

Mail to CCB Attn: Frank Bohannon PO Box 345 Marksville NC 27038
This instrument prepared by George W. Martin, Martin, Voth & Hoff, L.L.C. X

STATE OF NORTH CAROLINA

COUNTY OF FORSYTH

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ASSUMPTION AND RELEASE
AGREEMENT

This Agreement made and entered into this the 20th day of January, 1988, by and between LIFESTYLE HOMES & REALTY, INC., a North Carolina Corporation, hereinafter referred to as "Seller"; J & A INVESTMENTS, INC., a North Carolina Corporation, hereinafter referred to as "Purchaser"; and CENTRAL CAROLINA BANK & TRUST COMPANY, N.A., hereinafter referred to as "Lender";

W I T N E S S E T H:

Lender is the payee of a certain Promissory Note dated March 24, 1987 in the principal amount of SIXTY THOUSAND AND NO/100 DOLLARS (\$60,000.00) executed by Seller, which Note is secured by a Deed of Trust of even date for the construction of improvements on the real property described therein, which Deed of Trust is recorded in Book 1597, Page 1785, Forsyth County Registry;

Seller has sold or is about to sell and convey to Purchaser the real property described in the the Deed of Trust and the improvements thereon, and in connection therewith Purchaser has agreed to assume Seller's obligation on the aforesaid Note and Deed of Trust and to hold Seller harmless thereon;

Seller and Purchaser has requested Lender to release Seller from further liability under or on account of the Note and Deed of Trust;

Lender, as holder of the Note and Deed of Trust, or the authorized representative for the holder, has indicated its willingness to comply with the request of the Seller and Purchaser on the terms and conditions hereinafter set forth.

THEREFORE, in consideration of the premise, conveyance and mutual covenants and agreements hereinafter contained, and other good and valuable consideration, the receipt of sufficiency of which is hereby acknowledged, the parties hereto covenant, contract and agree as follows:

1. Purchaser hereby assumes all the rights, responsibilities and liabilities of the Seller from this date forward on the Note and Deed of Trust and agree to pay the Lender, its successors and assigns, all sums that are presently due or might become due on such Note and Deed of Trust; in connection herewith and without limiting the generality of the foregoing, Purchaser agrees to pay the Note at the time, in the manner, and in all other respects as therein provided to perform all obligations provided in the Deed of Trust to be performed by Sellers at the time, in the manner, and in all other respects as therein provided or as otherwise agreed in writing, and to be bound by all the terms of the Note and Deed of Trust, as fully and to the same extent as though such Note and Deed of Trust had originally been made, executed and delivered by the Purchaser. The foregoing covenants and arrangements are in addition to and not in limitation of the assumption provision contained in the deed of conveyance from the Seller to the Purchaser.

2. In consideration of the assumption by Purchaser herein set forth, Lender hereby releases and discharges Seller from any liability that they have or may have under or on account of the Note and Deed of Trust.

3. As of the date of this Agreement, the outstanding unpaid principal balance on the Note is Sixty Thousand and No/100 Dollars (\$60,000.00).

4. The real property and improvements thereon as described in the Deed of Trust is and shall remain subject to the lien, charge, and encumbrance of the Deed of Trust which shall retain its priority as originally filed for record; nothing herein contained or done pursuant hereto shall affect or be construed to affect the lien, charge or encumbrance of the Deed of Trust or the priority thereof over other

liens, charges and encumbrances, or except as herein otherwise expressly provided, to release or affect the liability of any party or parties whomsoever would now or may hereafter be liable under or on account of such Note and/or Deed of Trust.

5. The provisions of this Agreement shall not be merged by the execution and delivery of the deed of conveyance of the property by Seller to Purchaser but shall instead survive and continue in full force and effect, notwithstanding the deed of the property and acceptance of such deed.

6. In this Agreement the singular number includes the plural and plural number includes the singular. If this Agreement is executed by more than one person, firm or corporation as Purchaser, the obligations of each such person, firm, or corporation hereunder shall be joint and several.

7. The right to plead any statute of limitations as a defense to any obligations and demands secured by or mentioned in the Deed of Trust and/or Note is hereby waived by the Purchasers to the full extent permissible by law.

8. The Agreement applies to, inures to the benefit of, and binds all parties hereto and their respective heirs, legal representatives, successors and/or assigns.

9. This Agreement shall be construed in accordance with the law of the State of North Carolina.

IN WITNESS WHEREOF, the parties have caused this instrument to be signed in its Corporate name by its duly authorized officers and its seal to be hereunto affixed by authority of its Board of Directors, the day and year first above written.

LIFESTYLE HOMES & REALTY, INC.

Seller

By: Ruby C. Bailey

President

Attest: Vicki H. Fleming

Secretary

[Corporate Seal]

J & A INVESTMENTS, INC.

Purchaser

By: Sandra M. Smith

President

Attest: Thom R. Smith

Secretary

[Corporate Seal]

CENTRAL CAROLINA BANK & TRUST
COMPANY, N.A.

BY: [Signature]

1st Vice President

Attest: [Signature]

Secretary

[Corporate Seal]

STATE OF NORTH CAROLINA-COUNTY OF Forsyth
I, a Notary Public of the aforesaid County and State certify that Vicki H. Fleming personally appeared before me this day and acknowledged that she is the Secretary of LIFESTYLE HOMES & REALTY, INC., a North Carolina Corporation, and that by the authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by her as its Secretary.

Witness my hand and official stamp or seal, this the 20 day of January, 1988.



[Signature]
Notary Public
My Commission Expires: 7/27/92

STATE OF NORTH CAROLINA-COUNTY OF Forsyth

I, a Notary Public of the aforesaid County and State certify that Thomas R Smith personally appeared before me this day and acknowledged that he is the Secretary of J & A INVESTMENTS, INC., a North Carolina Corporation, and that by the authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by him as its Secretary.

Witness my hand and official stamp or seal, this the 20th day of January, 1988.



Leslie T. Bradsher
Notary Public

My Commission Expires: 7/27/92

STATE OF NORTH CAROLINA-COUNTY OF Forsyth

I, a Notary Public of the aforesaid County and State certify that F. Brinson personally appeared before me this day and acknowledged that he is the Assistant Secretary of CENTRAL CAROLINA BANK & TRUST COMPANY, N.A., a North Carolina Corporation, and that by the authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its Vice President, sealed with its corporate seal and attested by him as its Assistant Secretary.

Witness my hand and official stamp or seal, this the 20 day of January, 1988.



Leslie T. Bradsher
Notary Public

My Commission Expires: 7/27/92

STATE OF NORTH CAROLINA-Forsyth County

The foregoing (or annexed) certificate of Leslie T. Bradsher N.P.

(here give name and official title of the officer signing the certificate, passed upon)

Forsyth Co NC

is (are) certified to be correct. This the

25th day of Jan 1988

JAN 25 3 13 PM '88 L. E. SPEAS, Register of Deeds

By Jesse Golden Deputy

Probate and Filing Fee \$

10.00
YUP

paid

REGISTER OF DEEDS
FORSYTH CTY. N.C.

BOOK 1632 P 1684