 2/26/2013  
Registration Number: N/A





### Exhibit A

ALL THAT certain tract or parcel of land containing 124.693 acres, more or less, located between Massanetta Springs Road (Rt. 687) and Boyers Road (Rt. 704), on the southwestern side of Spotswood Trail (Rt. 33), in Central District, Rockingham County, Virginia, and being shown on a boundary and division survey made by Hal T. Benner, L.S., dated May 5, 2006, recorded in the Clerk's Office of the Circuit Court of Rockingham County, Virginia (the "Clerk's Office") in Deed Book 2889, page 541, with a metes and bounds description as follows:

Beginning at a point on the southeastern side of Boyers Road, said point being located N 52°38'55" W 9.02 feet from a corner post, a corner with Massanetta Springs, LLC lands; thence crossing Boyers Road N 44°07'33" E 1091.53 feet to a found pipe, a corner with Tract 12, Archie J. Boyers lands and Lot 1, Alfred E. Boyers Subdivision, Section B; thence with said Lot 1 N 26°40'05" E 102.86 feet to a point; thence passing a found pin on line at 20.69 feet a corner of Lot 2 of said subdivision N 15°04'18" E 88.80 feet to a point; thence N 13°46'48" E 143.74 feet to a point in the southeast line of Lot 3 of said subdivision; thence crossing Boyers Road S 55°16'25" E 40.48 feet to a point on the southeastern side of Boyers Road; thence with the southeastern side of Boyers Road N 14°10'29" E 400.00 feet to an iron pin set, a corner with Sonifrank lands; thence with said lands, passing a metal corner post on line at 0.75 feet S 76°00'02" E 848.00 feet to a metal corner post; thence with TMC Harrisonburg LLC lands S 25°26'27" W 948.60 feet to a found pipe; thence S 53°24'37" E 957.20 feet to a corner post; thence N 34°47'42" E 241.09 feet to an iron pin set; thence through the 107 acre tract of land S 55°00'07" E 926.32 feet passing an iron pin set on line at 901.32 feet to a point in the middle of Massanetta Springs Road; thence with the middle of said road S 34°59'53" W 761.93 feet to a point; thence with a curve to the left with a radius of 2816.50 feet and an arc distance of 399.40 feet Long Chord S 30°56'08" W 399.07 feet to a point; thence S 26°52'23" W 678.54 feet to a point; thence with a curve to the right with a radius of 2238.96 feet and an arc distance of 78.15 feet Long Chord S 27°52'23" W 78.15 feet to a point; thence leaving the middle of the road and continuing with the lands dedicated to public use S 59°06'50" E 14.94 feet to a point; thence S 25°56'53" W 60.65 feet to a point; thence crossing Massanetta Springs Road and with Massanetta Springs, Inc. lands passing an iron pin set on line at 44.20 feet N 66°45'19" W 392.02 feet to a found iron pin; thence N 46°28'33" W 165.33 feet to a found iron pin; thence N 53°15'27" W 895.49 feet to a corner post; thence continuing with Lambert N 19°48'46" E 357.26 feet to a found pipe; thence with Massanetta Springs LLC lands N 19°42'41" E 296.40 feet to an iron pin set; thence to the beginning.

TOGETHER WITH a sewer easement dated April 6, 1995, from The Synod of the Mid-Atlantic of the Presbyterian Church, recorded in the Clerk's Office of the Circuit Court of Rockingham County, Virginia, in Deed Book 1345, page 410 and by a corrected Deed of Easement dated September 2, 1997 from Massanetta Springs, Inc. (successor in title), for a permanent non-exclusive easement of right-of-way for the purpose of constructing, installing, inspecting, repairing and operating a sewer pipe line as being shown as "new 20' sanitary sewer easement" on a plat recorded in the Clerk's Office in Deed Book 1516, page 358.

LESS AND EXCEPT the Common Area of Village Green at Preston Lake containing 4.437 acres, the Common Area of Section 1 Preston Lake containing 14.585 acres, the area dedicated to Massanetta Springs Road containing 1.467 acres, and any land dedicated for Public Streets and easements, all of which are shown on Owner's Consent, Preston Lake Section 1 and Village Green recorded May 4, 2007, in the Clerk's Office in Deed Book 3095, page 163.

LESS AND EXCEPT, the Common Area of Preston Lake, Section 2 containing 0.220 acres, streets containing 1.357 acres in Preston Lake, Section 2, and any land dedicated for Public Streets and easements, all of which are shown on Owner's Consent, Preston Lake Section 2, recorded January 7, 2008, in the Clerk's Office in Deed book 3244, page 280.

LESS AND EXCEPT the Common Area of Preston Lake, Section 3 containing 0.3770 acres, streets containing 0.543 acres in Preston Lake, Section 3, and any land dedicated for Public Streets and easements, all of which are shown on Owner's Consent, Preston Lake Section 3, recorded June 12, 2008, in the Clerk's Office in Deed Book 3338, page 416.

LESS AND EXCEPT any Common Areas of Preston Lake, Section 1, Resubdivided, and any land dedicated for Public Street and easements, all of which are shown on Owner's Consent, Resubdivision of a Portion of Preston Lake Section 1, recorded August 13, 2008, in the Clerk's Office in Deed Book 3371, page 263.

LESS AND EXCEPT those portions of the parcel designated as (i) Lots 4A, 4B, 4C, 4D, 4E, 4F, 5A, 5B, 5C, 5D, 5E, 9A, 9B, 9C, 9D, 9E, 10A, 10B, 10C, 10D, 10E, 11A, 11B, 11C, 11D, 11E, 11F, 12A, 12B, 12C, 12D, 12E, 12F, 11, 14, 15, 17, 35 and 36, Section 1, Preston Lake; (ii) Lots 66, 70, 76, 79, 124 and 125, Section 2, Preston Lake; and (iii) Lots 88, 89 and 96, Section 3, Preston Lake.

BEING a portion of the real estate conveyed to Preston Lake Homes, LLC, a Virginia limited liability company by deed from Preston Heights Corp., a Virginia corporation, dated June 29, 2006, recorded July 10, 2006, in the Clerk's Office in Deed Book 2898, page 701.

**Exhibit B**

125A-(3)-L1A; 125A-(3)-L1B; 125A-(3)-L1C; 125A-(3)-L1D; 125A-(3)-L1E; 125A-(3)-L1F; 125A-(3)-L2A; 125A-(3)-L2B; 125A-(3)-L2C; 125A-(3)-L2D; 125A-(3)-L2E; 125A-(3)-L2F; 125A-(3)-L2G; 125A-(3)-L2H; 125A-(3)-L3A; 125A-(3)-L3B; 125A-(3)-L3C; 125A-(3)-L3D; 125A-(3)-L3E; 125A-(3)-L3F; 125A-(3)-L6A; 125A-(3)-L6B; 125A-(3)-L6C; 125A-(3)-L6D; 125A-(3)-L6E; 125A-(3)-L6F; 125A-(3)-L7A; 125A-(3)-L7B; 125A-(3)-L7C; 125A-(3)-L7D; 125A-(3)-L7E; 125A-(3)-L7F; 125A-(3)-L7G; 125A-(3)-L7H; 125A-(3)-L8A; 125A-(3)-L8B; 125A-(3)-L8C; 125A-(3)-L8D; 125A-(3)-L8E; 125A-(3)-L8F; 125A-(3)-L13A; 125A-(3)-L13B; 125A-(3)-L13C; 125A-(3)-L13D; 125A-(3)-L13E; 125A-(3)-L14A; 125A-(3)-L14B; 125A-(3)-L14C; 125A-(3)-L14D; 125A-(3)-L14E; 125A-(3)-L15A; 125A-(3)-L15B; 125A-(3)-L15C; 125A-(3)-L15D; 125A-(3)-L15E; 125A-(3)-L15F; 125A-(3)-L16A; 125A-(3)-L16B; 125A-(3)-L16C; 125A-(3)-L16D; 125A-(3)-L16E; 125A-(3)-L16F; 125A-(3)-L16G; 125A-(3)-L16H; 125A-(3)-L17A; 125A-(3)-L17B; 125A-(3)-L17C; 125A-(3)-L17D; 125A-(3)-L17E; 125A-(3)-L17F; 125A-(3)-L18A; 125A-(3)-L18B; 125A-(3)-L18C; 125A-(3)-L18D; 125A-(3)-L18E; 125A-(3)-L18F; 125A-(3)-L19A; 125A-(3)-L19B; 125A-(3)-L19C; 125A-(3)-L19D; 125A-(3)-L19E; 125A-(3)-L19F; 125A-(3)-L20A; 125A-(3)-L20B; 125A-(3)-L20C; 125A-(3)-L20D; 125A-(3)-L20E; 125A-(3)-L21A; 125A-(3)-L21B; 125A-(3)-L21C; 125A-(3)-L21D; 125A-(3)-L21E; 125A-(3)-L21F; 125A-(3)-L22A; 125A-(3)-L22B; 125A-(3)-L22C; 125A-(3)-L22D; 125A-(3)-L22E; 125A-(3)-L22F; 125A-(3)-L23A; 125A-(3)-L23B; 125A-(3)-L23C; 125A-(3)-L23D; 125A-(3)-L24A; 125A-(3)-L24B; 125A-(3)-L24C; 125A-(3)-L24D; 125A-(3)-L24E; 125A-(3)-L24F; 125A-(2)-L1; 125A-(2)-L2; 125A-(2)-L3; 125A-(2)-L4; 125A-(2)-L5; 125A-(2)-L6; 125A-(2)-L7; 125A-(2)-L8; 125A-(2)-L9; 125A-(2)-L10; 125A-(2)-L12; 125A-(2)-L13; 125A-(2)-L16; 125A-(2)-L18; 125A-(2)-L19; 125A-(2)-L20; 125A-(2)-L21; 125A-(2)-L22; 125A-(2)-L23; 125A-(2)-L24; 125A-(2)-L25; 125A-(2)-L26; 125A-(2)-L27; 125A-(2)-L28; 125A-(2)-L29; 125A-(2)-L30; 125A-(2)-L31; 125A-(2)-L32; 125A-(2)-L33; 125A-(2)-L34; 125A-(2)-L37; 125A-(2)-L38; 125A-(2)-L39; 125A-(2)-L40; 125A-(2)-L41; 125A-(2)-L42; 125A-(2)-L43; 125A-(2)-L44; 125A-(2)-L45; 125A-(2)-L46; 125A-(2)-L47; 125A-(2)-L48; 125A-(2)-L49; 125A-(2)-L50; 125A-(4)-L63; 125A-(4)-L64; 125A-(4)-L65; 125A-(4)-L67; 125A-(4)-L68; 125A-(4)-L69; 125A-(4)-L71; 125A-(4)-L72; 125A-(4)-L73; 125A-(4)-L74; 125A-(4)-L75; 125A-(4)-L77; 125A-(4)-L78; 125A-(4)-L80; 125A-(4)-L81; 125A-(4)-L82; 125A-(4)-L121; 125A-(4)-L122; 125A-(4)-L123; 125A-(5)-L51; 125A-(5)-L62; 125A-(5)-L83; 125A-(5)-L84; 125A-(5)-L85; 125A-(5)-L86; 125A-(5)-L87; 125A-(5)-L90; 125A-(5)-L91; 125A-(5)-L92; 125A-(5)-L93; 125A-(5)-L94; 125A-(5)-L95; 125A-(5)-L97; 125A-(5)-L98; 125A-(5)-L99; 125A-(5)-L126; 125A-(5)-L127; 125A-(5)-L128; 125A-(18)-L2