



This instrument drafted by: William L. Nelson
Nelson Box

CENTRAL CAROLINA BANK & TRUST COMPANY, NATIONAL ASSOCIATION
ADJUSTABLE RATE MORTGAGE DEED OF TRUST

1.16

NOTICE: THIS LOAN CONTAINS A PROVISION TO CHANGE THE INTEREST RATE AND MONTHLY PAYMENTS YEARLY AND IS PAYABLE IN FULL IN ACCORDANCE WITH A CALL OPTION PROVISION ALLOWING THE NOTE HOLDER TO CALL THE FULL BALANCE OF PRINCIPAL AND INTEREST DUE AT SPECIFIED TIMES. IF THE NOTE HOLDER EXERCISES THIS CALL OPTION, YOU MUST REPAY THE ENTIRE PRINCIPAL BALANCE OF THE LOAN AND UNPAID INTEREST THEN DUE. THE BANK IS UNDER NO OBLIGATION TO REFINANCE THE LOAN AT THAT TIME. YOU WILL, THEREFORE, BE REQUIRED TO MAKE PAYMENT OUT OF OTHER ASSETS THAT YOU MAY OWN, OR YOU WILL HAVE TO FIND A LENDER, WHICH MAY BE THE BANK YOU HAVE THIS LOAN WITH, WILLING TO LEND YOU THE MONEY. IF YOU REFINANCE THIS LOAN WHEN A CALL OPTION IS EXERCISED YOU MAY HAVE TO PAY SOME OR ALL OF THE CLOSING COSTS NORMALLY ASSOCIATED WITH A NEW LOAN EVEN IF YOU OBTAIN REFINANCING FROM THE SAME BANK.

NORTH CAROLINA, FORSYTH COUNTY
THIS DEED OF TRUST, made and entered into this the 24th day of May, 19 85 by and
between R & H ENTERPRISES, A North Carolina General Partnership

parties of the first part (whether one or more persons) GUARANTY STATE BANK, Trustee, party of the second part, and CENTRAL CAROLINA BANK & TRUST COMPANY, NATIONAL ASSOCIATION, a corporation of the State of North Carolina, party of the third part.

WITNESSETH: That Whereas, the said parties of the first part are justly indebted to the said party of the third part for money borrowed in the principal sum of \$ 19,000.00 and have executed their Note of even date herewith in said sum with interest thereon from date hereof and with principal and interest payable as set forth in said Note.

The said Note has an "Initial Interest Rate" of 11.5 % and the interest rate may be increased or decreased on each Change Date, as described in the Note. If the interest rate changes, the amount of Borrowers' monthly payments will change as provided in the Note. Increases in the interest rate will result in higher payments unless prepayments since the last change date offset the increase in monthly payments. Decreases in the interest rate will result in lower payments.

NOW, THEREFORE, in consideration of the premises and of the sum of One Dollar to the parties of the first part in hand paid by the said party of the second part, the receipt of which is hereby fully acknowledged, and in order to carry out the intention expressed in the premises, the said parties of the first part have given, granted, bargained, and sold and do by these presents give, grant, bargain, sell, alien, assign, and convey unto said party of

the second part as Trustee, and its successors and assigns, all of that certain lot, tract, or parcel of land lying and being in Winston Township, County of Forsyth and State of North Carolina, bounded and described as follows:

Being known and designated as Lot Nos. 44 and 45 as shown on the Map of GEORGE E. NISSEN COMPANY PROPERTY as recorded in Plat Book 12 at page 144 in the office of the Register of Deeds of Forsyth County, North Carolina, to which map further reference is hereby made for a more particular description.

together with all heating, plumbing, electrical and air conditioning fixtures, equipment and appurtenances thereto, including floor carpeting, and all renewals or replacements, now or hereafter attached to or used in connection with said real estate.

TO HAVE AND TO HOLD said lot, tract, or parcel of land with all privileges and appurtenances thereon and thereto belonging unto the said party of the second part and its successors and assigns forever in fee simple. And the parties of the first part covenant for themselves and their heirs and assigns that they are seized of said land in fee and have good right to convey the same in fee simple; that the same are free and clear of all encumbrances of any kind and that they will forever warrant and defend the title thereto against the claims of all persons whomsoever.

The parties of the first part do hereby assign, transfer, and set over to the party of the third part any and all rents and income from said property during the life of this indenture as further security to said debt, and upon any default therein set out the party of the third part shall be entitled to enter into the possession of said property for the purpose of collecting the rents and profits arising therefrom, and is hereby authorized to employ an agent to collect said rents and profits; to pay said agent a reasonable commission out of rents and profits so collected, and is directed to apply the balance upon the debt hereby secured; provided, the party of the third part may make such repairs as in its opinion are needed on the property, and first deduct the costs thereof from rents received. This rental assignment shall in no way affect or prejudice the rights of the party of the third part to have this Deed of Trust foreclosed upon breach of its terms and conditions.

IT IS UNDERSTOOD AND AGREED that the parties of the first part shall pay all taxes, or other assessments, which may be levied upon or against said property, within the time prescribed by law; shall upon demand of the Bank pay to it monthly in advance one-twelfth of the estimated taxes, assessments and insurance premiums for the current year; shall keep the buildings on said premises insured against loss or damage by fire, windstorm, flood, hazards included within the term "extended coverage" and such other hazards as Bank may require and in such amounts, for such periods and in such insurance company or companies as the Bank may require, which policy, or policies shall be payable to said Bank, as its interest may appear, and such policies and proceeds shall be deposited with the Bank to be applied, in case of loss, as far as the same may extend or may be necessary to the satisfaction of this trust and any such application of proceeds to principal shall not extend or postpone the due date of any sums due as set forth herein. If the said parties of the first part shall fail to pay said taxes, or other assessments, as and when said taxes and assessments shall fall due, or to effect said insurance, or to keep said property free and clear of encumbrances, the said Bank shall be at liberty to pay said taxes, or other assessments, or to effect said insurance, or to pay off and remove such encumbrances, as the case may be, and the amount so advanced shall be deemed principal money, bearing interest at the rate set forth in said note and be due and payable on the first day of the next succeeding month.

THE CONDITION OF THIS DEED, HOWEVER, IS SUCH that if the parties of the first part, their heirs, executors, administrators, or assigns shall pay or cause to be paid the interest and principal secured hereby to the party of the third part, shall perform all other obligations herein assumed as to the payment of taxes, assessments, insurance premiums, and monies advanced by the party of the third part for the purpose of protecting its security, and shall perform and fully discharge all covenants and stipulations as herein required, then this conveyance shall be null and void.

If said parties of the first part or their heirs, executors, administrators or assigns shall fail or neglect to pay the monthly installments of interest and/or interest and principal at maturity, as herein provided for, at the time and in the manner set out herein, and any and all other sums which may become due and payable hereunder, and shall fail or neglect to keep faithfully each and all of the other agreements and covenants herein made, or in the event of actual or threatened demolition or injury or waste to the premises which may impair the value of the property therein conveyed, or if a receiver should be appointed for, or a petition in bankruptcy filed by or against the parties of the first part or either of them, then and in any or all of said events the whole of the debt hereby secured shall immediately become due and payable at the option of the party of the third part, and upon application of the said party of the third part, its successors and assigns, it shall be lawful for and the duty of the said party of the second part or its successors and it is hereby authorized and empowered to sell the land and premises hereinbefore described in one or more parcels, at public auction. If it is determined in a hearing held in accordance with applicable law that Trustee can proceed to sale, Trustee shall take such action regarding notice of sale and shall give such notices to Borrower and to other persons as applicable law may require. After the lapse of such time as may be required by applicable law and after the publication of the notice of sale, Trustee, without demand on Borrowers shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in such order as Trustee may determine. Bank or Bank's designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property so sold without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all costs and expenses of the sale, including, but not limited to, Trustee's fees of 5% of the gross sale price and cost of title evidence; (b) to all sums secured by this Deed of Trust (c) the excess, if any, to the person or persons legally entitled thereto. In making such sale, the party of the second part may require the successful bidder at any sale to deposit immediately with the party of the second part, cash or certified check in an amount not to exceed ten percent (10%) 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.

Upon condemnation of the premises or improvements or any part thereof, the entire unpaid balance of the Note secured hereby shall, at the option of the party of the third part, at once become due and payable and any amounts paid for such taking shall be paid to the party of the third part and be applied upon the indebtedness hereby secured.

The Note secured by this Deed of Trust, at the option of the party of the third part, shall become and be due and payable forthwith if the parties of the first part shall convey said premises or any part thereof or if title or any interest therein shall be sold, transferred or otherwise become vested in any other person or party in any manner whatsoever, unless the party of the third part shall, in writing, have expressly consented thereto.

The party of the third part shall have the right, in its discretion, to advance to or for the benefit of the parties of the first part, or their successors in title, whatever monies may be needed for any purpose, at any time before the release or cancellation of this Deed of Trust, provided, that said advances together with the unpaid balance of the original indebtedness, shall not exceed the original indebtedness; and all interest, costs, expenses and advances required to be made to protect the security or to discharge a paramount lien on the property hereinbefore described shall be secured hereby without limitation in respect of the amount thereof, and the amount so advanced shall become a debt due hereunder and shall bear interest at the rate specified in the Note, and the monies so advanced shall be secured by this Deed of Trust, and this Deed of Trust secures all other covenants and agreements contained in this instrument or in the Note hereinbefore referred to.

The parties of the first part shall have the privilege of prepaying the outstanding debt in whole or in part in advance, upon first obtaining the consent of the party of the third part, and in such event the Note hereby secured shall not be in default so long as the prepayment would reduce the balance due to an amount not greater than that due under the monthly installment schedule through the current monthly installment. Provided, however, that this provision shall not apply where any part of the real estate above secured has been released from under this Deed of Trust in consideration for said advanced payment.

In case the party of the third part or the party of the second part 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 its Deed of Trust, the party of the second part and the party of the third part shall be saved harmless and shall be reimbursed by the parties of the first part for any amounts paid, including all reasonable cost, charges and attorney's fees incurred in any 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.

SUBSTITUTE TRUSTEE. Bank may from time to time remove Trustee and appoint a successor Trustee to any Trustee appointed hereunder by an instrument recorded in the county in which this Deed of Trust is recorded. The successor Trustee shall succeed to all the title, power and duties conferred upon the Trustee herein and by applicable law.

IN TESTIMONY WHEREOF the said parties of the first part have hereunto set their hands and seals the day and year first above written.

R & H ENTERPRISES, A N. C. General Partnership (SEAL) R & H ENTERPRISES, A N. C. General Partnership (SEAL)
By: *[Signature]* General Partner (SEAL) By: *[Signature]* General Partner (SEAL)
By: *[Signature]* General Partner (SEAL) By: *[Signature]* General Partner (SEAL)

IN WITNESS WHEREOF, _____ has caused this Deed of Trust to be signed in its name by its _____ President and its corporate seal to be hereto affixed and attached by its _____ Secretary, all by authority of its Board of Directors duly given, this day and year first above written.

ATTEST:

NAME OF CORPORATION

SECRETARY

CORPORATE SEAL

NOTARIAL SEAL HERE STATE OF NORTH CAROLINA, COUNTY OF Forsyth

I, Sue H. Foster a Notary Public of said County do hereby certify that BLAINE A. RYDMAN, LARRY R. TAYLOR, and PHILLIP G. HOUSE, general partners of R & H. ENTERPRISES, A N. C. General Partnership personally appeared before me this day and acknowledged the due execution of the foregoing instrument, for and in behalf of said business.

Witness my hand and notarial seal, this the 24th day of May, 19 85

OFFICIAL SEAL
SUE H. FOSTER
—NOTARY PUBLIC—
FORSYTH COUNTY, NORTH CAROLINA
My Commission Expires March 27, 1986

SIGNATURE of NOTARY REQUIRED *[Signature]* Notary Public

My commission expires _____, 19 _____

NOTARIAL SEAL HERE STATE OF NORTH CAROLINA, COUNTY OF

I, _____ a Notary Public of said County do hereby certify that _____ personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and notarial seal, this the _____ day of _____, 19 _____

SIGNATURE of NOTARY REQUIRED _____ Notary Public

My commission expires _____, 19 _____

STATE OF NORTH CAROLINA, COUNTY OF FORSYTH

The foregoing certificate(s) of Sue H. Foster Notary Public(s) of Forsyth County, N.C., is certified to be correct.

Let the said deed and certificate be registered.

This 24 day of May, 19 85 PRESENTED FOR REGISTRATION AND RECORDED L. E. Speas, Register of Deeds Register of Deeds

PROBATE FEE \$1.00 PAID MAY 24 3 21 PM '85 [Signature] Deputy, Register of Deeds

L. E. SPEAS
REGISTER OF DEEDS
FORSYTH CTY, N.C.
akg \$5.50 pd. 1487P1544