

This instrument was prepared by Stephen A. Johnson - Box
 whose address is 1001 West Fourth Street, Winston-Salem, NC 27101

BK1784 P3299

NORTH CAROLINA, FORSYTH COUNTY

THIS DEED OF TRUST, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT, made and entered into this the 15th day of June, 1993, by and between WILLIAM R. BROWN, JR. AND WIFE, JAYNE BROWN
D/B/A J&B BUILDING, whose address is 2712 BARTRAM PLACE, WINSTON-SALEM, NORTH
CAROLINA 27106 (hereinafter called the Grantor, whether one or more in number), and
VICKIE M. BALL, Trustee of FORSYTH County, State of North Carolina
 (hereinafter called the Trustee), and WACHOVIA BANK OF NORTH CAROLINA, N.A., a national banking association, whose
 address is 301 North Main Street, Winston-Salem, North Carolina 27102 (hereinafter called the Beneficiary);

RECITALS:

The Grantor is indebted to the Beneficiary in the sum of FOUR HUNDRED FORTY THOUSAND AND NO/100----
 Dollars (\$ 440,000.00), as evidenced by Grantor's note or notes of even date herewith (hereinafter referred to as the Note),
 which Note is due and payable in full on or before the 1st day of June, 2008.

IF THIS DEED OF TRUST SECURES A CONSTRUCTION LOAN OR A COMBINATION CONSTRUCTION-PERMANENT LOAN (as evidenced by the completion of the blank spaces in the remainder of this paragraph), this Deed of Trust has been executed and delivered to secure future obligations which may be incurred hereunder from time to time; the amount of present obligations secured by this Deed of Trust is Zero Dollars; the maximum principal amount of present and future obligations which may be secured hereby at any one time is \$ N/A; and the period within which future obligations may be incurred hereunder expires on the earlier of the maturity date of the Note or that date which is fifteen (15) years from the date hereof.

The Grantor desires to secure (a) the payment of the Note with interest and any renewals, modifications or extensions thereof, in whole or in part, and (b) the additional payments hereinafter agreed to be made, by a conveyance of the lands and security interests hereinafter described and an assignment of the rents hereinafter described.

NOW, THEREFORE, in consideration of the premises and for the purposes aforesaid, and in further consideration of the sum of One Dollar (\$1.00) paid to the Grantor by the Trustee, receipt of which is hereby acknowledged, the Grantor has given, granted, bargained and sold, and by these presents does give, grant, bargain, sell and convey unto the Trustee, his heirs, successors and assigns, the following property (hereinafter referred to as the Mortgaged Premises):

(a) The real property lying and being in Forsyth County, North Carolina and described below (or, if no description appears in the space provided below, described in the legal description attached as Exhibit A hereto and incorporated herein by reference) (hereinafter referred to as the Land):

Being known and designated as Lots 28 and 29 of Block Three of West Branchland (Geo. W. Hinshaw Estate) as shown on plat surveyed by A. F. Dean, dated May, 1914, recorded in Plat Book 2, Page 41, in the Office of the Register of Deeds of Forsyth County, North Carolina, to which plat reference is hereby made for a more particular description. Together with all rights of Grantor under that certain Easement Agreement recorded in Book 1305 at Page 420, Forsyth County Registry.

(b) All buildings, structures, additions and improvements now or hereafter located in, on or about the Land, and all of the Grantor's building materials intended for incorporation but not incorporated into the improvements to the Land, and all furnishings, furniture, fixtures, machinery, equipment, tools, and all other personal property or chattels used in connection with the operation of such improvements, specifically including, without limitation, appliances, gas and electric fixtures and systems, radiators, heaters, engines and machinery, boilers, ranges, elevators and motors, plumbing and heating fixtures and systems, carpeting and other floor coverings, water heaters, air conditioning apparatus and systems, window screens, awnings, storm sashes AND ANY OTHER PERSONAL PROPERTY COLLATERAL DESCRIBED IN ANY SCHEDULE OF ADDITIONAL PERSONAL PROPERTY COLLATERAL ATTACHED HERETO, whenever acquired by the Grantor and now or hereafter located in, upon or under the Land, together with all additions and accretions thereto and replacements and proceeds thereof (hereinafter collectively referred to as the Improvements);

(c) All rents, issues, profits, royalties, income and other benefits derived from the Land and the Improvements (hereinafter collectively referred to as the Rents), subject to the right, power and authority hereinafter given to the Grantor to collect and apply such Rents, and the proceeds from any insurance or condemnation award relating to the Land and the Improvements; and

(d) All easements, rights-of-way and rights used in connection with the Land and the Improvements or as a means of access thereto, and all tenements, hereditaments and appurtenances thereof and thereto.

TO HAVE AND TO HOLD the Mortgaged Premises unto the Trustee, his heirs, successors and assigns, in fee simple forever, upon the trusts and for the uses and purposes hereinafter set out;

And the Grantor covenants with the Trustee that the Grantor is seized of the Mortgaged Premises in fee and has the right to convey the same in fee simple; that the same are free and clear of all encumbrances, and that the Grantor will warrant and defend the title to the same against the lawful claims of all persons whomsoever.

THIS CONVEYANCE IS MADE UPON THIS SPECIAL TRUST, that if the Grantor shall pay the Note in accordance with its terms, together with interest thereon, and any renewals or extensions thereof in whole or in part, and shall comply with all the covenants, terms and conditions of this Deed of Trust, then this conveyance shall be null and void and may be cancelled of record at the request and at the cost of the Grantor. If, however, there shall be any default in any of the terms or conditions of the Note, or of the terms, conditions or covenants contained in this Deed of Trust, or in the event of actual or threatened demolition or injury or waste to the Mortgaged Premises which may impair the value of the Mortgaged Premises, or if a receiver should be appointed for, or a petition in bankruptcy filed by or against the Grantor, then and in any of such events, the Note shall, at the option of the Beneficiary, become at once due and payable, regardless of the maturity date thereof, and on the application of the Beneficiary it shall be lawful for and the duty of the Trustee, and he is hereby authorized and empowered to expose to sale and to sell the Mortgaged Premises or any part thereof at public auction to the highest bidder for cash, after having first complied with all applicable requirements of North Carolina law with respect to the exercise of powers of sale contained in deeds of trust and upon such sale, the Trustee shall collect the purchase proceeds and convey title to the portion of the Mortgaged Premises so sold to the purchaser in fee simple. After retaining from the proceeds of such sale a commission for his services as hereinafter provided and all expenses incurred by him, including reasonable attorneys' fees for legal services actually performed, the Trustee shall apply the residue of the proceeds, first to the reimbursement of the Beneficiary for all sums expended or incurred by the Beneficiary under this Deed of Trust or to establish, preserve or enforce this Deed of Trust, second, to the payment of the Note and interest thereon; and the balance, if any, shall be paid to the Grantor or other person lawfully entitled thereto. The Grantor agrees that in the event of a sale hereunder, the Beneficiary shall have the right to bid at such sale and shall have the right to credit the indebtedness secured hereby against the purchase price. The Trustee shall have the right to designate the place of sale in compliance with applicable law, and the sale shall be held at the place designated by the notice of sale. The Trustee may require the successful bidder at any sale to deposit immediately with the Trustee cash or certified check in an amount up to twenty-five percent (25%) of the bid, provided notice of such requirement is contained in the advertisement of the sale. The bid may be rejected if the deposit is not immediately made. Such deposit shall be refunded in case a resale is had because of an upset bid or if the Trustee is unable to convey the portion of the Mortgaged Premises so sold to the bidder because the power of sale has been terminated in accordance with applicable law. If the purchaser fails to comply with its bid, the deposit shall be applied to the expenses of the sale and the residue, if any, shall be applied to the indebtedness secured hereby. In all other cases, the deposit shall be applied to the purchase price. Pursuant to Section 25-9-501 (4) of the North Carolina General Statutes (or any amendment thereto), the Trustee is expressly authorized and empowered to expose to sale and sell, together with the real estate, any portion of the Mortgaged Premises which constitutes personal property. If personal property is sold hereunder, it need not be at the place of sale. The notice of sale, however, shall state the time and place where such personal property may be inspected prior to sale. The Mortgaged Premises may be sold in such parcels or lots as the Trustee may determine without regard to principles of marshalling and the Mortgaged Premises may be sold at one sale or in multiple sales as determined by the Trustee. The exercise of the power of sale hereunder by the Trustee on one or more occasions shall not be deemed to extinguish the power of sale, which power of sale shall continue in full force and effect until all the

Wachovia Bank of North Carolina, N.A.

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Mortgaged Premises shall have been finally sold and properly conveyed to the purchasers at the sales. The Trustee's commission shall be five percent (5%) of the gross proceeds of the sale or five hundred dollars (\$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 the Trustee, including reasonable attorneys' fees, and a partial commission computed on five percent (5%) of the outstanding indebtedness or five hundred dollars (\$500.00), whichever is greater, in accordance with the following schedule: one-fourth (1/4th) thereof before the Trustee issues a notice of hearing on the right to foreclose; one-half (1/2) thereof after issuance of said notice, three-fourths (3/4ths) thereof after such hearing; and the greater of the full commission or minimum sum after the initial sale.

The terms and provisions of any loan agreement between the Grantor and the Beneficiary relating to the loan evidenced by the Note are incorporated herein by reference and shall govern the disbursement and application of loan funds. A default under any such loan agreement shall for all purposes constitute a default hereunder and under the Note. In the event of any default under this Deed of Trust, the Beneficiary may, at its option, defer application by it to the Trustee to sell the Mortgaged Premises and may take action under and invoke such other rights and remedies as may be provided in any such loan agreement or in this Deed of Trust.

The Grantor covenants and agrees that Grantor will:

1. Furnish to the Beneficiary without cost to the Beneficiary an annual statement, in form and certified in a manner satisfactory to Beneficiary, setting forth all income and expenses derived or incurred from the operation of the Grantor's business conducted upon the Mortgaged Premises. Such annual statements shall be furnished within ninety (90) days from the end of the calendar or fiscal year of such operations.

2. Pay the indebtedness as hereinbefore provided.

3. Pay, when due, all real and personal property taxes and assessments, general and special, and all other taxes and assessments of any kind or nature whatsoever, including without limitation non-governmental levies or assessments such as owner association dues or charges or fees and maintenance charges, which are assessed or imposed upon the Mortgaged Premises, all of which taxes and assessments are hereinafter referred to as Impositions; if at any time after the date hereof, there shall be assessed or imposed (a) a tax or assessment on the Mortgaged Premises in lieu of or in addition to the Impositions payable by Grantor or (b) a license fee, tax or assessment imposed on Beneficiary and measured by or based in whole or in part upon the amount of the outstanding obligations secured hereby, Grantor shall pay and discharge all such taxes, assessments or fees before they become delinquent, or, at the option of Beneficiary, all obligations secured hereby with interest thereon shall immediately become due and payable.

4. Keep the buildings now or hereafter on the Mortgaged Premises insured against loss and damage by fire, tornado and wind-storm, and against such other hazards as the Beneficiary may require, including rent loss or business interruption, in amounts satisfactory to the Beneficiary which amounts shall at no time be less than the total replacement cost of such buildings, plus an amount sufficient to prevent any co-insurance liability of the owner of the Mortgaged Premises or the Beneficiary, for the benefit of the Beneficiary, loss, if any, to be made payable in the policy or policies of insurance to the Beneficiary as its interest may appear, the loss payable clauses to be in such form as the Beneficiary may require. All insurance shall be in companies approved by the Beneficiary and the policies and renewals thereof shall, when issued, be immediately delivered to the Beneficiary to be held by it; Grantor will pay all premiums for such insurance when due and immediately deliver to the Beneficiary official receipts therefor, and if the Grantor fails or refuses to keep the Mortgaged Premises so insured the Beneficiary may obtain such insurance without prejudice to its right to foreclose hereunder by reason of such default. In the event of loss the Grantor will give immediate notice by mail to the Beneficiary who may make proof of loss if not made promptly by the Grantor, and each insurance company concerned is hereby authorized and directed to make payment for such loss directly to the Beneficiary instead of to the Grantor and the Beneficiary jointly. The proceeds of any insurance, or any part thereof, may be applied by the Beneficiary, at its option, either to the reduction of the indebtedness hereby secured or to the restoration or repair of the property damaged. The Beneficiary may, at its option, pay any such insurance premiums or any Impositions against the Mortgaged Premises of which payment, amount and validity thereof the official receipt shall be conclusive evidence and any amounts so expended shall immediately become debts due by the Grantor, shall bear interest at the rate specified in the Note, and their payment shall be secured by this Deed of Trust.

5. Keep the Mortgaged Premises in as good order, repair and condition as they are now, reasonable wear and tear excepted; provided, however, that if this Deed of Trust secures a construction loan, the provisions of this paragraph shall apply to the Mortgaged Premises from and after completion of construction.

6. Not commit or permit any waste.

7. Furnish to the Beneficiary within ninety (90) days of the end of each fiscal year the financial statements (in form satisfactory to the Beneficiary) of the Grantor and of each guarantor or endorser, if any, of the indebtedness hereby secured.

8. Not sell, convey, transfer or encumber the Mortgaged Premises, or any part thereof or interest therein, legal or equitable, without the prior written consent of the Beneficiary; provided, however, that Grantor may dispose of, free and clear of the security interest granted herein and the lien hereof, any personal property or fixtures which, in the reasonable judgment of Grantor, have become obsolete or unfit for use or which are no longer useful in Grantor's operations, on the condition that Grantor shall replace such personal property or fixtures by, or substitute for the same, other personal property or fixtures (not necessarily of the same character) owned by Grantor, which shall (a) be of at least equal value to the personal property or fixtures disposed of and (b) perform a function or serve a purpose the same as, similar to or related to that of the personal property or fixtures disposed of. Any such replacement personal property or fixtures shall forthwith, without further action, become subject to the security interest granted in, and the lien created by, this Deed of Trust, and such security interest is hereby granted by Grantor. Beneficiary's consent to any conveyance or encumbrance may be conditioned upon an increase in the interest rate specified in the Note, an extension or curtailment of the maturity of the Note, or other modification of the Note or this Deed of Trust. For purposes of this paragraph 8, a change of ownership of general partnership interests in the Grantor or any guarantor (if Grantor or any guarantor is a partnership or joint venture) or a material change in the structure of the Grantor or any guarantor (if the Grantor or any guarantor is a corporation), including, without limitation, a change in principal stockholders or their respective interests, shall be considered a conveyance or transfer of the Mortgaged Premises.

Grantor represents, warrants and agrees that (a) no Hazardous Material (as hereinafter defined) has been used or placed on the Mortgaged Premises in violation of any applicable Environmental Laws (as hereinafter defined); (b) no notice has been received with regard to any Hazardous Material on the Mortgaged Premises; (c) the Mortgaged Premises are presently in compliance with all Environmental Laws; (d) no action, investigation or proceeding is pending or to Grantor's knowledge threatened which seeks to enforce any right or remedy against Grantor or the Mortgaged Premises under any Environmental Law; (e) Grantor shall permit no installation or placement of Hazardous Material on the Mortgaged Premises in violation of Environmental Laws; (f) Grantor shall permit no release of Hazardous Material onto or from the Mortgaged Premises; (g) Grantor shall cause the Mortgaged Premises to comply with applicable Environmental Laws and shall keep the Mortgaged Premises free and clear of any liens imposed pursuant to any applicable Environmental Laws; (h) all licenses, permits and other governmental or regulatory actions necessary for the Mortgaged Premises to comply with Environmental Laws (the "Permits") shall be obtained and maintained and Grantor shall assure compliance therewith; and (i) Grantor shall give the Beneficiary prompt written notice if Grantor receives any notice with regard to Hazardous Material on, from or affecting the Mortgaged Premises and shall conduct and complete all investigations and all cleanup actions necessary to remove, in accordance with applicable Environmental Laws, such Hazardous Material from the Mortgaged Premises. Grantor shall indemnify and hold harmless the Beneficiary from and against all losses, expenses (including, without limitation, attorneys' fees) and claims of every kind suffered by or asserted against Beneficiary as a direct or indirect result of (a) the presence on or release from the Mortgaged Premises of any Hazardous Material, whether or not caused by Grantor; (b) the violation of any Environmental Laws applicable to the Mortgaged Premises, whether or not caused by Grantor; (c) the failure by Grantor to comply fully with the terms and provisions of this paragraph, or (d) any warranty or representation made by Grantor in this paragraph being false or untrue in any material respect. For purposes of this Deed of Trust, "Hazardous Material" means polychlorinated biphenyls, petroleum, flammable explosives, radioactive materials, asbestos and any hazardous, toxic or dangerous waste, substance or material defined as such in (or for purposes of) the Environmental Laws or listed as such by the Environmental Protection Agency. "Environmental Laws" means any current or future governmental law, regulation or ruling applicable to environmental conditions on, under or about the Mortgaged Premises including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act, the Toxic Substances Control Act and the Clean Water Act. Grantor's obligations under this paragraph shall survive a foreclosure of or exercise of power of sale under this Deed of Trust, a delivery of a deed in lieu of foreclosure, and a cancellation or termination of record of this Deed of Trust.

Any Grantor who executes this Deed of Trust but does not execute the Note has executed this Deed of Trust only to subject whatever interest, if any, such Grantor has or may hereafter have in the Mortgaged Premises to the lien of this Deed of Trust, has no personal liability on the Note or under this Deed of Trust (nothing herein limits or affects such Grantor's liability to the Beneficiary under any separate guaranty or any other instrument), and agrees that the Beneficiary and any other Grantor hereunder may extend, modify, forbear, or make any other accommodations with regard to the terms of this Deed of Trust or the Note without such Grantor's consent and without releasing such Grantor hereunder or modifying or affecting this Deed of Trust as to such Grantor's interest in the Mortgaged Premises.

As further security for the payment of the Note and for the faithful performance of all the covenants, agreements, terms and provisions of this Deed of Trust, Grantor hereby sells, transfers and assigns unto Beneficiary all the right, title and interest of the Grantor in and to the Rents, and to that end Grantor hereby assigns and sets over unto the said Beneficiary all leases of the Mortgaged Premises now made, executed or delivered, whether written or verbal, or to be hereafter made, be the same written or verbal (such leases are hereinafter referred to individually and collectively as Tenants' Leases), and Grantor does hereby authorize and empower the Beneficiary to collect the Rents, as they shall become due, and does hereby direct each and all of the tenants of the Mortgaged Premises to pay the Rents, as they may now be due or shall hereafter become due to the Beneficiary, upon demand for payment thereof by Beneficiary, it being understood and agreed, however, that no such demand shall be made unless and until there has been a default in the payment of the indebtedness secured hereby or in the faithful performance of all the covenants, agreements, terms and provisions of this Deed of Trust or the Note, and until such demand is made, Grantor is authorized to collect or continue collecting the Rents; but that such privilege to collect or continue collecting, as aforesaid, by the Grantor shall not operate to permit the collection of any Rents more than thirty (30) days in advance of the date same are due under the terms and provisions of the Tenants' Leases.

Grantor covenants and agrees: (i) that Grantor will promptly and fully keep, perform and comply with all the terms, provisions, covenants, conditions and agreements imposed upon or assumed by Grantor as Landlord (or similar designation) under the Tenants' Leases; and (ii) that Grantor will not do, permit anything to be done, or omit or refrain from doing anything, the doing or omission of which will give any tenant a right to terminate any of the Tenants' Leases.

Any default in any of the terms, conditions, covenants or agreements contained in any separate assignment of Grantor's interest in leases given as additional security for the indebtedness secured hereby shall constitute an event of default under this Deed of Trust.

If Grantor shall, in any manner, fail in any of the above covenants and agreements contained in this Deed of Trust, Beneficiary may (but shall not be obligated to) take any action Beneficiary deems necessary or desirable to prevent or cure any default or failure by Grantor in the performance of or compliance with any of Grantor's covenants or obligations hereunder. Beneficiary shall have the right to enter upon the Mortgaged Premises to such extent and as often as Beneficiary, in its sole discretion, deems necessary or desirable in order to prevent or cure any such default by Grantor. In addition, if any legal proceeding (such as bankruptcy, condemnation, forfeiture or other legal or regulatory proceeding) that may affect the Beneficiary's rights or interests in the Mortgaged Premises (or any part thereof) is instituted or brought, the Beneficiary may do and pay for that which is necessary or desirable to protect or preserve such rights or interests (including, without limitation, the employment of an attorney or other professional(s)). Beneficiary may expend such sums of money as Beneficiary, in its sole discretion, deems necessary for any such purpose, and Grantor hereby agrees to pay to Beneficiary, immediately upon demand, all sums so expended by Beneficiary, together with interest thereon from the date of each such payment at the rate provided for in the Note. All sums so expended by Beneficiary, and the interest thereon, shall be added to and secured by the lien of this Deed of Trust.

Upon the condemnation of the Mortgaged Premises or any part thereof, this Deed of Trust shall become a lien, charge and encumbrance upon the proceeds or award realized as a result of any such proceeding or of any settlement or payment made in lieu of any such proceeding. Grantor hereby grants to the Beneficiary a security interest in any proceeds or award paid pursuant to any condemnation proceeding or pursuant to any settlement of any proceeding in lieu of any such proceeding and hereby agrees to execute such further assignments of such proceeds and awards as Beneficiary may require. Grantor further covenants and agrees that Beneficiary may (and is hereby authorized and empowered but not required to) collect and receive any such proceeds or award and, if received by Grantor, Grantor shall pay over and deliver immediately to the Beneficiary all condemnation awards or proceeds to be held by the Beneficiary in trust and applied pursuant to the terms of paragraph (a) and (b) as follows:

(a) In the event the entire Mortgaged Premises shall be taken by condemnation or in settlement of any threat of condemnation, then the amount of any such award shall be paid over to the Beneficiary and applied in payment in whole or in part of the indebtedness secured hereby, notwithstanding that the same may not be due and payable, and any excess shall be delivered to the party or parties legally entitled thereto. In the event of a partial taking of the Mortgaged Premises, the amount of any award as determined by the commissioners, the jury or the judge to be necessary to prevent impairment of the security of this Deed of Trust shall be set aside, withheld or paid over to the Beneficiary and applied to the indebtedness secured hereby, notwithstanding that the same may not be due and payable, and the excess of such award or proceeds shall be delivered to Grantor or other party or parties legally entitled thereto. Upon any partial taking of the Mortgaged Premises, this Deed of Trust shall continue in full force as security for the unpaid portion of the indebtedness secured hereby. Upon any partial taking of the Mortgaged Premises, Grantor covenants with the Beneficiary to restore the Mortgaged Premises as nearly as possible to the condition thereof immediately prior to such taking and to apply Grantor's portion of any award paid in such proceeding together with any other necessary funds to complete and fully pay for the costs of restoration. Any amounts applied to principal of the Note shall be applied to principal last maturing thereon.

(b) Notwithstanding any contrary provision of this Deed of Trust, (i) upon condemnation of the entire Mortgaged Premises, or (ii) if it shall at any time be determined that N.C. Gen. Stat. Sec. 40A-68 shall for any reason be unenforceable or inapplicable to this Deed of Trust, upon partial condemnation of the Mortgaged Premises, the entire unpaid balance of the Note shall, at the option of the Beneficiary, at once become due and payable, whereupon the amount of any such award shall be paid over to the Beneficiary and applied in accordance with the first sentence of subparagraph (a) of this paragraph.

The Beneficiary shall have the right to inspect the Mortgaged Premises at all reasonable times, and access thereto shall be permitted for that purpose to the Beneficiary or its authorized agents or representatives.

The Beneficiary shall have the right, after default in any of the terms, covenants or agreements herein contained, or contained in the Note, to the appointment of a receiver, without notice to the Grantor or any other party, to collect the Rents from the Mortgaged Premises without notice to the Grantor (the Grantor hereby waiving any right to such notice) and without consideration of the value of the Mortgaged Premises or the solvency of any person liable for the payment of the amounts then owing, and all amounts collected by the receiver shall, after expenses of the receivership, be applied to the payment of the indebtedness hereby secured, and the Beneficiary, at its option, in lieu of an appointment of a receiver, shall have the right to do the same. If such receiver should be appointed, or if there should be a sale of the Mortgaged Premises, as provided above, the Grantor, or any person in possession of the Mortgaged Premises thereunder, as tenant or otherwise, shall become a tenant at will of the receiver or of the purchaser and may be removed by a writ of ejectment, summary ejectment or other lawful remedy.

No delay or forbearance by the Beneficiary in exercising any or all of its rights hereunder or rights otherwise afforded by law, shall operate as a waiver thereof or preclude the exercise thereof during the continuance of any default as set forth herein or in the event of any subsequent default hereunder, and all such rights shall be cumulative. In case the Beneficiary or the Trustee voluntarily or otherwise shall become a party to any suit or legal proceeding to protect the Mortgaged Premises or to protect the lien of this Deed of Trust, the Trustee and the Beneficiary shall be saved harmless and shall be reimbursed by the Grantor for any amounts paid, including all reasonable costs, charges and attorneys' fees incurred in any such suit or proceeding, which obligations shall be secured by this Deed of Trust.

Grantor hereby waives any rights or remedies on account of any extensions of time, releases granted or other dealings between Beneficiary and any subsequent owner of the Mortgaged Premises herein conveyed or pledged as said activities are contemplated or otherwise addressed in Section 45-45.1 of the North Carolina General Statutes or any similar or subsequent law. The foregoing waiver shall not be construed as affecting or otherwise amending the covenants and agreements of Grantor in Paragraph 8 hereof.

The parties hereto shall in no event be deemed to have contracted for a greater rate of interest than the maximum rate permitted by law. Should a greater amount be collected, it shall be construed as a mutual mistake of the parties and the excess shall be returned to the party paying same.

The Grantor, in order to more fully protect the security of this Deed of Trust, agrees that in addition to the monthly payments of principal and interest under the terms of the Note, Grantor will, upon the request of the Beneficiary, pay on the first day of each month, or on the due date of monthly payments of principal, to the Beneficiary or to its duly authorized agent a sum equal to one-twelfth of the known or estimated (by the Beneficiary) yearly taxes, assessments and insurance premiums on or against the Mortgaged Premises. The Beneficiary shall hold such payments (and Grantor does hereby expressly agree that Beneficiary shall be under no obligation to pay interest thereon) and shall apply the same to the payment of taxes, assessments and insurance premiums as and when due. If the total of such monthly payments shall exceed the amount needed, the excess shall be held for future needs; but, should such monthly payments at any time fail to provide sufficient funds to pay taxes, assessments and insurance premiums when due, then the Grantor shall, upon demand, pay to the Beneficiary the amount necessary to cover the deficiency. When the Grantor shall have paid the Note, the Beneficiary shall refund to the Grantor or other person lawfully entitled thereto any excess funds accumulated hereunder. In the event of a foreclosure sale of the Mortgaged Premises, the Beneficiary may apply any balance remaining of the funds accumulated for the above purposes to the payment of the Note.

The Beneficiary shall at any time have the irrevocable right to remove the Trustee herein named without notice or cause and to appoint his successor by an instrument in writing, duly acknowledged, in such form as to entitle such written instrument to record in this State, and in the event of the death or resignation of the Trustee herein named, the Beneficiary shall have the right to appoint his successor by such written instrument. Any Trustee so appointed shall be vested with the title to the Mortgaged Premises, and shall possess all the powers, duties and obligations herein conferred on the Trustee in the same manner and to the same extent as though he were named herein as Trustee.

All the terms and conditions of the commitment, if any, upon which the loan hereby secured was predicated and any amendments thereto are incorporated by this reference and made a part hereof and should Grantor default with respect to any term or provision thereof, such default shall constitute a default hereunder and under the Note.

This Deed of Trust shall constitute a security agreement pursuant to the Uniform Commercial Code for any items constituting a part of the Mortgaged Premises which, under applicable law, may be subjected to a security interest pursuant to the Uniform Commercial Code, and Grantor hereby grants Beneficiary a security interest in such items. Grantor agrees that Beneficiary may file this Deed of Trust, or a reproduction thereof, in the real estate records or other appropriate index, as a financing statement for any of such items including, without limitation, those items which are, or are to become fixtures with respect to the Land. In addition, Grantor agrees to execute and deliver to Beneficiary, upon Beneficiary's request, any financing statements, as well as extensions, renewals and amendments thereof, as Beneficiary may require to perfect a security interest with respect to such items. Grantor shall pay all costs of filing such financing statements and any extensions, renewals, amendments and releases thereof. Without the prior written consent of Beneficiary, Grantor shall not create or suffer to be created pursuant to the Uniform Commercial Code any other security interest in such items, including replacements and additions thereto. Upon Grantor's breach of any covenant or agreement of Grantor contained herein, Beneficiary shall have the remedies of a secured party under the Uniform Commercial Code. In exercising any of said remedies, Beneficiary may proceed against the items of real property and any items of personal property specified above as part of the Mortgaged Premises separately or together and in any order whatsoever, without in any way affecting the availability of Beneficiary's remedies under the Uniform Commercial Code or of the remedies provided herein. THE COLLATERAL IS OR INCLUDES FIXTURES.

The covenants, terms and conditions herein contained shall bind, and the benefits and powers shall inure to the respective heirs, executors, administrators, successors and assigns of the parties hereto. Whenever used herein, the singular number shall include the plural, the plural the singular, and the term "Beneficiary" shall include any payee of the indebtedness hereby secured and any transferee or assignee thereof, whether by operation of law or otherwise.

THIS DEED OF TRUST SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NORTH CAROLINA.

The terms and provisions of any addendum attached hereto are incorporated herein by reference and made a part hereof.

IN WITNESS WHEREOF, the Grantor has caused this Deed of Trust to be executed under seal the day and year first above written.

BK1784 P3302

Attest:

(Name of Corporation)

Secretary

By:

President

[CORPORATE SEAL]

(Name of Partnership)

By: (SEAL)
General Partner

By: William R. Brown, Jr. (SEAL)

By: Jayne Brown (SEAL)

By: (SEAL)

By: (SEAL)

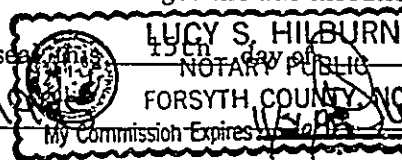
STATE OF NORTH CAROLINA, COUNTY OF FORSYTH

I, _____ the undersigned, _____, a Notary Public,
do hereby certify that WILLIAM R. BROWN, JR. AND WIFE, JAYNE BROWN

personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and notarial stamp or seal

My commission expires



June, 1993

Notary Public

STATE OF NORTH CAROLINA, COUNTY OF _____

I, _____, Notary Public, certify that _____

_____ personally came before me this day and
acknowledged that he is _____ Secretary of _____, a 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 as its _____ Secretary.

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

My commission expires _____, _____, _____ Notary Public

STATE OF _____, COUNTY OF _____

I, _____, a Notary Public, certify that _____

_____ personally came before me and acknowledged
the execution of the foregoing instrument, all in his capacity as a general partner in, and in the name and for and on
behalf of, _____, a _____ partnership organized under the laws of _____.

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

My commission expires _____, _____, _____ Notary Public

STATE OF NORTH CAROLINA, COUNTY OF FORSYTH

The foregoing certificate of Lucy S. Hilburn, a Notary Public of FORSYTH, NC

is certified to be in due form and according to law. Let the said deed of trust and certificate be registered.

This 15 day of JANUARY, 1993.

Register of Deeds

FORSYTH

County.

Jane Ballou
#12.0000