

MAIL TO: Robert N. Porter - Box

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NORTH CAROLINA, Forsyth COUNTY.

THIS INDENTURE, made and entered into this the 7th day of March, 1979, by and between

E & A CONSTRUCTION CO., INC., a Corporation

of Winston-Salem, Forsyth County, State of North Carolina, parties of the first

part, hereinafter called the Grantor(s), and SAMUEL M. BOOTH Trustee, of Forsyth County State of North Carolina, party of the second part, hereinafter called the Trustee, and The United Citizens Bank, a banking corporation organized and existing under the laws of the State of North Carolina, party of the third part, hereinafter called the Bank;

WITNESSETH, THAT WHEREAS, the Bank has agreed to lend to the Grantors and has earmarked for the benefit of the Grantors, the sum

of FIFTY THOUSAND AND NO/100----- Dollars (\$50,000.00),

to be advanced from time to time in installments as justified by progress of construction, for the purpose of constructing a building or buildings and other improvements (hereinafter referred to as Improvements) in accordance with the plans and specifications approved, or to be approved, by the Bank, on the premises hereinbelow described, the total amount of said loan being evidenced by the note of the Grantors of even date

herewith, payable on demand, or in any event not later than one year from date hereof, with interest payable as and at the rate specified in the note;

AND WHEREAS, the Grantors agree to accept any and all installments advanced by the Bank up to the full amount stated in said note, and the Grantors desire to secure the payment of said note with interest and any renewals or extension thereof, in whole or in part, by a conveyance of the property hereinafter described;

NOW, THEREFORE, in consideration of the premises and for the purposes aforesaid, and in further consideration of the sum of One Dollar (\$1) paid to the Grantors by the Trustee, receipt of which is hereby acknowledged, the Grantors have given, granted, bargained, and sold, and by these presents do give, grant, bargain, sell, and convey unto the said Trustee, his heirs, successors, and assigns, the following described

lot or parcel of land lying and being in Clemmons Township, County of Forsyth and State of North Carolina, and more particularly described as follows:

BEING KNOWN AND DESIGNATED as Lot Number 238 as shown on the Map of Clemmons West, Section No. 5 as recorded in Plat Book 27, page 48 (2 sheets) in the Office of the Register of Deeds of Forsyth County, North Carolina, reference to which is hereby made for a more particular description.

TO HAVE AND TO HOLD, the said land and premises, including all houses, buildings, improvements, and fixtures thereon, with all the rights, privileges, and appurtenances thereto belonging or appertaining to the Trustee, his heirs, successors and assigns, upon the trusts and for the uses and purposes hereinafter set out;

THIS CONVEYANCE IS MADE UPON THIS SPECIAL TRUST, that if the Grantors shall pay the note secured hereby in accordance with its terms, together with interest thereon, and any renewals or extensions thereof in whole or in part, and shall comply with all the covenants, terms and conditions of this deed of trust, then this conveyance shall be null and void and may be cancelled of record at the request and at the cost of the Grantors. If, however, there shall be any default in any of the terms or conditions of the note secured hereby, or of the terms, conditions or covenants contained in this deed of trust, or in the event of actual or threatened demolition or injury or waste to the premises which may impair the value of the property hereby conveyed, or if a receiver should be appointed for, or a petition in bankruptcy filed by or against the Grantors, or either of them, then and in any of such events, the note shall, at the option of the Bank, become at once due and payable, regardless of the maturity date thereon, and on the application of the Bank it shall be lawful for and the duty of the Trustee, and he is hereby authorized and empowered to expose to sale and to sell the hereinbefore described premises and personal property, if any, at public sale for cash, after having first published notice of such sale, containing the information required by law, at least once a week for four consecutive weeks preceding such sale in a newspaper published in the county aforesaid, the last publication not more than seven days preceding the date of sale and upon such sale, the Trustee shall convey title to the purchaser in fee simple. After retaining five per cent (5%) of the proceeds of such sale as compensation to the Trustee and after retaining all expenses incurred by him, including reasonable attorney's fees for legal services actually performed, the Trustee shall apply the residue of the proceeds, first to the payment of all sums expended by the Bank under the terms of this deed of trust; second, to the payment of the note and interest thereon secured hereby, and the balance, if any, shall be paid to the parties entitled to same according to law. The Trustee may require the successful bidder at any sale to deposit immediately with the Trustee cash or certified check in an amount not to exceed twenty-five per cent (25%) of his bid, provided notice of such requirement is contained in the advertisement of the sale. The bid may be rejected if the deposit is not immediately made and thereupon the next highest bidder may be declared to be the purchaser. Such deposit shall be refunded in case a resale is had; otherwise it shall be applied to the purchase price. If personal property is sold hereunder, it need not be at the place of sale. The published notice, however, shall state the time and place where such property may be inspected prior to sale.

The Grantors covenant and agree that they will begin such construction not later than 19____; will continually

prosecute the work and will complete and pay for said Improvements on or before 19____; all in conformity with plans and specifications approved by the Bank. The Grantors represent that they have arranged to secure a loan of an amount sufficient to pay the total amount secured by this Deed of Trust. The Grantors will execute such papers and do such other things as may be necessary or required to secure said loan immediately after the Improvements have been completed and pay the Bank out of the proceeds of such loan the amount then secured by this Deed of Trust.

In the event of any default in any of the covenants or agreements contained in the paragraph next above, the Bank may, at its option, defer application by it to the Trustee to sell the premises and may take possession of the premises and all materials, tools, machinery and other equipment on the premises, or in possession of the Grantors, or being used in connection with the construction of the Improvements and, in the name of and for the account of the Grantors, may complete said Improvements, in accordance with the plans and specifications approved by the Bank, or in accordance with such change or changes in such plans and specifications as may be considered necessary or desirable by the Bank. For such purposes, the Bank may use any funds of the Grantors at any time in the hands of the Bank by deposit or otherwise, and any money advanced by the Bank for such purposes shall be payable upon demand, shall bear interest at the maximum legal rate per annum, and their payment shall be secured by this Deed of Trust. The Bank, however, shall be under no obligation to complete any of the Improvements but its action in this respect shall be wholly at its option.

The Grantors covenant and agree that they will pay when due all taxes, assessments, levies, and charges upon or against the property herein described, and will keep the improvements and the buildings now or hereafter on said premises insured against loss and damage by fire, tornado and windstorm, and against such other hazards as the Bank may require, including business interruption, in amounts satisfactory to the Bank, plus amounts sufficient to prevent any co-insurance liability of the owner of the property or the Bank, for the benefit of the Bank, loss, if any, to be made payable in the policy or policies of insurance to the Bank as its interest may appear, the loss payable clauses to be in such form as the Bank may require. All insurance shall be of such types as the Bank may, from time to time, require and shall be in companies approved by the Bank, and the policies and renewals thereof shall, when issued, be immediately delivered to the Bank to be held by it. The proceeds of, any insurance, or any part thereof, may be applied by the Bank, at its option, either to the reduction of the indebtedness hereby secured or to the restoration or repair of the property damaged.

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The Bank may, at its option, pay any insurance premiums, taxes, assessments, levies, or charges against the premises. In case such insurance premiums, taxes or other assessments, levies or charges shall be at any time paid by the Bank, the amounts so expended shall immediately become debts due by the Grantors, shall bear interest at the maximum legal rate per annum, and their payment shall be secured by this deed of trust.

The Bank shall have the right, after default, in any of the terms, covenants, or agreements herein contained, or contained in the aforesaid note, to the appointment of a receiver to collect the rents and profits from the premises hereinafter described without consideration of the value of the premises or the solvency of any person liable for the payment of the amounts then owing, and all amounts collected by the receiver shall, after expenses of the receivership, be applied to the payment of the indebtedness hereby secured, and the Bank, at its option, in lieu of the appointment of a receiver, shall have the right to do the same.

In case the Bank or the Trustee voluntarily or otherwise shall become a party to any suit or legal proceeding to protect the property herein conveyed or to protect the lien of this deed of trust, the Trustee and the Bank shall be saved harmless and shall be reimbursed by the Grantors for any amounts paid, including all reasonable costs, charges, and attorney's fees incurred in any such suit or proceeding, and the same shall be secured by this deed of trust and its payment enforced as if it were a part of the original debt.

The Bank shall at any time have the right to remove the Trustee herein named and to appoint his successor by an instrument in writing, duly acknowledged, in such form as to entitle such written instrument to record in this State, and in the event of the death or resignation of the Trustee herein named, the Bank shall have the right to appoint his successor by such written instrument, and any Trustee so appointed shall be vested with the title to the property hereinbefore described, and shall possess all the powers, duties, and obligations herein conferred on the Trustee in the same manner and to the same extent as though he were named herein as Trustee.

And the Grantors covenant with the Trustee that they are seized of said land and premises in fee and have the right to convey the same in fee simple; that the same are free and clear of all encumbrances, and that they will warrant and defend the title to the same against the lawful claims of all persons whomsoever.

The covenants, terms, and conditions herein contained shall bind, and the benefits and powers shall inure to the respective heirs, executors, administrators, successors, and assigns of the parties hereto. Whenever used herein, the singular number shall include the plural, the plural the singular, and the term "Bank" shall include any payee of the indebtedness hereby secured and any transferee or assignee thereof, whether by operation of law or otherwise.

IN WITNESS WHEREOF, the Grantor(s) has executed this Indenture the year and date first above written.

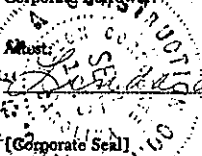
IN TESTIMONY WHEREOF, the said E & A CONSTRUCTION CO., INC. has caused

these presents to be signed by its _____ President, attested by its _____ Secretary and has caused its Common Seal to be affixed hereto the year and date first above written.

Individual Borrower:

_____(SEAL) _____(SEAL)
_____(SEAL) _____(SEAL)

Corporate Borrower:



Attest: L. Hemmick
Secretary

E & A CONSTRUCTION CO., INC.

[Name of corporation]

By: Robert H. Hemmick
President

NORTH CAROLINA, COUNTY OF Forsyth

I, Arthur S. Gross, a Notary Public of Forsyth County, N. C.,

do hereby certify that John L. Hemmick each personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and notarial seal, this 6th day of March, 1979

My commission expires: September 1, 1979

Arthur S. Gross
Notary Public

NORTH CAROLINA, COUNTY OF Forsyth

I, Arthur S. Gross, Notary Public of Forsyth County, N. C.,

certify that John L. Hemmick personally came before me this day and acknowledged that he is

Secretary of E & A CONSTRUCTION CO., INC.

a corporation, and that, by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its

President, Robert H. Hemmick, and attested by himself as its Secretary.

Witness my hand and notarial seal, this 8th day of March, 1979

My Commission expires: September 1, 1979

Arthur S. Gross
Notary Public

NORTH CAROLINA, County of Forsyth

The foregoing certificate(s) of Arthur S. Gross N.P. Forsyth Co., NC.

is (are) certified to be correct. This the 2 day of April, 1979

Eunice Ayers, Register of Deeds

Register of Deeds

Probate fee 1.00 paid.

Deputy Jessie Gable

DRAFTED BY Samuel

PRESENTED FOR
REGISTRATION
AND RECORDED
MAR 2 11 34 AM

EUNICE AYERS
REGISTER OF DEEDS
FORSYTH CTY., N.C.

UNITED CITIZENS BANK

TRUSTEE FOR

SAMUEL M. BOOTH

TO

E & A CONSTRUCTION CO., INC.

DEED OF TRUST
CONSTRUCTION LOAN
FROM

1267P0605