

ASSUMPTION AGREEMENT

STATE OF NORTH CAROLINA

COUNTY OF FORSYTH

THIS AGREEMENT, made this the 19 day of SEPTEMBER, 19 89, by and between THOMAS R. SMITH & wife, SANDRA M. SMITH ("Initial Mortgagor", whether one or more persons) and J & A INVESTMENTS, INC., a North Carolina Corporation ("Successor Mortgagor", whether one or more persons) and FIRST UNION NATIONAL BANK OF NORTH CAROLINA ("Mortgagee");

WITNESSETH:

WHEREAS, Initial Mortgagor heretofore executed and delivered to FIRST UNION NATIONAL BANK OF NORTH CAROLINA, a promissory note in the original principal amount of —FIFTY FIVE THOUSAND AND NO/100— (\$ 55,000.00) dated the 30 day of MAY, 19 80, a copy of which is attached hereto as Exhibit "A", secured by a Deed of Trust ("Security Instrument") of even date therewith upon certain real estate situated in the County of FORSYTH, State of North Carolina, recorded in Deed Book 1304, Page 0586, of the FORSYTH County Register of Deeds, a copy of which is attached hereto as Exhibit "B"; and

WHEREAS, there remains unpaid of the principal of said promissory note the principal sum of —THIRTY TWO THOUSAND SEVEN HUNDRED EIGHTY FIVE & 51/100— (\$ 32,785.51) with accrued and unpaid interest on said sum at the rate of TEN & ONE-FOUR percent (10.25%) per annum as of the date of this Agreement in the amount of —Eighty Four & 05/100— Dollars (\$ 84.05); and

WHEREAS, title to the real estate described in the said Security Instrument has been or is to be conveyed by Initial Mortgagor to Successor Mortgagor subject to said Security Instrument; and

WHEREAS, said Security Instrument provides that in the event ownership of the premises therein described, or any part thereof, becomes vested in any person, firm or corporation other than the grantors therein, the whole of the debt thereby secured shall immediately become due and payable without notice at the option of the holder of said note; and

WHEREAS, by reason of the conveyance by the Initial Mortgagor of the real property described in said Security Instrument to Successor Mortgagor, Initial Mortgagor and Successor Mortgagor request that Mortgagee consent to the conveyance of the said real property and enter into an agreement with Successor Mortgagor with certain terms, covenants, conditions and obligations as set out hereinafter; and

WHEREAS, Initial Mortgagor and Successor Mortgagor have requested that Mortgagee accept Successor Mortgagor as obligor for the performance and the terms and conditions of the promissory note and Security Instrument and that Mortgagee accept assumption of these liabilities by the Successor Mortgagor, releasing Initial Mortgagor from liability for the performance of the terms and conditions of the promissory note and Security Instrument; and

WHEREAS, Mortgagee is the holder of said promissory note and is willing to grant consent to the conveyance and to forbear its right to accelerate the maturity date of said promissory note as above provided and is willing to accept Successor Mortgagor as obligor on the promissory note and Security Instrument from this date forward and to release the Initial Mortgagor as a continuing obligor on the promissory note and Security Instrument, all as set forth below.

NOW, THEREFORE, Mortgagee, Initial Mortgagor and Successor Mortgagor, in consideration of the premises and the sum of One Dollar (\$1.00) to each in hand paid by the other, and other good and valuable consideration, the receipt of which is hereby acknowledged by each, do hereby agree as follows:

1. Successor Mortgagor shall fully comply with all of the terms and conditions and obligations of the promissory note and Security Instrument, and Initial Mortgagor shall be released from the performance of the terms and conditions and the obligations of the promissory note and Security Instrument.

2. Successor Mortgagor hereby assumes and covenants to perform all the terms and conditions of the obligations set forth in the promissory note and Security Instrument, including, but not limited to, the obligation to repay the debt and agrees to be personally bound for such performance including liability for personal judgment therefore, notwithstanding any failure by Initial Mortgagor to perform on warranties or covenants of title running from Initial Mortgagor to Successor Mortgagor.

3. This Agreement shall bind, jointly and severally, the heirs, executors, administrators, successors and assignees of Initial Mortgagor, Successor Mortgagor and Mortgagee.

4. Successor Mortgagor acknowledges that a principal balance of THIRTY TWO THOUSAND SEVEN HUNDRED EIGHTY FIVE & 51/100 Dollars (\$32,785.51) shall remain due and payable on the promissory note as of the date hereof, with interest accruing thereon at the rate of TEN & ONE-FOURTH percent (10.25 %) per annum thereafter.

5. Successor Mortgagor covenants and agrees to repay the principal balance in 73 equal monthly payments of principal and interest in the amount of FIVE HUNDRED NINETY NINE & 47/100 Dollars (\$599.47), commencing upon the 10 day of OCTOBER, 19 89, and upon the 10 day of each month thereafter until paid in full, all as set forth in the promissory note and Security Instrument.

6. Successor Mortgagor acknowledges that the conveyance of the real property described herein by the Initial Mortgagor to the Successor Mortgagor shall remain fully subject to the security interests of the Mortgagee and the Successor Mortgagor further grants and conveys to the Mortgagee a security interest in the real property described herein and agrees to execute such additional documents as the Mortgagee shall request to perfect such security interest.

7. Successor Mortgagor further agrees to pay, upon demand, all out of pocket expenses of the Mortgagee incurred in effecting this assumption, including without limitation, all stamps, taxes, filing fees and recording costs.

8. Initial Mortgagor warrants to convey or has conveyed the real estate described in the said Security Instrument by deed recorded in Deed Book 1676, Page 2083, of the FORSYTH County public registry, a copy of which is attached hereto as Exhibit "C".

9. This Agreement has been executed in triplicate originals, one of which is retained by each of the parties (each of which shall be deemed to be an original for all purposes without accounting for the others).

IT IS FURTHER MUTUALLY AGREED by and between the parties hereto that nothing herein contained shall in any way impair the security now held on said indebtedness, nor shall waive, annul, vary or affect any provision, condition, covenant or agreement contained in said promissory note and Security Instrument as aforesaid, nor affect or impair any rights, powers or remedies under the said promissory note, Security Instrument, or any of them.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the day and year first above written.

INITIAL MORTGAGOR:

Thomas R. Smith (SEAL)
THOMAS R. SMITH

Sandra M. Smith (SEAL)
SANDRA M. SMITH

SUCCESSOR MORTGAGOR:

(Affix Corporate Seal)

ATTEST:

Thomas R. Smith (SEAL)
Secretary

(Affix Corporate Seal)

MORTGAGEE:

FIRST UNION NATIONAL BANK OF NORTH CAROLINA

BY: Arthur J. Walden President
Asst Vice

ATTEST:
Hyman P. Cassidy - Asst. Secy

1676P2086

STATE OF NORTH CAROLINA

COUNTY OF DAVIDSON

I, Patricia P. Hodges, a Notary Public of the County and State aforesaid, certify that THOMAS R. SMITH & wife, SANDRA M. SMITH, named in the foregoing instrument, personally appeared before me this day and acknowledged the execution of the foregoing instrument for the purposes therein stated.

Witness my hand and notarial seal/stamp, this the 19 day of SEPTEMBER, 19 89.

My Commission expires:

July 22, 1990



Patricia P. Hodges
Notary Public

STATE OF NORTH CAROLINA

COUNTY OF DAVIDSON

I, Patricia P. Hodges, a Notary Public of the County and State aforesaid, certify that Thomas R. Smith personally came before me this day and acknowledged that he is Secretary of J & A INVESTMENTS, INC.

J & A INVESTMENTS, INC., a North Carolina corporation, and that by 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 himself/herself as its Secretary.

Witness my hand and notarial seal/stamp, this the 19 day of SEPTEMBER, 19 89.

My Commission expires:

July 22, 1990



Patricia P. Hodges
Notary Public

STATE OF NORTH CAROLINA

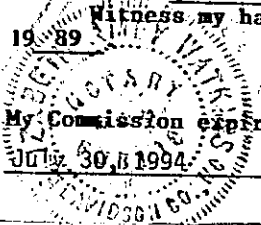
COUNTY OF Davidson

I, Elizabeth Amey Watkins, a Notary Public of the County and State aforesaid, certify that Curtis Jae Walden personally came before me this day and acknowledged that he/~~XXXXX~~ Asst. Vice President of FIRST UNION NATIONAL BANK OF NORTH CAROLINA, a national banking association, and that, by authority duly given and as the act of the association, the foregoing instrument was signed in its name by him/~~her~~ as its Asst. Vice Pres., sealed with its corporate seal, and attested by Lynne P. Cassidy as its Assistant Secretary.

Witness my hand and notarial seal/stamp, this the 19 day of SEPTEMBER, 19 89.

My Commission expires:

July 30, 1994



Elizabeth Amey Watkins
Notary Public

STATE OF NORTH CAROLINA—Forsyth County

The foregoing (or annexed) certificate 5 of Patricia P. Hodges N.P. Davidson Co. NC & Elizabeth Amey Watkins N.P. Davidson Co. NC (here give name and official title of the officer signing the certificate—passed upon)

30th (are) certified to be correct. This the 30th day of September, 19 89.

SEP 20 E. P. 121 PM 1989
Register of Deeds

BY Jessie Holden Deputy
REGISTER OF DEEDS
FORSYTH COUNTY, NC

Probate and Filing Fee \$ 38.00 paid.

BOOK 1676 P 2087

1507482
DEED OF TRUST NOTE

Book 1304
Page 586
Jorrayth County

\$ 55,000.00

Lexington, North Carolina

FOR VALUE RECEIVED, the undersigned jointly and severally promise(s) to pay to the order of FIRST UNION NATIONAL BANK OF NORTH CAROLINA the sum of

----- FIFTY FIVE THOUSAND AND NO/100 -----
(\$ 55,000.00) Dollars, with interest from date at the rate of 10.250 % per annum upon all principal remaining unpaid from time to time, in lawful money of the United States of America, as follows:

Accrued interest payable in full on July 1, 1980 & October 1, 1980.
\$599.47 beginning November 10, 1980 and a like amount each month thereafter until paid in full, with final payment being due on October 10, 1995.

This Note is one of a series of five, each of which is secured by a Deed of Trust dated the 30th day of May, 1980 and recorded in Book 1304 at Page 586 of the Davidson County Public Registry. A default in any Note shall constitute an event of default in all Notes.

All sums which become due under the terms hereof shall be payable to the named payee at 100 South State Street, Lexington, North Carolina or at such other place as the holder of this Note may from time to time designate.

This Note is secured by a Deed of Trust to H. CLIFTON YOUNG

Trustee(M), dated May 30, 1980

Each reference herein to this Note (or to its terms and provisions) shall also be deemed to refer to all of the terms and provisions of the Deed of Trust, and any other instrument, including a loan agreement if any, evidencing or securing the obligations provided for in this Note, all of which shall be construed and applied consistently with the laws of the State of North Carolina.

If default be made in the payment of any sum above mentioned, or any installment thereof, or any interest thereon, as above provided, or if default be made in the performance of or compliance with any one of the covenants and conditions of said Deed of Trust securing this Note, then, in any or all such events the entire amount of the principal of this Note, with all interest thereon accrued shall, at the option of the holder of this Note, become immediately due and payable in full.

The makers, sureties, endorsers, or guarantors of this Note and all others who may become liable for all or any part hereof jointly and severally:

1. Waive presentment for payment, demand, protest, notice of non-payment or dishonor and/or protest, and any and all other notices and demands whatsoever;
2. Agree to remain bound until the principal and interest are paid in full and agree that their respective liabilities shall not be diminished or affected by any extension of time for payment (or for the performance of any obligation under this Note) which may be granted from time to time, even though the period of extension may be indefinite, or by any change by way of release, surrender or substitution of any collateral securing this Note;
3. Waive any right to require holder to pursue any remedy or legal right which it may have against any party or property securing this Note.

Anything contained in this Note or in any other instrument securing the indebtedness evidenced hereby to the contrary notwithstanding, if for any reason the effective rate of interest on the loan evidenced hereby should exceed the maximum lawful rate of interest, the effective rate of interest on such loan shall be deemed reduced to and shall be such maximum lawful rate, and any sums of interest which have been collected in excess of such maximum lawful rate shall be applied by the holder hereof as a credit against the unpaid principal amount due hereunder.

In the event that maker shall default in its obligations hereunder and in the opinion of the holder it becomes necessary or proper to employ an attorney to assist in the enforcement of collection of the indebtedness owed hereunder, then the makers, sureties, endorsers or guarantors of this Note agree to pay a reasonable attorney's fee and all other costs that may reasonably be incurred. This liability for reasonable attorney's fees and costs shall exist whether or not any suit or proceeding is commenced; but, if suit is commenced then the makers, sureties, endorsers and guarantors agree and stipulate that the reasonable attorney's fees for which they are liable under this paragraph shall be deemed to be fifteen per cent (15%) of the sum of the unpaid principal and all interest due thereon at the time suit is instituted.

Signed and sealed this 30th day of May, 1980.

Each of the undersigned has adopted as his seal the word "SEAL" appearing beside his signature.

Thomas R. Smith (Seal)

Sandra M. Smith (Seal)

(Seal)

BOOK 1676 P 2088

THIS DEED OF TRUST made this the 30th day of May, 1980, among SMITH REALTY OF LEXINGTON, INC., M. STEVE SMITH, CHARLOTTE S. SMITH, THOMAS R. SMITH, SANDRA M. SMITH, JAMES O. BURKE, JR., GAYLE W. BURKE, BURR W. SULLIVAN and REBECCA R. SULLIVAN (hereinafter referred to, jointly and severally, as "Grantor") and H. CLIFTON YOUNG (hereinafter referred to as "Trustee") and the owner and holder of the Notes referred to below, First Union National Bank of North Carolina (hereinafter referred to as "Beneficiary");

W I T N E S S E T H That:

WHEREAS, Grantor is indebted to Beneficiary for money loaned for which Grantor has executed and delivered to Beneficiary a series of five (5) Promissory Notes of even date herewith, said Notes being more fully described hereinafter, totalling in the aggregate the principal sum of Five Hundred Fifty Thousand and No/100 Dollars (\$550,000.00), the final payments of which are due on October 10, 1995, together with interest thereon as provided in said Notes;

AND WHEREAS, the above referred to Promissory Notes for which this Deed of Trust is given are more fully described as follows:

Note Number 1. Promissory Note payable to the order of First Union National Bank of North Carolina in the principal sum of Fifty Five Thousand and No/100 (\$55,000.00) Dollars, dated the 30 day of May, 1980, and executed by Smith Realty of Lexington, Inc., a North Carolina corporation, a copy of which is attached hereto as Exhibit "A".

Note Number 2. Promissory Note payable to the order of First Union National Bank of North Carolina in the principal sum of One Hundred Ninety Two Thousand Five Hundred and No/100 (\$192,500.00) Dollars, dated the 30 day of May, 1980, and executed by M. Steve Smith and Charlotte S. Smith, a copy of which is attached hereto as Exhibit "B".

Note Number 3. Promissory Note payable to the order of First Union National Bank of North Carolina in the principal sum of Fifty Five Thousand and No/100 (\$55,000.00) Dollars, dated the 30 day of May, 1980, and executed by Thomas R. Smith and Sandra M. Smith, a copy of which is attached hereto as Exhibit "C".

Note Number 4. Promissory Note payable to the order of First Union National Bank of North Carolina in the principal sum of Eighty Two Thousand Five Hundred and No/100 (\$82,500.00) Dollars, dated the 30 day of May, 1980, and executed by James O. Burke, Jr. and Gayle W. Burke, a copy of which is attached hereto as Exhibit "D".

Note Number 5. Promissory Note payable to the order of First Union National Bank of North Carolina in the principal sum of One Hundred Sixty Five Thousand and No/100 (\$165,000.00) Dollars, dated the 30 day of May, 1980, and executed by Burr W. Sullivan and Rebecca R. Sullivan, a copy of which is attached hereto as Exhibit "E".

AND WHEREAS, the Grantor acknowledges that this Deed of Trust shall remain in full force and effect without any rights of partial release for so long as any sum of principal or interest shall remain unpaid upon any of the Notes, notwithstanding the full satisfaction of one or more of the Notes;

AND WHEREAS, the Grantor acknowledges that a default in any Note shall constitute a default in all Notes entitling Beneficiary to all rights, powers, and privileges pursuant to the Deed of Trust and the Notes;

AND WHEREAS; Grantor acknowledges that Beneficiary shall, upon default, apply the proceeds of collateral less all expenses to the individual obligations of each Note in proportion to the outstanding balance of principal and interest on each Note to the total outstanding balance of principal and interest due on all Notes, notwithstanding the respective ownership interest of each party hereto in the premises conveyed by the Deed of Trust;

AND WHEREAS, to induce the making of said loans Grantor has agreed to secure said debt and interest (together with any future advances) and the undertakings prescribed in the Notes and this Deed of Trust by the conveyance of the premises hereinafter described:

NOW, THEREFORE, in consideration of the aforesaid loan, Grantor hereby grants and conveys to Trustee, his successors and assigns, the following described premises located in Winston Township, Forsyth County, North Carolina:

BEGINNING at a point on the northern right-of-way line of Weatherwood Court, said point of beginning being N. 88° 51' 26" E. 195.0 ft. from the intersection of the northern right-of-way of Weatherwood Court with the eastern right-of-way of Martin Street, as said Weatherwood Court and Martin Street are shown on a plat recorded in Plat Book 27, page 44, in the Office of the Register of Deeds of Forsyth County; thence N. 01° 08' 34" W. 235.0 ft. to a point, new corner to George Vlasits; thence N. 88° 51' 26" E. 206.00 ft. to a point, new corner to George Vlasits; thence S. 01° 08' 34" E. 225.84 ft. to a point in the northern right-of-way of Weatherwood Court; thence S. 79° 08' 23" West with the northern right-of-way of Weatherwood Court 22.03 ft. to a point; thence with the northern right-of-way of Weatherwood Court, a curve to the right with a chord and bearing distance of S. 83° 59' 55" W. 64.25 ft. to a point; thence S. 88° 51' 26" West with the northern right-of-way of Weatherwood Court 120.27 ft. to the point and place of beginning, as surveyed by Harris B. Gupton, R.L.S. L-1845, on June 22, 1979.

Reference: Deed Book 1278, page 0808 and Deed Book 1300, page 1467, Register of Deeds of Forsyth County, N. C.

together with improvements, equipment and fixtures now or hereafter attached to or used in connection with the premises (hereinafter collectively referred to as "premises").

☐ If checked, equipment and fixtures are more specifically described on Exhibit "A" attached hereto and incorporated herein by reference.

TO HAVE AND TO HOLD the same with all privileges and appurtenances thereunto belonging to Trustee, his successors and assigns, upon the Trusts and for the purposes hereinafter set out. Grantor covenants with Trustee that Grantor is seized of, and has the right to convey, the premises, in fee simple; that the premises are free and clear of all encumbrances; and that Grantor will warrant and defend title to the premises against the lawful claims of all persons whomsoever.

GRANTOR COVENANTS with Trustee and Beneficiary (and their respective heirs, successors and assigns) as follows:

1. Note Payments. Grantor shall make timely payments of principal and interest on the above mentioned Notes in the amounts, in the manner and at the place set forth therein. This Deed of Trust secures payment of said Notes according to their terms, which are incorporated herein by reference.

2. Taxes. Grantor shall pay all taxes, charges and assessments which may become a lien upon the premises hereby conveyed before any penalty or interest accrues thereon and shall promptly deliver to Beneficiary official receipts evidencing payment thereof. In the event of the passage after the date of this Deed of Trust of any law changing in any way the laws now in force for state or local taxation of mortgages, deeds of trust or debts secured thereby, or the manner of the collection of any such taxes, so as to affect this Deed of Trust, the whole principal sum (together with interest) secured by this Deed of Trust shall at the option of Beneficiary without notice become immediately due and payable.

3. Insurance. Grantor shall continually maintain insurance against loss by fire, hazards included in the term "extended coverage" and such other hazards as Beneficiary may require in such a manner and in such companies as Beneficiary may from time to time require on the improvements now or hereafter located on the premises and shall promptly pay all premiums, therefore, when due. All insurance policies and renewals thereof shall be held by Beneficiary and have attached thereto a New York Standard Mortgage Long Form Loss Payable Clause in favor of and in a form acceptable to Beneficiary, and provide that no such policy can be cancelled without ten days prior notice to Beneficiary. In the event of loss Grantor shall give immediate notice by mail to Beneficiary, who may make proof of loss. Each insurance company is hereby directed to make payment for such loss directly to Beneficiary (instead of to Grantor and Beneficiary jointly), and the insurance proceeds or any part thereof may be applied by Beneficiary at its option to the debt hereby secured or for the repair or restoration of the premises. If the insurance proceeds are applied to the debt it may be applied upon the portion last falling due or in such other manner as Beneficiary may desire. In the event of foreclosure of this Deed of Trust or other transfer of title to the premises in extinguishment of the indebtedness secured hereby, all right, title and interest of Beneficiary in any insurance policies then in force shall pass to the grantee.

4. Escrow Deposits. Upon demand of Beneficiary, Grantor shall add to each monthly or other periodic payment required under the Notes secured hereby the amount estimated by Beneficiary to be sufficient to enable Beneficiary to pay, as they come due all taxes, charges, assessments, and insurance premiums which Grantor is required to pay hereunder. Any deficiency occasioned by an insufficiency of such additional payments shall be forthwith deposited by Grantor with Beneficiary upon demand.

5. Repairs. Grantor will keep the premises in as good order and repair as they are now (reasonable wear and tear excepted) and will not commit or permit any waste or any other thing whereby the value of the premises might be impaired. Grantor shall not cut timber on the premises nor sell the timber rights to standing timber without the written consent of Beneficiary.

1676P2090

BOOK 1304P0587

6. Compliance with Laws. Grantor shall promptly comply with any applicable legal requirements of the State of North Carolina or other governmental entity, agency or instrumentality relating to the use or condition of the premises.

7. Condemnation Award. Any award for the taking of, or damages to, all or any part of the premises or any interest therein upon the lawful exercise of power of eminent domain shall be payable to Beneficiary who may apply the sums so received to the portion of the debt hereby secured last falling due or in such other manner as Beneficiary may desire.

8. Payments by Beneficiary. If Grantor shall be in default in the timely payment or performance of any obligation under this Deed of Trust or the Notes hereby secured, Beneficiary, at its option, may pay the sums for which Grantor is obligated. Further, Beneficiary, at its option, may advance, pay, or expend such sums as may be proper and necessary for the protection of the premises and the maintenance of this trust including but not limited to sums to satisfy taxes or other levies, and assessments and/or liens, to maintain insurance (including title insurance), to make repairs and to provide security guards. Any amounts so advanced, paid or expended shall be deemed principal advances secured by this Deed of Trust (even though when added to other advances, the sum thereof may exceed the face amount of the Notes), shall bear interest from the time advanced, paid or expended at the rate prescribed in the Notes hereby secured and be secured by this Deed of Trust and its payment enforced as if it were a part of the original debt. Any sum expended, paid or advanced under this paragraph shall be at Beneficiary's sole option and not constitute a waiver of any default or right arising from the breach by Grantor of any covenant or agreement contained herein or in the Notes.

9. Rents and Profits. Grantor hereby assigns to Beneficiary all future rents and profits from the premises as additional security for the payment of the indebtedness hereby secured and full performance of the undertakings of the Grantor hereunder. Beneficiary is given a prior and continuing lien thereon, and Grantor hereby appoints Beneficiary his attorney to collect such rents and profits with or without suit and apply the same (less expenses of collection) to said indebtedness and the performance of said undertakings in such manner as Beneficiary may desire. However, until default hereunder or under the Notes secured hereby, Grantor may continue to collect and enjoy such rents and profits without accountability to Beneficiary. This assignment shall be irrevocable and shall be in addition to other remedies herein provided for in event of default and may be put into effect independently of or concurrently with any of said remedies.

10. Grantor's Continuing Obligation. The Grantor shall remain liable for full payment of the principal and interest on the Notes (or any advancement or obligation) secured hereby, notwithstanding any of the following:

(a) The sale of all or a part of the premises, (b) the assumption by another party of the Grantor's obligations hereunder, (c) the forbearance or extension of time for payment or performance of any obligation hereunder, whether granted to Grantor or a subsequent owner of the property, and (d) the release of all or any part of the premises securing said obligations or the release of any party who assumes payment of the same. None of the foregoing shall in any way affect the full force and effect of the lien of this Deed of Trust or impair Beneficiary's right to a deficiency judgment (in the event of foreclosure) against Grantor or any party assuming the obligations hereunder.

11. Substitute Trustees. Beneficiary shall have the unqualified right to remove the Trustee and to appoint one or more substitute or successor Trustees by instruments filed for registration in the Office of the Register of Deeds where this Deed of Trust is recorded. Any such removal or appointment may be made any time without notice without specifying any reason therefor and without any court approval. Any such appointee shall become vested with title to the premises and with all rights, powers and duties conferred upon the Trustee herein in the same manner and to the same effect as though he were named herein as the original Trustee.

12. Late Charge. Beneficiary may collect a late charge of 4% of each installment sixteen (16) days or more in arrears to cover the extra expense involved in handling delinquent payments.

13. Attorney's Fees. In the event that Grantor shall default in its obligations hereunder and in the opinion of Beneficiary it becomes necessary or proper to employ an attorney to assist in the enforcement of collection of the indebtedness owed by Grantor to Beneficiary or to enforce compliance by Grantor with any of the provisions herein contained, or in the event of the Beneficiary or the Trustee voluntarily or otherwise shall become a party or parties to any suit or legal proceeding (including a proceeding conducted under the Bankruptcy Act) to protect the property herein conveyed, to protect the lien of this Deed of Trust, to enforce collection of the indebtedness owed by Grantor to Beneficiary, or to enforce compliance by Grantor with any of the provisions of the Notes or those contained herein, Grantor agrees to pay a reasonable attorney's fee and all of the costs that may reasonably be incurred in such fees and costs shall be secured by this Deed of Trust and its payment enforced as if it were a part of the original debt. Grantor shall be liable for such reasonable attorney's fees and costs whether or not any suit or proceeding is commenced; if suit is instituted by Beneficiary upon default to enforce collection of any unpaid balance of the Notes, Grantor stipulates and agrees that the reasonable attorney's fee for which it is liable under this paragraph shall be deemed to be fifteen percent (15%) of the sum of the unpaid principal and all interest due thereon at the time suit is instituted.

1676P2091

1304P0588

14. Anti-Marshalling Provisions. The right is hereby given by Grantor to Trustee and Beneficiary to make partial releases or releases of security hereunder (whether or not such releases are required by agreement among the parties) agreeable to Trustee and Beneficiary without notice to, or the consent, approval or agreement of other parties and interests, including junior lienors and purchasers subject to this lien, which partial release or releases shall not impair in any manner the validity of or priority of this Deed of Trust on the premises remaining hereunder, nor release Grantor from personal liability for the indebtedness hereby secured. Notwithstanding the existence of any other security interests in the premises held by Beneficiary or by any other party, Beneficiary shall have the right to determine the order in which any or all of the premises shall be subjected to the remedies provided herein. Beneficiary shall have the right to determine the order in which any or all portions of the indebtedness secured hereby are satisfied from the proceeds realized upon the exercise of the remedies provided herein. Grantor, any party who consents to this who has actual or constructive notice hereof hereby waives any and all right to require the marshalling of assets in connection with the exercise of any of the remedies permitted by applicable law or provided therein.

15. Sale by Parcels. Pursuant to the provisions of North Carolina General Statute 45-21.8, the Trustee or Trustees are hereby empowered to sell any parcel of the property described herein whether or not, in the judgment of the Trustee or Trustees, the proceeds of the parcel sold will be sufficient to satisfy the indebtedness secured hereby, and this provision shall govern the sale or sales of the parcels of property herein described.

16. Notice to Grantor. All notices required to be given to Grantor including the notice required to be served by North Carolina General Statute 45-21.16 shall be mailed to Grantor at the following address: 706 W. Second Ave., P.O. Box 884, Lexington, N.C. 27292

17. Notice to Beneficiary. All notices required to be given to Beneficiary by Grantor or an intervening lienor or encumbrancer pursuant to North Carolina General Statute 45-70(b) shall be mailed to First Union National Bank of North Carolina, Attention: Mr. H. Clifton Young

18. Secondary Financing Prohibited. Grantor may not pledge or encumber the premises herein conveyed without first obtaining Beneficiary's written consent.

19. Transfer of Premises. If all or any part of the premises or an interest therein is sold or transferred by Grantor without Beneficiary's prior written consent, Beneficiary may, at Beneficiary's option, declare all sums secured by this Deed of Trust to be immediately due and payable.

20. Uniform Commercial Code Security Agreement. This Deed of Trust is intended to be a security agreement with respect to items referred to herein which may be subject to a security interest pursuant to the Uniform Commercial Code, and Grantor hereby grants Beneficiary a security interest in said items. Grantor agrees that Beneficiary may file this Deed of Trust as a financing statement, or at Grantor's request agrees to execute such financing statements, extensions or amendments as Beneficiary may require to perfect a security interest with respect to said items. In the event of default, Beneficiary shall have, in addition to its other remedies, all rights and remedies provided for in the Uniform Commercial Code as enacted in North Carolina.

21. Acceleration in Case of Grantor's Insolvency. If Grantor shall voluntarily file a petition under the Federal Bankruptcy Act, as such Act may from time to time be amended, or under any similar or successor Federal statute relating to bankruptcy, insolvency, arrangements or reorganizations, or under any state bankruptcy or insolvency act, or file an answer in an involuntary proceeding admitting insolvency or inability to pay debts, or if Grantor shall fail to obtain a vacation or stay of involuntary proceedings brought for the reorganization, dissolution or liquidation of Grantor, or if Grantor shall be adjudged a bankrupt, or if a trustee or receiver shall be appointed for Grantor or Grantor's property, or if the property shall become subject to the jurisdiction of a Federal bankruptcy court or similar State court or if Grantor shall make an assignment for the benefit of Grantor's creditors, or if there is an attachment, execution of other judicial seizure of any portion of Grantor's assets and such seizure is not discharged within ten days, then Beneficiary may, at Beneficiary's option, declare all of the sums secured by this instrument to be immediately due and payable without prior notice to Grantor. Any attorney's fees and other expenses incurred by Beneficiary in connection with Grantor's bankruptcy or any of the other aforesaid events shall be additional indebtedness of Grantor secured by this Deed of Trust pursuant to paragraph 13 hereof.

22. Use of Property. Unless required by applicable law or unless Beneficiary has otherwise agreed in writing, Grantor shall not allow changes in the use for which all or any part of the premises was intended at the time this Deed of Trust was executed. Grantor shall not institute or acquiesce in a change in the zoning classification of the premises without Beneficiary's prior written consent.

23. Books and Records. Grantor shall keep and maintain at all times at Grantor's address stated below, or such other place as Beneficiary may approve in writing, complete and accurate books of accounts and records adequate to reflect correctly Grantor's financial condition and copies of all the written contracts, leases and other instruments which may affect the premises. Such books, records, contracts, leases and other instruments shall be subject to examination and inspection at any reasonable time by Beneficiary. Upon Beneficiary's request, Grantor shall furnish to Beneficiary within 120 days after the end of each fiscal year of Grantor, a balance sheet, a statement of income and expenses and a statement of changes in financial position, each in reasonable detail and certified by Grantor and, if Beneficiary shall require, by an independent certified public accountant.

1676P2892

1X1304P0589

24. Future Advances. Upon request of Grantor, Beneficiary, at Beneficiary's option, within ten years of the date of this Deed of Trust or any amendment thereto, may make Future Advances to Grantor. Such Future Advances, with interest thereon, shall be secured by this Deed of Trust when evidenced by promissory notes stating that the notes are secured hereby. At no time shall the principal amount of the indebtedness secured by this Deed of Trust, not including sums advanced in accordance herewith to protect the security of this Deed of Trust, exceed the original amount of the Notes.

25. Definitions. As used herein the terms "Grantor", "Trustee", "Beneficiary" and other terms shall refer to the singular, plural, neuter, masculine and feminine as the context may require and shall include, be binding upon and inure to the benefit of their respective heirs, successors, legal representatives and assigns.

BUT THIS CONVEYANCE IS MADE UPON THIS SPECIAL TRUST: If the total amount of the debt, interest, advances and other sums secured hereby are paid in full in accordance with the terms of the above mentioned Notes and this Deed of Trust, this conveyance shall be null and void and may be canceled of record at the request and cost of the Grantor and title shall revert as provided by law. If, however, there shall be a default in any of the terms and conditions of this Deed of Trust or under the Notes or any advance secured hereby, all sums owing to Beneficiary thereunder regardless of maturity and without notice shall immediately become due and payable at the option of Beneficiary; and, on application of Beneficiary, Trustee shall foreclose this Deed of Trust by judicial Proceedings or at Beneficiary's election Trustee shall sell (and is hereby empowered to sell) the premises at public sale to the last and highest bidder for cash (free of any equity of redemption, homestead, dower, curtesy or other exemption, all of which are expressly waived by Grantor) after compliance with applicable North Carolina laws relating to foreclosure sales under power of sale and shall execute a conveyance in fee simple to the successful purchaser at said sale. The proceeds of any such sale shall be applied in the manner and in the order prescribed by applicable North Carolina laws, it being agreed that the expenses of any such sale shall include a commission of five percent of the gross sales price to Trustee for making such sale and for all services performed by him hereunder. Beneficiary may bid and become the purchaser at any sale under this Deed of Trust. At any such sale Trustee may at its election require the successful bidder immediately to deposit with Trustee cash or certified check in an amount equal to all or any part of the successful bid, and notice of any such requirement need not be included in the advertisement of the notice of such sale.

IN WITNESS WHEREOF, the Deed of Trust has been duly signed, sealed and delivered by Grantor the day and year first above written.

(Corporate Seal)

SMITH REALTY OF LEXINGTON, INC.

ATTEST:

Jean C. Smith
JEAN C. SMITH, Secretary

M. Steve Smith (SEAL)
M. STEVE SMITH

Thomas R. Smith (SEAL)
THOMAS R. SMITH

James O. Burke, Jr. (SEAL)
JAMES O. BURKE, JR.

Burr W. Sullivan (SEAL)
BURR W. SULLIVAN

By: Dan G. Smith
DAN G. SMITH, President

Charlotte S. Smith (SEAL)
CHARLOTTE S. SMITH

Sandra M. Smith (SEAL)
SANDRA M. SMITH

Gayle W. Burke (SEAL)
GAYLE W. BURKE

Rebecca R. Sullivan (SEAL)
REBECCA R. SULLIVAN

1304P0590

1676P2093

NORTH CAROLINA LEXINGTON COUNTY, DAVIDSON

I, Bertha K. McPhail, a Notary Public, do hereby
certify that M. Steve Smith and Charlotte S. Smith
personally appeared before me this day and acknowledged the due execution of the foregoing
instrument.

Witness my hand and official seal, this 30th day of May A.D. 1980

My commission expires July 28, 1980
(SEAL) Bertha K. McPhail
Notary Public

BERTHA K. McPHAIL
NOTARY PUBLIC
DAVIDSON COUNTY, N. C.

NORTH CAROLINA LEXINGTON COUNTY, DAVIDSON

I, Bertha K. McPhail, a Notary Public, do hereby
certify that Thomas R. Smith and Sandra M. Smith
personally appeared before me this day and acknowledged the due execution of the foregoing
instrument.

Witness my hand and official seal, this 30th day of May A.D. 1980

My commission expires July 28, 1980
(SEAL) Bertha K. McPhail
Notary Public

BERTHA K. McPHAIL
NOTARY PUBLIC
DAVIDSON COUNTY, N. C.

NORTH CAROLINA LEXINGTON COUNTY, DAVIDSON

I, Bertha K. McPhail, a Notary Public, do hereby
certify that James O. Burke, Jr. and Gayle W. Burke
personally appeared before me this day and acknowledged the due execution of the foregoing
instrument.

Witness my hand and official seal, this 30th day of May A.D. 1980

My commission expires July 28, 1980
(SEAL) Bertha K. McPhail
Notary Public

BERTHA K. McPHAIL
NOTARY PUBLIC
DAVIDSON COUNTY, N. C.

NORTH CAROLINA LEXINGTON COUNTY, DAVIDSON

I, Bertha K. McPhail, a Notary Public, do hereby
certify that Burr W. Sullivan and Rebecca R. Sullivan
personally appeared before me this day and acknowledged the due execution of the foregoing
instrument.

Witness my hand and official seal, this 30th day of May A.D. 1980

My commission expires July 28, 1980
(SEAL) Bertha K. McPhail
Notary Public

BERTHA K. McPHAIL
NOTARY PUBLIC
DAVIDSON COUNTY, N. C.

198K 1304P0591

1676P2094

NORTH CAROLINA, LEXINGTON COUNTY, DAVIDSON

This 30th day of May A.D. 1980 personally came before me,

BERTHA K. McPHAIL

~~DAN G. SMITH~~

, a Notary Public of Davidson County,

North Carolina, DAN G. SMITH, who, being by me duly sworn, says that he is

President of the SMITH REALTY OF LEXINGTON, INC.

and that the seal affixed to the foregoing instrument in writing is the corporate seal of said Company and that said writing was signed and sealed by him in behalf of said corporation by its authority duly given. And the said Dan G. Smith President, acknowledged the said writing to be the act and deed of said corporation. Witness my hand and notary seal.

My commission expires July 28, 1980

Bertha K. McPhail
Notary Public

(SEAL)
BERTHA K. McPHAIL
NOTARY PUBLIC
DAVIDSON COUNTY, N. C.
NORTH CAROLINA

WINSTON-SALEM

COUNTY, FORSYTH

The foregoing certificate of Bertha K. McPhail, a Notary

Public of the County of Davidson, North Carolina, by his Notarial Seal thereto attached, is certified to be correct. Let the instrument and the certificates be registered.

This 30th day of May 19 80
Eunice Ayers, Register of Deeds

Probate Fee \$1.00 paid

James L. Ayers
Deputy
Forsyth County, N.C.

The debt secured by the within Deed of Trust has been paid and satisfied in full and the same is hereby canceled.

_____ day of _____ 19 _____

Attest

PRESENTED FOR
REGISTRATION
AND RECORDED

MAY 30 3 57 PM '80

EUNICE AYERS
REGISTER OF DEEDS
FORSYTH CTY. N.C.

BOOK 1304P 592

1676P 2095

li #14.022-1-

DEED OF TRUST NOTE

\$ 55,000.00

Lexington, North Carolina

FOR VALUE RECEIVED, the undersigned jointly and severally promise(s) to pay to the order of FIRST UNION NATIONAL BANK OF NORTH CAROLINA the sum of Fifty Five Thousand and No/100

(\$55,000.00) Dollars, with interest from date at the rate of 10.250 % per annum upon all principal remaining unpaid from time to time, in lawful money of the United States of America, as follows:

Accrued interest payable in full on July 1, 1980 & October 1, 1980.
\$599.47 beginning November 10, 1980 and a like amount each month thereafter until paid in full, with final payment being due on October 10, 1995.

This Note is one of a series of five, each of which is secured by a Deed of Trust dated the 30th day of May, 1980 and recorded in Book at Page of the Davidson County Public Registry. A default in any Note shall constitute an event of default in all Notes.

All sums which become due under the terms hereof shall be payable to the named payee at 100 South State Street, Lexington, North Carolina or at such other place as the holder of this Note may from time to time designate.

This Note is secured by a Deed of Trust to H. Clifton Young, Trustee(s), dated May 30, 1980

Each reference herein to this Note (or to its terms and provisions) shall also be deemed to refer to all of the terms and provisions of the Deed of Trust, and any other instrument, including a loan agreement if any, evidencing or securing the obligations provided for in this Note, all of which shall be construed and applied consistently with the laws of the State of North Carolina.

If default be made in the payment of any sum above mentioned, or any installment thereof, or any interest thereon, as above provided, or if default be made in the performance of or compliance with any one of the covenants and conditions of said Deed of Trust securing this Note, then, in any or all such events the entire amount of the principal of this Note, with all interest thereon accrued shall, at the option of the holder of this Note, become immediately due and payable in full.

The makers, sureties, endorsers, or guarantors of this Note and all others who may become liable for all or any part hereof jointly and severally:

1. Waive presentment for payment, demand, protest, notice of non-payment or dishonor and/or protest, and any and all other notices and demands whatsoever;
2. Agree to remain bound until the principal and interest are paid in full and agree that their respective liabilities shall not be diminished or affected by any extension of time for payment (or for the performance of any obligation under this Note) which may be granted from time to time, even though the period of extension may be indefinite, or by any change by way of release, surrender or substitution of any collateral securing this Note;
3. Waive any right to require holder to pursue any remedy or legal right which it may have against any party or property securing this Note.

Anything contained in this Note or in any other instrument securing the indebtedness evidenced hereby to the contrary notwithstanding, if for any reason the effective rate of interest on the loan evidenced hereby should exceed the maximum lawful rate of interest, the effective rate of interest on such loan shall be deemed reduced to and shall be such maximum lawful rate, and any sums of interest which have been collected in excess of such maximum lawful rate shall be applied by the holder hereof as a credit against the unpaid principal amount due hereunder.

In the event that maker shall default in its obligations hereunder and in the opinion of the holder it becomes necessary or proper to employ an attorney to assist in the enforcement of collection of the indebtedness owed hereunder, then the makers, sureties, endorsers or guarantors of this Note agree to pay a reasonable attorney's fee and all other costs that may reasonably be incurred. This liability for reasonable attorney's fees and costs shall exist whether or not any suit or proceeding is commenced; but, if suit is commenced then the makers, sureties, endorsers and guarantors agree and stipulate that the reasonable attorney's fees for which they are liable under this paragraph shall be deemed to be fifteen per cent (15%) of the sum of the unpaid principal and all interest due thereon at the time suit is instituted.

Signed and sealed this 30th day of May, 19 80.

Each of the undersigned has adopted as his seal the word "SEAL" appearing beside his signature.

(Corporate Seal)

ATTEST:

[Signature]
Secretary

SMITH REALTY OF LEXINGTON, INC.

By: [Signature] (Seal)
Dan G. Smith - President

1676P2896

Exhibit A

1304P0593 (Seal)

DEED OF TRUST NOTE

\$ 192,500.00

Lexington, North Carolina

FOR VALUE RECEIVED, the undersigned jointly and severally promise(s) to pay to the order of FIRST UNION NATIONAL BANK OF NORTH CAROLINA the sum of

ONE HUNDRED NINETY TWO THOUSAND FIVE HUNDRED AND NO/100

(\$192,500.00) Dollars, with interest from date at the rate of 10.250% per annum upon all principal remaining unpaid from time to time, in lawful money of the United States of America, as follows:

Accrued interest payable in full on July 1, 1980 & October 1, 1980.
\$2,098.16 beginning November 10, 1980 and a like amount each month thereafter until paid in full, with final payment being due on October 10, 1995.

This Note is one of a series of five, each of which is secured by a Deed of Trust dated the 30th day of May, 1980 and recorded in Book at Page of the Davidson County Public Registry. A default in any Note shall constitute an event of default in all Notes.

All sums which become due under the terms hereof shall be payable to the named payee at 100 South State Street, Lexington, North Carolina or at such other place as the holder of this Note may from time to time designate.

This Note is secured by a Deed of Trust to H. Clifton Young, Trustee(s), dated May 30, 1980.

Each reference herein to this Note (or to its terms and provisions) shall also be deemed to refer to all of the terms and provisions of the Deed of Trust, and any other Instrument, including a loan agreement if any, evidencing or securing the obligations provided for in this Note, all of which shall be construed and applied consistently with the laws of the State of North Carolina.

If default be made in the payment of any sum above mentioned, or any installment thereof, or any interest thereon, as above provided, or if default be made in the performance of or compliance with any one of the covenants and conditions of said Deed of Trust securing this Note, then, in any or all such events the entire amount of the principal of this Note, with all interest thereon accrued shall, at the option of the holder of this Note, become immediately due and payable in full.

The makers, sureties, endorsers, or guarantors of this Note and all others who may become liable for all or any part hereof jointly and severally:

1. Waive presentment for payment, demand, protest, notice of non-payment or dishonor and/or protest, and any and all other notices and demands whatsoever;
2. Agree to remain bound until the principal and interest are paid in full and agree that their respective liabilities shall not be diminished or affected by any extension of time for payment (or for the performance of any obligation under this Note) which may be granted from time to time, even though the period of extension may be indefinite, or by any change by way of release, surrender or substitution of any collateral securing this Note;
3. Waive any right to require holder to pursue any remedy or legal right which it may have against any party or property securing this Note.

Anything contained in this Note or in any other Instrument securing the indebtedness evidenced hereby to the contrary notwithstanding, if for any reason the effective rate of interest on the loan evidenced hereby should exceed the maximum lawful rate of interest, the effective rate of interest on such loan shall be deemed reduced to and shall be such maximum lawful rate, and any sums of interest which have been collected in excess of such maximum lawful rate shall be applied by the holder hereof as a credit against the unpaid principal amount due hereunder.

In the event that maker shall default in its obligations hereunder and in the opinion of the holder it becomes necessary or proper to employ an attorney to assist in the enforcement of collection of the indebtedness owed hereunder, then the makers, sureties, endorsers or guarantors of this Note agree to pay a reasonable attorney's fee and all other costs that may reasonably be incurred. This liability for reasonable attorney's fees and costs shall exist whether or not any suit or proceeding is commenced; but, if suit is commenced then the makers, sureties, endorsers and guarantors agree and stipulate that the reasonable attorney's fees for which they are liable under this paragraph shall be deemed to be fifteen per cent (15%) of the sum of the unpaid principal and all interest due thereon at the time suit is instituted.

Signed and sealed this 30th day of May, 1980.

Each of the undersigned has adopted as his seal the word "SEAL" appearing beside his signature.

M. Steve Smith (Seal)

Charlotte S. Smith (Seal)

1676P2037

1304P059 (Seal)

DEED OF TRUST NOTE

\$ 55,000.00

Lexington, North Carolina

FOR VALUE RECEIVED, the undersigned jointly and severally promise(s) to pay to the order of FIRST UNION NATIONAL BANK OF NORTH CAROLINA the sum of

FIFTY FIVE THOUSAND AND NO/100

(\$ 55,000.00) Dollars, with interest from date at the rate of 10.250 % per annum upon all principal remaining unpaid from time to time, in lawful money of the United States of America, as follows:

Accrued interest payable in full on July 1, 1980 & October 1, 1980.

\$599.47 beginning November 10, 1980 and a like amount each month thereafter until paid in full, with final payment being due on October 10, 1995.

This Note is one of a series of five, each of which is secured by a Deed of Trust dated the 30th day of May, 1980 and recorded in Book at Page of the Davidson County Public Registry. A default in any Note shall constitute an event of default in all Notes.

All sums which become due under the terms hereof shall be payable to the named payee at 100 South State Street, Lexington, North Carolina or at such other place as the holder of this Note may from time to time designate.

This Note is secured by a Deed of Trust to H. CLIFTON YOUNG

, Trustee(s), dated May 30, 1980

Each reference herein to this Note (or to its terms and provisions) shall also be deemed to refer to all of the terms and provisions of the Deed of Trust, and any other instrument, including a loan agreement if any, evidencing or securing the obligations provided for in this Note, all of which shall be construed and applied consistently with the laws of the State of North Carolina.

If default be made in the payment of any sum above mentioned, or any installment thereof, or any interest thereon, as above provided, or if default be made in the performance of or compliance with any one of the covenants and conditions of said Deed of Trust securing this Note, then, in any or all such events the entire amount of the principal of this Note, with all interest thereon accrued shall, at the option of the holder of this Note, become immediately due and payable in full.

The makers, sureties, endorsers, or guarantors of this Note and all others who may become liable for all or any part hereof jointly and severally:

1. Waive presentment for payment, demand, protest, notice of non-payment or dishonor and/or protest, and any and all other notices and demands whatsoever;
2. Agree to remain bound until the principal and interest are paid in full and agree that their respective liabilities shall not be diminished or affected by any extension of time for payment (or for the performance of any obligation under this Note) which may be granted from time to time, even though the period of extension may be indefinite, or by any change by way of release, surrender or substitution of any collateral securing this Note;
3. Waive any right to require holder to pursue any remedy or legal right which it may have against any party or property securing this Note.

Anything contained in this Note or in any other instrument securing the indebtedness evidenced hereby to the contrary notwithstanding, if for any reason the effective rate of interest on the loan evidenced hereby should exceed the maximum lawful rate of interest, the effective rate of interest on such loan shall be deemed reduced to and shall be such maximum lawful rate, and any sums of interest which have been collected in excess of such maximum lawful rate shall be applied by the holder hereof as a credit against the unpaid principal amount due hereunder.

In the event that maker shall default in its obligations hereunder and in the opinion of the holder it becomes necessary or proper to employ an attorney to assist in the enforcement of collection of the indebtedness owed hereunder, then the makers, sureties, endorsers or guarantors of this Note agree to pay a reasonable attorney's fee and all other costs that may reasonably be incurred. This liability for reasonable attorney's fees and costs shall exist whether or not any suit or proceeding is commenced; but, if suit is commenced then the makers, sureties, endorsers and guarantors agree and stipulate that the reasonable attorney's fees for which they are liable under this paragraph shall be deemed to be fifteen per cent (15%) of the sum of the unpaid principal and all interest due thereon at the time suit is instituted.

Signed and sealed this 30th day of May, 1980.

Each of the undersigned has adopted as his seal the word "SEAL" appearing beside his signature.

Thomas R. Smith (Seal)

Sandra M. Smith (Seal)

1676P2098

1304P0595

DEED OF TRUST NOTE

\$ 82,500.00

Lexington, North Carolina

FOR VALUE RECEIVED, the undersigned jointly and severally promise(s) to pay to the order of FIRST UNION NATIONAL BANK OF NORTH CAROLINA the sum of

----- EIGHTY TWO THOUSAND FIVE HUNDRED AND NO/100 -----
(\$ 82,500.00) Dollars, with interest from date at the rate of 10.250 % per annum upon all principal remaining unpaid from time to time, in lawful money of the United States of America, as follows:

Accrued interest payable in full on July 1, 1980 and October 1, 1980.
\$899.21 beginning November 10, 1980 and a like amount each month thereafter until paid in full, with final payment being due on October 10, 1995.

This Note is one of a series of five, each of which is secured by a Deed of Trust dated the 30th day of May, 1980 and recorded in Book at Page of the Davidson County Public Registry. A default in any Note shall constitute an event of default in all Notes.

All sums which become due under the terms hereof shall be payable to the named payee at 100 South State Street, Lexington, North Carolina or at such other place as the holder of this Note may from time to time designate.

This Note is secured by a Deed of Trust to H. CLIFTON YOUNG, Trustee(s), dated May 30, 1980.

Each reference herein to this Note (or to its terms and provisions) shall also be deemed to refer to all of the terms and provisions of the Deed of Trust, and any other instrument, including a loan agreement if any, evidencing or securing the obligations provided for in this Note, all of which shall be construed and applied consistently with the laws of the State of North Carolina.

If default be made in the payment of any sum above mentioned, or any installment thereof, or any interest thereon, as above provided; or if default be made in the performance of or compliance with any one of the covenants and conditions of said Deed of Trust securing this Note, then, in any or all such events the entire amount of the principal of this Note, with all interest thereon accrued shall, at the option of the holder of this Note, become immediately due and payable in full.

The makers, sureties, endorsers, or guarantors of this Note and all others who may become liable for all or any part hereof jointly and severally:

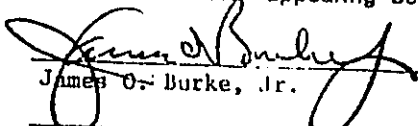
1. Waive presentment for payment, demand, protest, notice of non-payment or dishonor and/or protest, and any and all other notices and demands whatsoever;
2. Agree to remain bound until the principal and interest are paid in full and agree that their respective liabilities shall not be diminished or affected by any extension of time for payment (or for the performance of any obligation under this Note) which may be granted from time to time, even though the period of extension may be indefinite, or by any change by way of release, surrender or substitution of any collateral securing this Note;
3. Waive any right to require holder to pursue any remedy or legal right which it may have against any party or property securing this Note.

Anything contained in this Note or in any other instrument securing the indebtedness evidenced hereby to the contrary notwithstanding, if for any reason the effective rate of interest on the loan evidenced hereby should exceed the maximum lawful rate of interest, the effective rate of interest on such loan shall be deemed reduced to and shall be such maximum lawful rate, and any sums of interest which have been collected in excess of such maximum lawful rate shall be applied by the holder hereof as a credit against the unpaid principal amount due hereunder.

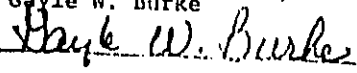
In the event that maker shall default in its obligations hereunder and in the opinion of the holder it becomes necessary or proper to employ an attorney to assist in the enforcement of collection of the indebtedness owed hereunder, then the makers, sureties, endorsers or guarantors of this Note agree to pay a reasonable attorney's fee and all other costs that may reasonably be incurred. This liability for reasonable attorney's fees and costs shall exist whether or not any suit or proceeding is commenced; but, if suit is commenced then the makers, sureties, endorsers and guarantors agree and stipulate that the reasonable attorney's fees for which they are liable under this paragraph shall be deemed to be fifteen per cent (15%) of the sum of the unpaid principal and all interest due thereon at the time suit is instituted.

Signed and sealed this 30th day of May, 1980.

Each of the undersigned has adopted as his seal the word "SEAL" appearing beside his signature.

 (Seal)
James O. Burke, Jr.

Gayle W. Burke (Seal)

 (Seal)
Gayle W. Burke

1676 P 2099

Exhibit D

1304P0596

DEED OF TRUST NOTE

\$ 165,000.00

Lexington, North Carolina

FOR VALUE RECEIVED, the undersigned jointly and severally promise(s) to pay to the order of FIRST UNION NATIONAL BANK OF NORTH CAROLINA the sum of

ONE HUNDRED SIXTY FIVE THOUSAND AND NO/100

(\$ 165,000.00) Dollars, with interest from date at the rate of 10.250% per annum upon all principal remaining unpaid from time to time, in lawful money of the United States of America, as follows:

Accrued interest payable in full on July 1, 1980 & October 1, 1980.
\$1,798.42 beginning November 10, 1980 and a like amount each month thereafter until paid in full, with final payment being due on October 10, 1995.

This Note is one of a series of five, each of which is secured by a Deed of Trust dated the 30th day of May, 1980 and recorded in Book at Page of the Davidson County Public Registry. A default in any Note shall constitute an event of default in all Notes.

All sums which become due under the terms hereof shall be payable to the named payee at 100 South State Street, Lexington, North Carolina or at such other place as the holder of this Note may from time to time designate.

This Note is secured by a Deed of Trust to H. CLIFTON YOUNG

Trustee(s), dated May 30, 1980

Each reference herein to this Note (or to its terms and provisions) shall also be deemed to refer to all of the terms and provisions of the Deed of Trust, and any other instrument, including a loan agreement if any, evidencing or securing the obligations provided for in this Note, all of which shall be construed and applied consistently with the laws of the State of North Carolina.

If default be made in the payment of any sum above mentioned, or any installment thereof, or any interest thereon, as above provided; or if default be made in the performance of or compliance with any one of the covenants and conditions of said Deed of Trust securing this Note, then, in any or all such events the entire amount of the principal of this Note, with all interest thereon accrued shall, at the option of the holder of this Note, become immediately due and payable in full.

The makers, sureties, endorsers, or guarantors of this Note and all others who may become liable for all or any part hereof jointly and severally:

1. Waive presentment for payment, demand, protest, notice of non-payment or dishonor and/or protest, and any and all other notices and demands whatsoever;
2. Agree to remain bound until the principal and interest are paid in full and agree that their respective liabilities shall not be diminished or affected by any extension of time for payment (or for the performance of any obligation under this Note) which may be granted from time to time, even though the period of extension may be indefinite, or by any change by way of release, surrender or substitution of any collateral securing this Note;
3. Waive any right to require holder to pursue any remedy or legal right which it may have against any party or property securing this Note.

Anything contained in this Note or in any other instrument securing the indebtedness evidenced hereby to the contrary notwithstanding, if for any reason the effective rate of interest on the loan evidenced hereby should exceed the maximum lawful rate of interest, the effective rate of interest on such loan shall be deemed reduced to and shall be such maximum lawful rate, and any sums of interest which have been collected in excess of such maximum lawful rate shall be applied by the holder hereof as a credit against the unpaid principal amount due hereunder.

In the event that maker shall default in its obligations hereunder and in the opinion of the holder it becomes necessary or proper to employ an attorney to assist in the enforcement of collection of the indebtedness owed hereunder, then the makers, sureties, endorsers or guarantors of this Note agree to pay a reasonable attorney's fee and all other costs that may reasonably be incurred. This liability for reasonable attorney's fees and costs shall exist whether or not any suit or proceeding is commenced; but, if suit is commenced then the makers, sureties, endorsers and guarantors agree and stipulate that the reasonable attorney's fees for which they are liable under this paragraph shall be deemed to be fifteen per cent (15%) of the sum of the unpaid principal and all interest due thereon at the time suit is instituted.

Signed and sealed this 30th day of May, 1980.

Each of the undersigned has adopted as his seal the word "SEAL" appearing beside his signature.

Burr W. Sullivan (Seal)
Rebecca R. Sullivan (Seal)

1676P2100

HOLD
RBS

Excise Tax

Recording Time, Book and Page

Tax Lot No. Parcel Identifier No.
 Verified by County on the day of, 19.....
 by

Mail after recording to **J & A INVESTMENTS, INC., c/o Mr. Thomas R. Smith, P.O. Box 1974, Lexington, NC 27293-1974**

This instrument was prepared by **ROBERT B. SMITH, JR., ATTORNEY, P.O. Box 1734, Lexington, NC 27293-1734**

Brief description for the Index

NORTH CAROLINA GENERAL WARRANTY DEED

THIS DEED made this 11 day of September, 19 89, by and between

GRANTOR

**THOMAS R. SMITH
and wife,
SANDRA M. SMITH**

GRANTEE

**J & A INVESTMENTS, INC.,
a North Carolina Corporation**

Enter in appropriate block for each party: name, address, and, if appropriate, character of entity, e.g. corporation or partnership.

The designation Grantor and Grantee as used herein shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.

WITNESSETH, that the Grantor, for a valuable consideration paid by the Grantee, the receipt of which is hereby acknowledged, has and by these presents does grant, bargain, sell and convey unto the Grantee in fee simple all that certain lot or parcel of land situated in the City of none, Winston Township,

Forsyth County, North Carolina and more particularly described as follows:

BEGINNING at a point on the northern right-of-way line of Weatherwood Court, said point of beginning being N. 88° 51' 26" E. 195.0 ft. from the intersection of the northern right-of-way of Weatherwood Court with the eastern right-of-way of Martin Street, as said Weatherwood Court and Martin Street are shown on a plat recorded in Plat Book 27, Page 44, in the Office of the Register of Deeds of Forsyth County; thence N. 01° 08' 34" W. 235.0 ft. to a point, new corner to George Vlasis; thence N. 88° 51' 26" E. 206.00 ft. to a point, new corner to George Vlasis; thence S. 01° 08' 34" E. 225.84 ft. to a point in the northern right-of-way of Weatherwood Court; thence S. 79° 08' 23" West with the northern right-of-way of Weatherwood Court 22.03 feet to a point; thence with the northern right-of-way of Weatherwood Court, a curve to the right with a chord and bearing distance of S. 83° 59' 55" W. 64.25 ft. to a point; thence S. 88° 51' 26" West with the northern right-of-way of Weatherwood Court 120.27 ft. to the point and place of beginning, as surveyed by Harris B. Guppton, R.L.S. L-1845, on June 22, 1979.

REFERENCE: Deed Book 1300, Page 1467 & Deed Book 1278, Page 0808, Forsyth County Registry.

This property is conveyed SUBJECT TO a Deed of Trust to First Union National Bank of North Carolina recorded in Deed Book 1304, Page 0586, Forsyth County Registry, which the Grantee agrees to assume and pay in full as a part of the consideration of this conveyance.

1676P2101