

DEED OF TRUST

14

NCHFA Loan No. 54699

I.O.E. P.O.

WITNESSETH:

MRB-229 - Page 1
04/95

2. **RESALE PROVISIONS.** In the event Borrower proposes (the "Proposal") to transfer (the "Sale") the Property (other than pursuant to an approved Assumption, as defined in the Note), at a price that will not generate a sum (the "Net Proceeds"), after payment of the First Loan (as defined in the Note) and all costs of the Sale, which is sufficient to pay the Note in full, Lender shall have a Right of First Refusal to purchase the Property at the price contained in the Proposal exercisable prior to the expiration of forty-five (45) days after Lender receives a copy of the Proposal. In the event Lender fails to exercise this right, and Borrower transfers the Property pursuant to the Proposal, Lender agrees to accept the Net Proceeds in full satisfaction of the Note. Notwithstanding the foregoing, if the price set out in the Proposal does not reflect the fair market value of the Property, Lender shall have the right to demand that the Note be paid in full.

3. **INSURANCE.** Borrower shall keep the property and all improvements, now or hereafter erected, constantly insured for the benefit of the Lender against loss by fire, windstorm and such other casualties and contingencies, in the manner and with companies as may be satisfactory to the Lender. The amount of the insurance required by this provision shall be the lesser of either the amount of the loan secured by this Deed of Trust or 100% of the insurable value of the improvements on the Property. Borrower shall purchase such insurance and pay all premiums in a timely manner. In the event that Borrower fails to pay any premium when it is due, then the Lender, at its option, may purchase such insurance. Such amounts paid by the Lender shall be added to the Note secured by this Deed of Trust and shall be due and payable by Borrower upon demand of the Lender.

4. **TAXES, ASSESSMENTS, CHARGES.** Borrower shall pay all taxes, assessments and charges as may be lawfully levied against the Property before the same shall become past due. In the event that Borrower fails to pay all taxes, assessments and charges as required, then the Lender at its option may pay them and the amount paid shall be added to the Note secured by this Deed of Trust and shall be due and payable by Borrower upon demand of the Lender.

5. **WASTE.** The Borrower covenants that Borrower will keep the Property in as good order, repair and condition, reasonable wear and tear excepted, and that Borrower will not commit or permit any waste on the Property.

6. **WARRANTIES.** Borrower covenants with Trustee and Lender that Borrower is seized of the Property 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 Borrower will warrant and defend the title against the lawful claims of all persons whomsoever, except that title to the Property is subject to the following exceptions:

(See Exhibit "B" attached hereto and incorporated herein by reference)

7. **SUBSTITUTION OF TRUSTEE.** Borrower and Trustee covenant and agree that in case the Trustee, or any successor trustee, shall die, become incapable of acting, renounce this trust, or for other similar or dissimilar reason become unacceptable to the Lender, or if the Lender desires to replace the Trustee, then the Lender may appoint, in writing, a trustee to take the place of the Trustee; and upon the probate and registration of the writing, the trustee thus appointed shall succeed to all the rights, powers and duties of the Trustee.

8. **CIVIL ACTIONS.** In the event that the Trustee is named as a party in any civil action as trustee 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 fees of the Trustee in such action may be paid by the Lender and added to the Note secured by this Deed of Trust, and shall be due and payable by Borrower upon demand of the Lender.

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

10. **SUBORDINATION.** Any subordination of this lien to additional liens or encumbrances shall be only upon the written consent of the Lender.

11. **RIGHT TO INSPECT.** To assure and protect its right in this Deed of Trust and the Property, the Lender shall have right of access and inspection of the Property at reasonable times and with reasonable notice to the Borrower.

12. **CONDEMNATION.** If the Property, or any part of the Property, be condemned under any power of eminent domain, or acquired for public use, the damages, proceeds, and the consideration for such acquisition, to the extent of the full amount of indebtedness upon this Deed of Trust and the Note remaining unpaid, are hereby assigned by the Borrower to the Lender and shall be paid to the Lender to be applied by the Lender on account of the indebtedness.

13. **WAIVER OF DEFAULT.** No sale of the Property and no forbearance on the part of the Lender and no extension of the time for the repayment of the debt secured hereby given by the Lender shall operate to release, discharge, modify, change, or affect the original liability of the Borrower either in whole or in part. The Lender can, in its complete discretion, waive any default, and can waive by written instrument, in advance, any individual actions which might constitute a default.

14. **GOVERNING LAW.** This Note is to be governed and construed in accordance with the laws of the State of North Carolina.

15. **SUCCESSORS AND ASSIGNS.** The covenants herein contained shall bind, and the benefits and advantages shall inure to the legal representatives, successors and assigns of the parties hereto.

IN TESTIMONY WHEREOF, Borrower(s) has executed this instrument under seal on the date first above written.

Borrower(s) Ignacio Ocegueda (SEAL) —
 IGNACIO OCEGUEDA E. I. O. E.
 Borrower(s) Perla Ocegueda (SEAL)
 PERLA OCEGUEDA Ocegueda

NORTH CAROLINA

Forsyth COUNTY

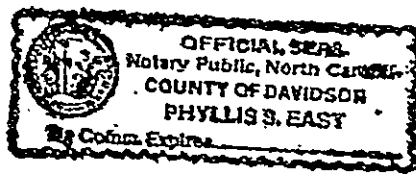
I, the undersigned DAVIDSON, a Notary Public of said County and State do hereby certify that Ignacio Ocegueda E. and wife, Perla Ocegueda personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and notarial seal, this the 11 day of July, 19 95.

Notary Public Phyllis S. East

My Commission Expires:

10/27/96



STATE OF NORTH CAROLINA—Forsyth County

PRESENTED FOR
 The foregoing (or annexed) certificate of Phyllis S. East, N.P., Davidson Co. NC
 AND RECORDED
 (field give name and official title of the officer signing the certificate passed upon)

is (are) certified to be correct. This the 12 day of July, 19 95.

JOHN HOLLEMAN, REGISTER OF DEEDS

John Holleman
 Register of Deeds
 Davidson Co. NC

L. E. Speas, Register of Deeds

By D. R. Dahl Deputy-Assistant

Probate and Filing Fee \$ 20.00 paid.

Leavins

BK1863 P2928

EXHIBIT "A"

BEING KNOWN AND DESIGNATED as Lot No. 16, as shown on the Map of Forest Park Terrace, as recorded in Plat Book 14, Page 10, in the Office of the Register of Deeds of Forsyth County, North Carolina, reference to which map is hereby made for a more particular description.

BK1863 P2929

**North Carolina Housing Finance Agency
Home Ownership Mortgage Program**

Addendum to Deed of Trust

The Mortgagee, GLL & ASSOCIATES, INC., or such of its successors or assigns as may by separate instrument assume responsibility for assuring compliance by the Mortgagor with the provisions of this Addendum, may declare all sums secured by this mortgage to be immediately due and payable if:

- (a) all or part of the property is sold or otherwise transferred (other than by devise, descent or operation of law) by Mortgagor to a purchaser or other transferee:
 - (i) who cannot reasonably be expected to occupy the property as a principal residence within a reasonable time after the sale or transfer, all as provided in Section 143(c) and (i)(2) of the Internal Revenue Code; or
 - (ii) who has had a present ownership interest in a principal residence during any part of the three-year period ending on the date of the sale or transfer, all as provided in Section 143(d) and (i)(2) of the Internal Revenue Code (except that the language "100 percent" shall be substituted for "95 percent or more" where the latter appears in Section 143(d)(1); or
 - (iii) at an acquisition cost which is greater than 90 percent of the average area purchase price (greater than 110 percent for Targeted Area residences), all as provided in Section 143(3) and (i)(2) of the Internal Revenue Code; or
 - (iv) whose family income exceeds 115% of applicable median family income (140% for a family in a Targeted Area residence), all as provided in Section 143 (e) and (i) (2) of the Internal Revenue Code; or
- (b) Mortgagor fails to occupy the property described in the mortgage without prior written consent of the Mortgagee or its successors or assigns described at the beginning of this Addendum; or
- (c) Mortgagor omits or misrepresents a fact that is material with respect to the provisions of Section 143 of the Internal Revenue Code in an application for this mortgage.

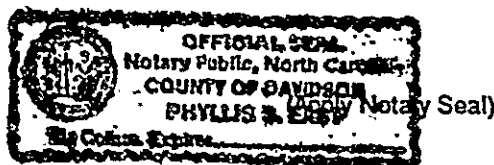
References are to the 1986 Internal Revenue Code in effect on the date of execution of the mortgage and are deemed to include the implementing regulations.

7-11-95
Date

Ignacio Ocegueda
Signature of Borrower(s) IGNACIO OCEGUEDA E. I.O.E.
Ocegueda

Perla Ocegueda
Signature of Borrower(s) PERLA OCEGUEDA P.O.
Ocegueda

Subscribed and sworn before me this 11 day
of July, 19 95



Phyllis L. East
Notary Public in and for the
County of Davidson
State of North Carolina
My Commission Expires 10/27/96

MRB-223
03/94

Original: NCHFA
Copies: Lender, Borrower