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C. NORMAN HOLLEMAN

REGISTER OF DEEDS
BY: OLIVIA DOYLE

ASST

BK: RE 3179

PG: 3757-3764

Recorded at the Request of:

When Recorded, mail to:

MME, LLC
c/o Red Mountain Retail Group
1234 E. 17th Street **ENVELOPE**
Santa Ana, CA 92701

Prepared by Coltrane & Overfield, PLLC
106 N. Elm St. #300 Greensboro, NC 27401

DEED OF TRUST AND ASSIGNMENT OF RENTS

THIS DEED OF TRUST, made this 16th day of May, 2014, between, herein called University Winston I, LLC, a North Carolina limited liability company as to an undivided 1% interest and C & CP Investments, LLC, an Arizona limited liability company as to an undivided 99% interest as tenants-in-common, TRUSTOR, whose address is 1234 E. 17th Street, Santa Ana, California 92701; Coltrane & Overfield, PLLC, whose mailing address is: 106 North Elm Street, Suite 300, Greensboro, North Carolina 27401, herein called TRUSTEE; and MME, LLC, an Arizona limited liability company, herein called BENEFICIARY, whose address is: 1234 E. 17th Street, Santa Ana, California 92701.

That property located in Forsyth County, State of North Carolina, described as follows:

**SEE EXHIBIT "A" ATTACHED HERETO AND
INCORPORATED HEREIN BY REFERENCE**

Together with all buildings, improvements, and fixtures thereon.

THIS DEED OF TRUST, made on the above date between the Trustor, Trustee and Beneficiary above named.

WITNESSETH: That Trustor irrevocably grants, conveys, transfers and assigns to Trustee in Trust, with Power of Sale, the above described real property, together with leases, rents, issues, profits, or income thereof, (all of which are hereinafter called "property income") SUBJECT, HOWEVER, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such property income; AND SUBJECT TO existing taxes, assessments, liens encumbrances, covenants, conditions, restrictions, rights-of-way, and easements of record.

FOR THE PURPOSE OF SECURING:

- A. Performance of each agreement of Trustor herein contained.
- B. Payment of the indebtedness evidenced by promissory note or notes of even date herewith, and an extension or renewal thereof, in the principal sum of \$700,000.00 executed by Trustor in favor of Beneficiary or order.
- C. Payment of additional sums and interest thereon which may hereafter be loaned to Trustor, or his successors or assigns, when evidenced by a promissory note or notes reciting that they are secured by *this Deed of Trust*.

TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR AGREES:

(1) Trustor shall keep said property in good condition and repair; shall not remove or demolish any building thereon, shall complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and shall pay when due all claims for labor performed and materials furnished therefor; shall comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; shall not commit or permit waste thereof; shall not commit, suffer or permit any act upon said property in violation of law; shall cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.

(2) Trustor shall keep all improvements now or hereafter erected on said property continuously insured against loss by fire or other hazards in an amount not less than the total obligation secured hereby. All policies shall be held by the Beneficiary and be in such companies as the Beneficiary may approve and have loss payable first to the Beneficiary as his interest may appear and then to the Trustor. The amount collected under any insurance policy may be applied upon any indebtedness hereby secured and in such order as the Beneficiary may determine or at option of the Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default hereunder *nor* cause discontinuance of any action that may have been or may thereafter be taken by Beneficiary or Trustee because of such default.

(3) Trustor shall appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of the Beneficiary or Trustee; and shall pay all costs and expenses of Beneficiary and Trustee, including cost of evidence of title and attorney's fees in a reasonable sum in such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this DEED OF TRUST.

(4) Trustor shall pay: at least ten days before delinquency all taxes and assessments affecting said property; when due, all encumbrances, charges and liens, with interest, on property or any part thereof, which appear to be prior or superior hereto; when due, all costs, fees and expenses of this Trust, including, without limiting the generality of the foregoing, the fees of Trustee for issuance of any DEED OF PARTIAL RELEASE and PARTIAL RECONVEYANCE or DEED OF RELEASE and FULL RECONVEYANCE and all lawful charges, costs and expenses in the event of reinstatement of, following default in, this DEED OF TRUST or the obligations secured hereby.

(5) Should Trustor fail to make any payment or to do any act as provided in this DEED OF TRUST, then the Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may; make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay his reasonable fees. Trustor shall pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expending at the rates provided in the promissory note(s) secured by this DEED OF TRUST.

IT IS MUTUALLY AGREED:

(6) That any award of damages in connection with any condemnation or any such taking, or for injury to the property by reason of public use, or for damages for private trespass or injury thereto, is assigned and shall be paid to Beneficiary as further security for all obligations secured hereby (reserving unto the Trustor, however, the right to cue therefor and the ownership thereof subject to this DEED OF TRUST) and upon receipt of such monies Beneficiary may hold the same as such further security, or apply or release the same in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

(7) That time is of the essence of this DEED OF TRUST, and that by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

(8) At any time or from time to time, without liability therefore and without notice, upon written request of Beneficiary and presentation of this DEED OF TRUST and said note(s) for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, and upon payment of its fees, Trustee may (A) by DEED OF PARTIAL RELEASE and PARTIAL RECONVEYANCE release and reconvey, without covenant or warranty, express or implied, any portion(s) of the property then held hereunder; the recitals in such DEED OF PARTIAL RELEASE and PARTIAL RECONVEYANCE of any matters shall be conclusive proof of the truthfulness thereof; the grantee in such DEED OF PARTIAL RELEASE and PARTIAL RECONVEYANCE may be described as "The Person or Persons Legally Entitled Thereto", (B) consent to the making of any map or plat thereof; (C) join in granting any easement thereon; or (D) join in any extension agreement or any agreement subordinating the lien or charge hereof, Beneficiary shall execute his release upon such DEED if so requested by Trustee.

(9) Upon written request of Beneficiary stating that all sums secured hereby have been paid and upon surrender of this DEED OF TRUST and said note(s) to Trustee for cancellation and retention and upon payment of its fees, Trustee shall by DEED OF RELEASE and FULL RECONVEYANCE release and reconvene, without covenants or warranty, express or implied, the property then held hereunder. The recitals in such DEED OF RELEASE and FULL RECONVEYANCE of any matters shall be conclusive proof of the truthfulness thereof. The grantee in such DEED OF RELEASE and FULL RECONVEYANCE may be described as "The Person or Persons Legally Entitled Thereto."

(10) As additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority during the continuance of this Trust, to collect the property income, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such property income as it becomes due and payable. Upon such default, Beneficiary may at any time without notice, either in person by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, or the solvency of the Trustor, enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such property income, including that past due and unpaid, and apply the same, less costs and expenses of operation and collection including reasonable attorney's fees, upon taking possession of said property. The collection of such property income and the application therefor as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(11) That upon default by Trustor in the payment of any indebtedness secured

hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written notice thereof, setting forth the nature thereof, and of election to cause to be sold said property under this DEED OF TRUST. Beneficiary also shall deposit with Trustee this DEED OF TRUST, said note(s), and all documents evidencing expenditures secured hereby.

Trustee shall record and give notice of Trustee's sale in the manner required by law, and after the lapse of such time as may then be required by law, Trustee shall sell, in the manner required by law, said property at public auction at the time and place fixed by it in said notice of Trustee's sale to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone or continue the sale by giving notice of postponement or continuance by public declaration at the time and place last appointed for the sale. Trustee shall deliver to such purchaser its Deed conveying the property so sold, but without any covenant or warranty, expressed or implied. Any persons, including Trustor, Trustee or Beneficiary, may purchase at such sale.

After deducting all costs, fees, and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale and reasonable attorney's fees, Trustee shall apply the proceeds of sale to payment of: All sums then secured hereby and all other sums due under the terms hereof, with accrued interest; and the remainder, if any, to the person or persons legally entitled thereto. To the extent permitted by law, an action may be maintained by Beneficiary to recover a deficiency judgment for any balance due hereunder. The purchaser at the Trustee's sale shall be entitled to immediate possession of the property against the Trustor and shall have a right to the summary proceedings to obtain a possession, together with costs and reasonable attorney's fees.

In the alternative to foreclosure by Trustee's Sale, the Beneficiary may foreclose by Judicial proceedings, and in such event, the election to declare the unpaid balance immediately due and payable may be made in the complaint. In such Judicial proceedings Beneficiary shall be entitled to reasonable attorney's fees, costs of foreclosure report and all sums advanced with interest, as provided under paragraphs four (4) and five (5) herein.

(12) That Beneficiary may appoint a successor Trustee in the manner prescribed by law. A successor Trustee herein shall, without conveyance from the predecessor Trustee, succeed to all the predecessor's title, estate, rights, powers and duties. Trustee may resign by mailing or delivering notice thereof to Beneficiary and Trustor.

(13) That this DEED OF TRUST applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors, and assigns. The term Beneficiary shall mean the owner and holder of the note (s) secured hereby, whether or not named as Beneficiary herein. In this DEED OF TRUST, whenever the context so requires, the masculine gender includes the feminine and neuter, and the singular number includes the plural.

(14) Trustee accepts this trust when this DEED OF TRUST, duly executed and acknowledged, is made public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other DEED OF TRUST or of any action or proceeding in which Trustor, Beneficiary, or Trustee shall be a party unless brought by Trustee. In the event Trustee is made a party in any legal or court proceeding as a result of litigation between the Trustor and Beneficiary or between a third party and either or both of Trustor and/or Beneficiary, the attorney's fees and costs of Trustee shall be paid by either Trustor or Beneficiary, whichever being the non prevailing party.

(15) Time is of the essence of this DEED OF TRUST and each and every

provision hereof.

(16) Trustor and Beneficiary agree that the trust relationship created by this instrument is strictly limited to the creation and enforcement of a security interest in real property. Thus, all Trustee's duties, fiduciary or otherwise, are strictly limited to those imposed by this document, and no additional duties, burdens or responsibilities shall be placed on the Trustee.

(17) The Trustor requests that a copy of any Notice of Trustee's Sale hereunder be mailed to him at his address hereinbefore set forth. All notices required hereby shall be sent to the addresses indicated above unless such party shall have recorded a Request for Notice in the county recorder's office of the county where the property encumbered hereby is located, indicating a different address.

(18) This Deed of trust, when recorded, shall operate as a declaration of abandonment of any homestead previously recorded concerning the property described herein.

(19) Additional provisions:

(a) **WASTE.** The Trustor covenants that it will keep the Premises herein conveyed in as good order, repair and condition as they are now, reasonable wear and tear excepted, and will comply with all governmental requirements respecting the Premises or their use, and that he will not commit or permit any waste.

(b) **CONDEMNATION.** In the event that any or all of the Premises shall be condemned and taken under the power of eminent domain, Trustor shall give immediate written notice to Beneficiary and Beneficiary shall have the right to receive and collect all damages awarded by reason of such taking, and the right to such damages hereby is assigned to Beneficiary who shall have the discretion to apply the amount so received, or any part thereof, to the indebtedness due hereunder and if payable in installments, applied in the inverse order of maturity of such installments, or to any alteration, repair or restoration of the Premises by Trustor.

(c) **WARRANTIES.** Trustor covenants with Trustee and Beneficiary that it is seized of the Premises in fee simple, has the right to convey the same in fee simple, that title is marketable and free and clear of all encumbrances, and that it will warrant and defend the title against the lawful claims of all persons whomsoever, except for the exceptions hereinafter stated. Title to the property hereinabove described is subject to the following exceptions: Easements, restrictions, and rights of way of record.

(d) **SALE OF PREMISES.** Trustor agrees that if the Premises or any part thereof or interest therein is sold, assigned, transferred, conveyed or otherwise alienated by Trustor, whether voluntarily or involuntarily or by operation of law [other than: (i) the creation of a lien or other encumbrance subordinate to this Deed of Trust which does not relate to a transfer of rights of occupancy in the Premises; (ii) the creation of a purchase money security interest for household appliances; (iii) a transfer by devise, descent, or operation of law on the death of a joint tenant or tenant by the entirety; (iv) the grant of a leasehold interest of three (3) years or less not containing an option to purchase; (v) a transfer to a relative resulting from the death of a Trustor; (vi) a transfer where the spouse or children of the Trustor become the owner of the Premises; (vii) a transfer resulting from a decree of a dissolution of marriage, legal separation agreement, or from an incidental property settlement agreement, by which the spouse of the Trustor becomes an owner of the Premises; (viii) a transfer into an inter vivos trust in which the Trustor is and remains a beneficiary and which does not relate to a transfer of rights of occupancy in the Premises], without the prior written consent of Beneficiary, Beneficiary, at its own option, may declare the Note secured hereby and all other obligations hereunder to be forthwith due and payable. Any change in the legal or equitable title of the Premises or in the beneficial ownership of the Premises, including the sale,

conveyance or disposition of a majority interest in the Trustor if a corporation or partnership, whether or not of record and whether or not for consideration, shall be deemed to be the transfer of an interest in the Premises.

(e) **ADVANCEMENTS.** If Trustor shall fail to perform any of the covenants or obligations contained herein or in any other instrument given as additional security for the Note secured hereby, the Beneficiary may, but without obligation, make advances to perform such covenants or obligations, and all such sums so advanced shall be added to the principal sum, shall bear interest at the rate provided in the Note secured hereby for sums due after default and shall be due from Trustor on demand of the Beneficiary. No advancement or anything contained in this paragraph shall constitute a waiver by Beneficiary or prevent such failure to perform from constituting an event of default.

(f) **INDEMNITY.** If any suit or proceeding be brought against the Trustee or Beneficiary or if any suit or proceeding be brought which may affect the value or title of the Premises, Trustor shall defend, indemnify and hold harmless and on demand reimburse Trustee or Beneficiary from any loss, cost, damage or expense and any sums expended by Trustee or Beneficiary shall bear interest as provided in the Note secured hereby for sums due after default and shall be due and payable on demand.

(g) **PROCEEDS OF FORECLOSURE SALE.** The proceeds of the Sale shall after the Trustee retains his commission, together with reasonable attorneys fees incurred by the Trustee in such proceedings, be applied to the costs of sale, including, but not limited to, costs of collection, taxes, assessments, costs of recording, service fees and incidental expenditures, the amount due on the Note hereby secured and advancements and other sums expended by the Beneficiary according to the provisions hereof and otherwise as required by the then existing law relating to foreclosures. The Trustee's commission shall be five percent (5%) of the gross proceeds of the sale or the minimum sum of \$n/a whichever is greater, for a completed foreclosure. In the event foreclosure is commenced, but not completed, the Grantor shall pay all expenses incurred by Trustee, including reasonable attorneys fees, and a partial commission computed on five per cent (5%) of the outstanding indebtedness or the above stated minimum sum, whichever is greater, in accordance with the following schedule, to-wit: one-fourth ($\frac{1}{4}$) thereof before the Trustee issues a notice of hearing on the right to foreclosure; one-half ($\frac{1}{2}$) thereof after issuance of said notice, three-fourths ($\frac{3}{4}$) thereof after such hearing; and the greater of the full commission or minimum sum after the initial sale.

C & CP Investments, LLC, an
Arizona limited liability company



Michael H. Mugal, Manager

University Winston I, LLC, a North
Carolina limited liability company



Michael H. Mugal, Manager

STATE OF California
 COUNTY OF Orange

I, Linda Hendrich, a Notary Public of the County of Orange, State of California do hereby certify that Michael H. Muel personally appeared before me this day and acknowledged that he is a Manager of C & CP Investments, LLC, an Arizona Limited Liability Company, and further acknowledged the due execution of the foregoing instrument on behalf of the Limited Liability Company.

Witness my hand and official seal this 21st day of May, 2014.

Linda Hendrich
 Notary Public

My commission expires: Oct 9, 2015

(Affix stamp or seal)



STATE OF California
 COUNTY OF Orange

I, Linda Hendrich, a Notary Public of the County of Orange, State of California do hereby certify that Michael H. Muel personally appeared before me this day and acknowledged that he is a Manager of University Winston I, LLC, a North Carolina Limited Liability Company, and further acknowledged the due execution of the foregoing instrument on behalf of the Limited Liability Company.

Witness my hand and official seal this 21st day of May, 2014.

Linda Hendrich
 Notary Public

My commission expires: Oct 9, 2015



EXHIBIT "A"

LEGAL DESCRIPTION

Lying and being situate in Forsyth County, North Carolina, and being more particularly described as follows:

Beginning at an existing iron pipe at the Northeast intersection of the right-of-way of Robinwood Road (formerly Rural Hall Road) and University Parkway and running thence with the eastern right-of-way of University Parkway along a curve to the left having a radius of 1,512.39 feet a chord bearing and distance N05° 24' 43" E 274.62 feet to a new iron pipe; thence leaving said right-of-way along a new line S88° 40' 25" E 269.90 feet to a new iron pipe in the western right-of-way of Robinwood Road; thence along said right-of-way the following three courses and distances; S38° 21' 43" W 240.0 feet, S43° 50' 03" 96.81 feet, S83° 28' 05" W 80.25 feet to the point of beginning. Tract containing 1.06 Acres and being a portion of the Allmanspry, Inc. Property as recorded in the Forsyth County Registry indeed Book 1488, page 1505, and also being that property shown on a survey prepared by Marvin L. Borum & Associates, dated December 26, 1985.