

FORSYTH CO, NC 82 FEE: \$ 14.00
PRESENTED & RECORDED: 11/15/1999 11:13AM
DICKIE C. WOOD REGISTER OF DEEDS BY: HODDVA
BK2093 P2843 - P2846

MODIFICATION OF DEED OF TRUST NOTE AND DEED OF TRUST

THIS AGREEMENT, made as of the 8th day of November, 1999, between FALCON POINTE LIMITED PARTNERSHIP (hereinafter referred to as "Mortgagor"), and THE SECRETARY OF THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT OF THE UNITED STATES (hereinafter referred to as "Mortgagee").

WITNESSETH:

WHEREAS, Mortgagor executed and delivered to Larry J. Parker as Trustee for the Secretary of the Department of Housing & Urban Development of the United States its certain Note ("Note") dated May 14, 1991, in the amount of ONE MILLION TWO HUNDRED FORTY-TWO THOUSAND SIX HUNDRED THIRTY-NINE and 91/100 DOLLARS (\$1,242,639.91), secured by a Deed of Trust ("Deed of Trust") of even date therewith, which was recorded on May 14, 1991, in Mortgage Record Book 1715, Page 1893, in the Office of the Recorder of Forsyth County, North Carolina; and

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

WHEREAS, as of the date hereof, the unpaid principal balance of the Deed of Trust Note and Deed of Trust is the amount of ONE MILLION TWO HUNDRED FORTY-TWO THOUSAND SIX HUNDRED THIRTY-NINE AND 91/100 DOLLARS (\$1,242,639.91) plus accrued interest in the amount of THREE HUNDRED EIGHTY-EIGHT THOUSAND FIVE HUNDRED SEVENTY-THREE AND 40/100 DOLLARS (\$388,573.40), for a total of ONE MILLION SIX HUNDRED THIRTY-ONE THOUSAND TWO HUNDRED THIRTEEN AND 31/100 DOLLARS (\$1,631,213.31); and

WHEREAS, the parties wish to amend the terms of the Deed of Trust Note and the Deed of Trust to recast the outstanding balance of ONE MILLION SIX HUNDRED THIRTY-ONE THOUSAND TWO HUNDRED THIRTEEN AND 31/100 DOLLARS (\$1,631,213.31) over the remaining term of the loan beginning December 1, 1999.

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 agree as follows:

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

The total amount due and payable as of November 1, 1999, including unpaid principal and accrued interest is ONE MILLION SIX HUNDRED THIRTY-ONE THOUSAND TWO HUNDRED THIRTEEN AND 31/100 DOLLARS (\$1,631,213.31). Commencing on the first day of December, 1999, installments of interest and principal shall be paid in the sum of TWELVE THOUSAND TWO HUNDRED EIGHTY-THREE AND 18/100 DOLLARS (\$12,283.18), 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 eight and one hundred twenty-five thousandths percent per annum (8.125%) 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 is modified so that lines 11-14, inclusive, read as follows:

The principal sum of ONE MILLION SIX HUNDRED THIRTY-ONE THOUSAND TWO HUNDRED THIRTEEN AND 31/100 DOLLARS (\$1,631,213.31) is inserted in lieu of \$1,242,639.91. Interest rate is eight and one hundred twenty-five percent per annum (8.125%).

All other terms of the Deed of Trust shall remain in full force and effect.

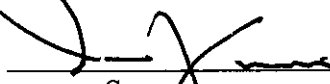
NOTHING HEREIN CONTAINED shall in anywise impair the Note or the security now held for said indebtedness, it being the intent of the parties hereto that the terms and provisions of said Note and Deed of Trust shall continue in full force except as modified hereby.

Nothing in this Agreement shall waive, compromise, impair or prejudice any right the Secretary of HUD may have to seek judicial recourse for any breach of the Regulatory Agreement that may have occurred prior to or may occur subsequent to the date of this Agreement. In the event that the Secretary of HUD initiates an action for breach of the Regulatory Agreement 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 of the Secretary of HUD, to payment of the delinquent amounts due under the Mortgage or as a partial prepayment of the Mortgage debt.

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

(SEAL)

ATTEST:

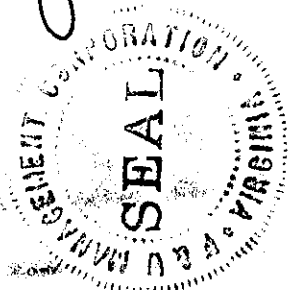

Secretary

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

By: 

President

OSTERHOUDT, FERGUSON,
NATT, AHERON & AGEE
ATTORNEYS-AT-LAW
ROANOKE, VIRGINIA
24018-1699



MORTGAGEE:
THE SECRETARY OF THE
DEPARTMENT OF HOUSING &
URBAN DEVELOPMENT OF THE
UNITED STATES

ATTEST:

By: *Dan McCanless, Jr.*

Dan McCanless, Jr., Director,
Multifamily Hub, Greensboro,
North Carolina Office

Secretary

STATE OF VIRGINIA

CITY/COUNTY OF ROANOKE, to-wit:

The foregoing instrument was acknowledged before me this 8th day of November, 1999, by Charles Nimmo, President of **F & W Management Corporation, General Partner of Falcon Pointe Limited Partnership.**

Edward A. Natt

Notary Public

My commission expires: August 31, 2003

STATE OF NORTH CAROLINA

COUNTY OF DAVIDSON, to-wit:

On the 9th day of November, 1999, before me personally appeared Dan McCanless, Jr., who is personally well-known to me and known to be the duly appointed Director, Multifamily Hub, Greensboro, North Carolina Office, **Department of Housing and Urban Development**, and the person who executed the foregoing instrument by virtue of the authority vested in him by a redelegation of authority with the effective date of February 15, 1998, and acknowledged to me that he executed it as Director, Multifamily Hub, Greensboro, North Carolina Office, Department of Housing and Urban Development, for and on behalf of the Secretary of Housing and Urban Development.

Witness my hand and official seal or stamp.

Gregory L. Harris
Notary Public

My commission expires: 3-18-03

OSTERHOUDT, FERGUSON,
NATT, AHERON & AGEE
ATTORNEYS-AT-LAW
ROANOKE, VIRGINIA
24018-1699

STATE OF NC - FORSYTH CO

The foregoing certificate(s) of:

Edward A. Natt

NP(s)

is/are certified to be correct at the date of recordation shown on the first page thereof.

Dickie C. Wood, Register of Deeds by: *Dickie C. Wood*

Deputy/Act

GREGORY L. HARRIS
NOTARY PUBLIC
DAVIDSON COUNTY, NC
Commission Expires March 18, 2003