



Prepared By: James H. Lyons, Jr. Attorney

Return to James T. Quinn, NCHFA, P.O. Box 2494715 P1902
Raleigh, NC 27611

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Project No. 053-35540

MODIFICATION OF DEED OF TRUST NOTE AND DEED OF TRUST

THIS AGREEMENT, made as of the 14 day of May, 1991, between Falcon Pointe Limited Partnership (hereinafter referred to as "Mortgagor"), and The North Carolina Housing Finance Agency, ("Mortgagee")

WITNESSETH:

WHEREAS, Mortgagor executed and delivered to James M. Tanner, Jr. as Trustee for Highland Mortgage Company its certain Note ("Note") dated September 18, 1986, in the amount of Four Million, Two Hundred Sixty Four Thousand, Eight Hundred and no/100 Dollars (\$4,264,800.00) secured by a Deed of Trust ("Deed of Trust") of even date therewith, which was recorded September 22, 1986, in Mortgage Record Book 1565, Page 275, as modified at Book 1638 at Page 1291, all in the Office of the Recorder of Forsyth County, North Carolina, and assigned to the North Carolina Housing Finance Agency ("Mortgagee") by assignment dated April 18, 1988, recorded April 18, 1988, in Book 1638 at Page 1742 of such Registry, and

WHEREAS, Mortgagee is the owner of said Deed of Trust Note and Deed of Trust; and

HLM
HA WHEREAS, the Deed of Trust Note and Deed of Trust have been in default as to interest and payments to principal since April 1, 1991; and

HLM
HA WHEREAS, as of the date hereof, the unpaid principal balance of the Deed of Trust Note and Deed of Trust is ~~Four Million Two Hundred Thirty Thousand, Three Hundred Sixty-One and 99/100~~ and 00/100 Dollars (\$4,230,361.99); and

WHEREAS, as of the date hereof, a partial payment of claim was made by the Secretary of the Department of Housing and Urban Development (the "Secretary") to Mortgagee, and Mortgagor has cured all further interest deficiencies and other amounts due in connection with the Deed of Trust Note and Deed of Trust; and

HLM
HA WHEREAS, the parties wish to amend the terms of the Deed of Trust Note and the Deed of Trust to recast the reduced outstanding principal balance of ~~Three Million Three Thousand Five Hundred Fifty-Seven and 01/100~~ and 00/100 Dollars (\$3,003,557.01) over the remaining term of the loan beginning June 1, 1991.

NOW, THEREFORE, in consideration of One Dollar (\$1.00) in hand paid to the Mortgagee, receipt of which is hereby acknowledged, and other good and valuable consideration, the parties hereby agree as follows:

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1. The payment terms of the Deed of Trust Note and Deed of Trust are amended as follows:

Handwritten: HAD \$ 10/1/90 00/1/90
HAD \$

Commencing on the first day of June, 1991, installments of interest and principal shall be paid in the sum of ~~Twenty-Four Thousand Seventy-One and 00/100ths~~ Dollars (\$ 24,071.09), such payments to continue monthly thereafter on the first day of each succeeding month until the entire indebtedness has been paid. In any event, the balance of principal remaining unpaid, plus accrued interest, shall be due and payable on March 1, 2028. The installments of interest and principal shall be applied first to interest at the rate of nine and thirty one-hundredths percent per annum (9.3%) upon the principal sum or so much thereof as shall from time to time remain unpaid, the balance thereof shall be applied on account of principal.

2. The Deed of Trust may not be foreclosed so long as a Second Deed of Trust of even date and being recorded herewith is held by the Secretary, or his successors in office, without the written consent of said Secretary, or his successors in office.

3. To induce Mortgagee to execute this Agreement, the Secretary has agreed to waive the one percent (1%) deduction from insurance benefits prescribed in 24 C.F.R. Section 207.259(b)(2)(iv) in the event the Mortgagee or any of its successors or assigns shall in the future assign the Deed of Trust to HUD under the contract of mortgage insurance. The Secretary's aforesaid waiver shall be evidenced and acknowledged by HUD's approving and countersigning a copy of this Agreement at the place provided below, it being agreed that this Agreement shall not be effective unless and until so approved and countersigned by HUD.

NOTWITHSTANDING anything contained herein Mortgagee retains all rights under Section 207 of the National Housing act and all regulations thereunder.

NOTHING in this Agreement shall waive, compromise impair or prejudice any right the Secretary may have to seek judicial recourse for any breach of a Regulatory Agreement that may have occurred prior or subsequent to the date of this Agreement. In the event that the Secretary, or the Mortgagee, its successors or assigns, on behalf of the Secretary, or his successors in office, initiates an action for breach of the Regulatory Agreement between Mortgagor or its successors and assigns and the Secretary, or his successors in office, and recovers funds, either on the Secretary's own behalf or on behalf of the Project or the Mortgagor, those funds may be applied, at the discretion

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of the Secretary, to payment of any delinquent amounts due under the Deed of Trust or Note or as a partial payment of the Mortgage debt.

NOTHING HEREIN CONTAINED shall in anywise impair the Note or the security now held for said indebtedness, it being the intent of the parties hereto that the terms and provisions of said Note and Deed of Trust shall continue in full force except as modified hereby.

IN WITNESS WHEREOF, Mortgagor and Mortgagee have caused this instrument to be duly executed.

(SEAL)

MORTGAGOR
FALCON POINTE LIMITED PARTNER-
SHIP, BY F & W MANAGEMENT
CORPORATION, ITS GENERAL
PARTNER

By: Richard A. Whitely
Vice President

(SEAL)

NORTH CAROLINA HOUSING FINANCE
AGENCY MORTGAGEE

By: Abolunpucab
Executive Director

AGREEMENT APPROVED AND WAIVER OF ASSIGNMENT FEE ACKNOWLEDGED:

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

By: Leah J. Austin (SEAL)
Authorized Agent

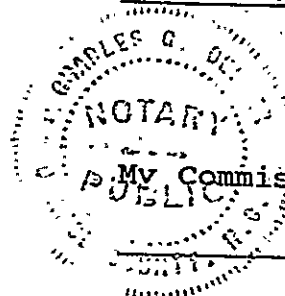
(SEAL)

STATE OF NORTH CAROLINA

COUNTY OF ORANGE

I, a Notary Public of the County and State aforesaid, certify that DONALD W. RHINEHART, personally came before me this day and acknowledged that he is ASSISTANT Secretary of F & W Management Corporation, a Virginia corporation, which is a general partner of Falcon Pointe Limited Partnership, a Virginia limited partnership, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its ASSISTANT VICE President, sealed with its corporate seal and attested by HIMSELF as its ASSISTANT Secretary, on behalf of and as an act of the partnership.

Witness my hand and official stamp or seal, this 14TH day of JULY, 1991.



(Notary Seal)

Charles M. Sumner
Notary Public

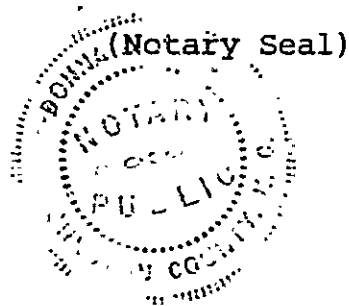
STATE OF NORTH CAROLINA

COUNTY OF Wake

This the 14th day of May, 1991, personally came before me H. James Norris who being duly sworn, says that he is Secretary of the North Carolina Housing Finance Agency, and that the seal affixed to the annexed instrument in writing is the seal of the North Carolina Housing Finance Agency, and that the said writing was signed by A. Robert Kucab, the Executive Director, attested by H. James Norris as secretary, and sealed by him/her in behalf of the North Carolina Housing Finance Agency by its authority duly given. And the said _____ acknowledged the said writing to be the act of the North Carolina Housing Finance Agency.

Denna A. Dunn
Notary Public

My Commission Expires:

5-29-95

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STATE OF NORTH CAROLINA

COUNTY OF Guilford

On the 14th day of MAY, 1991 before me appeared Ledford L. Austin, to be personally known and known to me to be the duly appointed Authorized Agent and the person who executed the foregoing instrument by virtue of the authority vested in him 24 C.F.R. 200.118 and acknowledged that he executed and delivered the aforesaid instrument for and on behalf of the Federal Housing Commissioner for the purposes therein expressed.

Witness my hand and seal.

Shirley S. Long
Notary Public

My Commission Expires:

Nov. 7, 1994

SHIRLEY S. LONG
NOTARY PUBLIC
GUILFORD COUNTY, NC
COMM. EXPIRES NOV. 7, 1994

STATE OF NORTH CAROLINA—Forsyth County

The foregoing (or annexed) certificate is of Charles J. Beemer, NP Orange Co. NC,
(here give name and official title of the officer signing the certificate passed upon)
Donna A. Dunn, NP Forsyth Co. and Shirley S. Long NP
REGISTRATION
AND RECORDED
a (are) certified to be correct. This the 14 day of May, 1991 Guilford Co. NC

'91 MAY 14 P3:09 E. Speas, Register of Deeds

Probate and Filing Fee \$ 16.50

L.E. SPEAS
REGISTER OF DEEDS
FORSYTH CO. N.C.

By Jerri Stagger Deputy ~~Register~~