

'90 NOV 26 P3:01

L. E. SPEARS
REGISTER OF BREEDS
FORSYTH CO. N.C.

SATISFACTION: This debt secured by the within Deed of Trust together with the notes) secured thereby has been satisfied in full.

This the _____ day of _____, 19____
Signed: _____

Recording: Time, Book and Page

Tax Lot No. 23D

~~XXXXXXXXXX~~ Tax Block 3826C

Mail after recording to HOUSE & BLANCO, P.A.--Box at Register of Deeds' Office

This instrument prepared by DAVID B. BLANCO, ESQ.

Brief Description for the index

3611 Westgate Center Circle
Winston-Salem, NC 27103

NORTH CAROLINA DEED OF TRUST

THIS DEED of TRUST made this 26th day of

November

, 19 90 by and between:

GRANTOR
J & F PARTNERS, a North
Carolina General
Partnership
(See Certificate of
Assumed Name recorded
at Book 1460, Page 1788)
c/o Mr. J. Frank Morris
The Chatham Bldg.-Ste.2C
305 West 4th Street
Winston-Salem, NC 27101

TRUSTEE
GORDON SHEERAN

BENEFICIARY
SALEM TRUST BANK
P. O. BOX 2857
WINSTON-SALEM, NC 27102

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

The designation Grantor, Trustee, and Beneficiary 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 whereas the Grantor is indebted to the Beneficiary in the principal sum of ONE HUNDRED SIXTY THOUSAND AND 00/100-----

as evidenced by a Promissory Note of even date herewith, the terms of which are incorporated herein by reference. Dollars \$ 160,000.00).
Promissory Note, if not sooner paid, is March 31, 1991. (NOTE: SEE BELOW) * The final due date for payment of said

NOW, THEREFORE, as security for said indebtedness, advancements and other sums expended by Beneficiary pursuant to this Deed of Trust and costs of collection (including attorneys fees as provided in the Promissory Note) and other valuable consideration, the receipt of which is hereby acknowledged, the Grantor has bargained, sold, given, granted and conveyed and does by these presents bargain, sell, give, grant and convey to said Trustee, his heirs, or successors, and assigns, the parcel(s) of land situated in the City of Winston-Salem, Winston Township, Forsyth County, North Carolina.

Forsyth

County, North Carolina, (the "Premises") and more particularly described as follows:

BEING KNOWN AND DESIGNATED as Lot 23D as shown on the Map of Vest Mill Office Plaza, Section 2, as recorded in Plat Book 29, Page 57, in the Office of the Register of Deeds of Forsyth County, North Carolina, to which Map reference is hereby made for a more particular description.

Tax Lot 23D, Tax Block 3826C

*FUTURE ADVANCES: The Beneficiary has agreed to make future extension of credit, and this Deed of Trust secures all present and all future advances made or to be made pursuant to the terms of the obligation. The amount of the present advance is \$71,927.04, and the maximum amount, including present and future advances, which may be secured hereby at any one time is \$160,000.00. The period within which such future advances are to be made is the period between the date hereof and March 31, 1991, provided, however, that such period is not more than 10 years from the date hereof. Each future advance extended hereunder shall be evidenced by evidence of indebtedness dated as of the date of each such credit extension. The making of future advances is obligatory on the part of the Beneficiary under the Note. The Beneficiary is authorized to make future advances to be secured by this Deed of Trust upon the signature of any Grantor (when more than one), without the signature of any other Grantor. This paragraph is intended to be in conformance with the provisions of N.C.G.S. Section 45-21, et seq.

N.C. Bar Assn. Form 24 1978, Revised 8 June 1988 Printed by Agreement with N.C. Bar Assn. Poole Printing Co., Inc., P.O. Box 17378, Raleigh, NC 27616

1. The Grantor shall pay the Note secured hereby in accordance with its terms, together with interest thereon, and any renewals or extensions thereof in whole or in part, in other sums secured hereby and shall comply with the covenants, terms and conditions of this Deed of Trust, then this conveyance shall be null and void and may be canceled at any time at the request and the expense of the Grantor. If, however, there shall be any default in the payment of any sum due under the Note, this Deed of Trust or any other instrument securing the Note and such default is not cured within ten (10) days from the due date, or if it does not comply with the covenants, terms or conditions of the Note secured hereby, or any failure or neglect to comply with the covenants, terms or conditions contained in this Deed of Trust or any other instrument securing the land herein conveyed at public auction for cash, after having first giving such notice of hearing as to commencement of foreclosure proceedings and obtained such hearing or leave of court as may then be required by law and giving such notice and advertising the time and place of such sale in such manner as may then be provided by law, and upon such and any resale and upon compliance with the law then relating to foreclosures proceeding under power of sale to convey title to the purchaser in as full and ample manner as the Trustee is empowered. The Trustee shall be authorized to retain an attorney to represent him in such proceedings.

2. The proceeds of the sale shall after the Trustee retains his commission, together with reasonable attorneys fees incurred by the Trustee in such proceeding, 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 heretofore 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 \$500.00, 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 percent (5%) of the outstanding indebtedness or the above stated minimum sum, whichever is greater, in accordance with the following schedule: to wit: one-fourth (1/4) thereof before the Trustee gives a notice of hearing on the right to foreclosure; one-half (1/2) thereof after issuance of said notice; three-fourths (3/4) thereof after such hearing; and the greater of the full commission or minimum sum after the final sale.

3. And the said Grantor does hereby covenant and agree with the Trustee as follows:

1. **INSURANCE.** Grantor shall keep all improvements on said land, now or hereafter erected, constantly insured for the benefit of the Beneficiary against loss by fire, windstorm and such other casualties and contingencies in such manner and for such amounts, not less than that amount necessary to pay the sum insured by this Deed of Trust, and as may be satisfactory to the Beneficiary. Grantor shall purchase such insurance, pay all premiums therefor and shall deliver to Beneficiary such policies along with evidence of premium payment as long as the Note secured hereby remains unpaid. If Grantor fails to purchase such insurance, Beneficiary may purchase such insurance, and all premiums therefor shall be due and payable upon demand of Beneficiary. All proceeds from any insurance so maintained shall at the option of Beneficiary be applied to the debt secured hereby and if payable in installments, applied in the inverse order of maturity of such installments or to the repair or reconstruction of any improvements located upon the property.

2. **TAXES, ASSESSMENTS, CHARGES.** Grantor shall pay all taxes, assessments and charges as may be lawfully levied against said Premises within thirty (30) days after the same shall become due. In the event that Grantor fails to do so, Beneficiary, at its option, may pay the same and the amounts so paid shall be added to the principal of the Note secured by this Deed of Trust, and such land and improvements, to wit: same, at any reasonable rate or rent determined by Beneficiary, and after deducting from any such rents the cost of renting and collection, to lease the remainder to the debt secured hereby.

3. **PARTIAL RELEASE.** Grantor shall not be entitled to the partial release of any of the above described property unless a specific provision providing therefor is included in this Deed of Trust. In the event a partial release default and is in full compliance with all of the terms and provisions of the Note, this Deed of Trust, and any other instrument that may be securing said Note.

4. **WASTE.** The Grantor covenants that he 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.

5. **CONDEMNATION.** In the event that any or all of the Premises shall be condemned and taken under the power of eminent domain, Grantor 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 other use as may be determined by Beneficiary.

6. **WARRANTIES.** Grantor covenants with Trustee and Beneficiary that he 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 he will warrant and defend the title against the lawful claims of all persons whomsoever, except for the exceptions hereinafter stated. Title to the property hereinafter described is subject to the following exceptions:

a) 1991 and succeeding years' ad valorem taxes, not yet due and payable; and

b) conditions, restrictions, reservations and easements, if any, duly of record, constituting constructive notice thereof.

8. **SUBSTITUTION OF TRUSTEE.** Grantor and Trustee covenant and agree to and with Beneficiary that in case the said Trustee, or any successor trustee, shall die, become incapable of acting, renounce his trust, or for any reason the holder of the Note desires to replace said Trustee, then the holder may appoint, in writing, a trustee to take the place of the Trustee; and upon the probate and registration of the same, the Trustee thus appointed shall succeed to all rights, powers and duties of the Trustee.

9. **THE FOLLOWING PARAGRAPH, 9. SALE OF PREMISES, SHALL NOT APPLY UNLESS THE BLOCK TO THE LEFT MARGIN OF THIS SENTENCE IS MARKED AND/OR INITIALED.**

9. **SALE OF PREMISES.** Grantor agrees that if the Premises or any part thereof or interest therein is sold, assigned, transferred, conveyed or otherwise alienated by Grantor, whether voluntarily or involuntarily or by operation of law (other than in 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 constituting an option to purchase; (v) a transfer to a relative resulting from the death of a Grantor; (vi) a transfer where the spouse or children of the Grantor become the owner of the Premises; (vii) a transfer resulting from a decree of dissolution of marriage, legal separation agreement, or from an incidental property settlement agreement, by which the spouse of the Grantor becomes an owner of the Premises; (viii) a transfer into an inter vivos trust in which the Grantor is and remains a beneficiary and which does not relate to a transfer of rights of occupancy in the Premises; or in the beneficial ownership of the Premises, including the sale of 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 Grantor 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.

10. **ADVANCEMENTS.** If Grantor 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 Grantor 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.

11. **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, Grantor 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.

12. **WAIVERS.** Grantor waives all rights to require marshaling of assets by the Trustee or Beneficiary. No delay or omission of the Trustee or Beneficiary in the exercise of any right, power or remedy arising under the Note or this Deed of Trust shall be deemed a waiver or any default or acquiescence therein or shall impair or waive the exercise of such right, power or remedy by Trustee or Beneficiary at any other time.

13. **CIVIL ACTION.** In the event that the Trustee is named as a party to any civil action at law in this Deed of Trust, the Trustee shall be entitled to employ an attorney at law, including himself if he is a licensed attorney, to represent him in said action and the reasonable attorney's fee of the Trustee in such action shall be paid by the Beneficiary and added to the principal of the Note secured by this Deed of Trust and bear interest at the rate provided in the Note for sums due after default.

14. **PRIOR LIENS.** Default under the terms of any instrument secured by a lien to which this Deed of Trust is subordinate shall constitute default hereunder.

15. **OTHER TERMS.**

IN WITNESS WHEREOF the Grantor has hereunto set his hand and seal, or if corporate, has 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 or Directors, the day and year first above written.

(Corporate Name) J & F PARTNERS, a North Carolina General Partnership (SEAL)

By: J. Frank Morris (SEAL)
J. Frank Morris, General Partner

ATTEST: James L. Morris (SEAL)
James L. Morris, General Partner

Secretary (Corporate Seal)

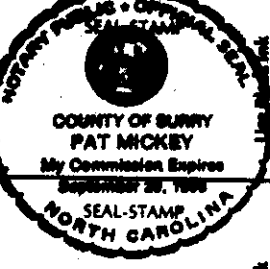
NORTH CAROLINA, Forsyth County.

I, a Notary Public of the County and state aforesaid, certify that J. FRANK MORRIS and JAMES L. MORRIS, General Partners of J & F PARTNERS, a North Carolina General Partnership, personally appeared before me, the undersigned, a Notary Public, and acknowledged to me the execution of the foregoing instrument, for and on behalf of said Partnership.

Official Stamp of seal, this 26th day of November, 19 90

My Commission expires: September 29, 1993

Pat Mickey Notary Public



NORTH CAROLINA, _____ County.

I, a Notary Public of the County and state aforesaid, certify that _____

personally appeared before me this day and acknowledged that _____ he is _____ Secretary of _____ a North Carolina corporation, and that by authority duly given and as an act of the corporation, the foregoing instrument was signed in its name by its _____ as its _____ Secretary.

Witness my hand and official stamp or seal, this _____ day of _____, 19 _____.

My Commission expires: _____

_____, Notary Public

The foregoing Certificates of Pat Mickey, of, Surry Co. NC

is certified to be correct. This instrument and this certificate are duly registered at the date and time and in the Book and Page shown on the last page hereof.

By: Obba H. B. Allen REGISTER OF DEEDS FOR FORSYTH COUNTY

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