

Account Number: 9527002192
Return to:
FIRST UNION NATIONAL BANK OF NORTH CAROLINA
ATTN: WILLIAM H. McMURRAY, III 159
(Name)
P. O. BOX 456
LEXINGTON, NC 27293-0456
(Address)

BK1874 P3100
This instrument was prepared by:
DORIS C. GAMBLIN, ATTORNEY
SMITH AND GAMBLIN, PLLC
(Name)
P. O. BOX 1734
LEXINGTON, NC 27293-1734
(Address)

Deed Of Trust

THIS DEED OF TRUST is made this 9 day of OCTOBER, 19 95,
among J & A INVESTMENTS, INC., a North Carolina Corporation

Party of the First Part, whether one or more persons (hereinafter "Borrower"), and WILLIAM H. McMURRAY, III
whose address is P. O. Box 456, Lexington, NC 27293-0456

Trustee, Party of the Second Part (hereinafter "Trustee"), and FIRST UNION NATIONAL BANK OF NORTH CAROLINA and any subsequent holder of the note(s) hereafter mentioned, as his, her or its interest may appear, Party for the Third Party (hereinafter "Lender").

Whereas, Borrower is indebted to Lender in the principal sum of U.S. TWENTY ONE THOUSAND THREE HUNDRED AND NO/100 (\$ 21,300.00) Dollars, together with interest thereon at the Contract Rate specified in the Note evidencing said indebtedness, all terms of which are incorporated herein by reference, payable at the office of Lender as specified in said Note, or at such other place at the holder may designate in writing. The due date for final payment of said Note, if not sooner paid and if payment thereof is not extended, modified or renewed, is December 8, 2000.

FUTURE ADVANCES: Pursuant to provisions of North Carolina G.S. § 45-67, et. seq., this "Security Instrument" is being given to secure, in addition to the obligation evidenced by the Note first above referred to, any future loans or advances made by Lender to Debtor hereunder, or any successors in title, prior to cancellation of this "Security Instrument," provided that this Deed of Trust shall not secure more than U.S. TWENTY ONE THOUSAND THREE HUNDRED & NO/100

(\$ 21,300.00) Dollars, including present and future obligations hereunder, at any one time, plus any advances necessary for the protection or preservation of the collateral and/or security, interest due on obligations secured hereby, and costs. The amount of obligations presently secured by this Deed of Trust is \$ 21,300.00. It is further understood and agreed by and among the parties hereto that this Deed of Trust shall secure the original present obligation first above shown, together with any and all loans or advances hereunder to either or all Borrowers, subject to the maximum amount stated above which may be secured hereunder at any one time, provided that the period within which such future obligations may be incurred and secured hereby shall not extend for more than fifteen (15) years from the date of this Deed of Trust. It is further understood and agreed that Lender is authorized to make future advances to be secured by this Deed of Trust upon the signature of either Borrower (when more than one) without the signature of any other Party of the First Part, and that no future advance made pursuant hereto is required to be evidenced by a written instrument or notation.

NOW THEREFORE, in consideration of the aforesaid indebtedness, to additionally secure payment of said debt and all other obligations of Borrower to Lender secured hereby, and in consideration of the sum of One Dollar (\$1.00) cash in hand paid, the receipt of which is hereby acknowledged, Borrower hereby grants and conveys to Trustee, his successors and assigns, the following described premises located in Winston Township, Forsyth County, State of North Carolina, the street address being: Unit #3822-B, Salem Square Condominium, Winston-Salem, North Carolina, ("Property Address"), and more particularly described, as follows:

**SEE EXHIBIT "A" ATTACHED HERETO
AND INCORPORATED HEREIN**

together with improvements and fixtures now or hereafter attached to or used in connection with said Property (hereinafter "Property").

TO HAVE AND TO HOLD the same, with all the rights, privileges and appurtenances thereunto belonging, to Trustee, his successors and assigns, forever. Borrower covenants with Trustee that he is seized of the Property in fee and has the right to grant and convey the same in fee, that said Property is free and clear of all encumbrances unless contrary information is hereunder stated, and that he will warrant and forever defend the Property unto Trustee from and against all claims of all persons whomsoever.

IN TRUST, for the following uses and purposes:

Borrower does hereby covenant and agrees as follows:

1. Payments. Borrower shall make timely payments of principal, interest and any other charges due on the aforementioned Note(s) and/or other evidences of debt or obligation(s) secured hereby in the amounts, in the manner and at the place set forth therein.

2. **Encumbrances.** Debtor agrees not to and will not attempt to transfer, sell, or further encumber said Property so long as any amount secured hereby is unpaid without prior, written approval of Lender. Borrower shall perform all of Borrower's obligations under any mortgage, Deed of Trust or other security agreement with a lien which has priority over this Deed of Trust, including Borrower's covenants to make payments when due.

3. **Insurance.** Borrower will keep all improvements now existing or hereafter erected on the Property insured, as may be required from time to time by Lender, against loss by fire and other hazards included within the term "extended coverage", casualties and contingencies in such amounts and for such periods as may be required by Lender and will pay promptly, when due, any premiums on such insurance. All insurance shall be carried with companies approved by Lender, and the policies and renewals thereof may be held by Lender and shall have attached thereto loss payable clauses in favor of and in form acceptable to Lender. In the event of loss, Borrower will give immediate notice to the insurance carrier and Lender, who may make proof of loss if such is not made promptly by Borrower, and each insurance company concerned is hereby expressly authorized and directed to make payment for such loss directly to Lender instead of to Borrower and Lender jointly. Further, if the Property is abandoned by Borrower, or if Borrower fails to respond to Lender within 30 days from the date notice is mailed by Lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized to collect and apply the insurance proceeds, or any part thereof, in its sole discretion and at its option, either to the reduction of the indebtedness hereby secured or to the restoration or repair of the Property. In the event of foreclosure of this Deed of Trust or other transfer of title to the Property in extinguishment of the indebtedness secured hereby, all right, title and interest of Borrower in and to any insurance policies then in effect shall pass to the purchaser or grantee.

4. **Taxes — Assessments — Liens.** Borrower will pay all taxes, assessments, water charges, and other governmental or municipal charges, fines or impositions before any penalty or interest accrues thereon, and he will promptly deliver the official receipts therefor to Lender; that he further will pay other charges and/or encumbrances which shall hereafter be or appear to be a lien upon said Property. Upon default thereof, Lender shall have the right (but not the obligation) to pay the same under the terms and conditions stated hereinafter.

5. **Repairs.** Borrower shall keep the property in as good order and repair as they are now (reasonable wear and tear expected) and will neither commit nor permit any waste or any impairment or deterioration of the Property and shall comply with the provisions of any lease if this Deed of Trust is on a leasehold. If this Deed of Trust is on a unit in a condominium or a planned unit development, Borrower shall perform all of Borrower's obligations under the declaration or covenants creating or governing the condominium or planned unit development, the by-laws and regulation of the condominium or planned unit development, and constituent documents.

6. **Compliance with Laws.** The state and local laws applicable to this Deed of Trust shall be the laws of the jurisdiction in which the Property is located. The foregoing sentence shall not limit the applicability of federal law to this Deed of Trust. In the event that any provision or clause of the Deed of Trust or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Deed of Trust or the Note which can be given effect without the conflicting provision, and to this end the provisions of this Deed of Trust and the Note are separable. As used herein, "costs", "expenses", and "attorneys' fees" include all sums to the extent not prohibited by applicable law or limited herein.

7. **Condemnation Award.** The proceeds of any award for the taking of, or damages to, all or any part of the Property or any interest therein upon the lawful exercise of power of eminent domain are hereby assigned and shall be payable to Lender, who may apply said sums so received to any debt(s) hereby secured in such manner as Lender may deem appropriate, in its sole discretion.

8. **Payments by Lender.** If Borrower shall be in default in the timely payment or performance of any obligation under this Deed of Trust or the Note(s) or other evidences of debt or obligation hereby secured, Lender may, but is not obligated to upon notice to Borrower, expend for the account of Borrower such sums as may be necessary to cure any such default. Further, Lender may, but is not obligated to, upon notice to Borrower, expend for the account of said Borrower such sums, expenses and fees including reasonable attorneys' fees, as may become necessary or be incurred for the protection of the Property and the maintenance of execution of this trust. Any amounts so expended shall be deemed principal advances fully secured by this Deed of Trust, shall bear interest from the time expended at the Note rate until paid and shall be due and payable on demand. Lender shall be under no obligation to do any of the foregoing, and its failure to do so shall not be construed as a waiver of any default hereunder.

9. **Escrow Deposits.** Upon demand of Lender, Borrower will add to each monthly or other periodic payment required under the Note(s) and other evidences of debt or obligation secured hereby the amount estimated by Lender to be sufficient to enable Lender to pay, as they become due, all taxes, charges, assessments, and insurance premiums which Borrower is required to pay hereunder. Further, any deficiency occasioned by an insufficiency of such additional payments shall be forthwith deposited by Borrower with Lender upon demand.

10. **Rents and Profits.** Borrower hereby assigns to lender all future rents and profits from the Property as additional security for the payment of all indebtedness and obligations hereby secured and full performance of all of Borrower's undertakings hereunder. Lender is herewith given a prior and continuing lien thereon, and Borrower hereby appoints Lender his attorney to collect such rents and profits, with or without suit, and to apply the same (less expenses of collection) to said indebtedness and the performance of said undertaking in such manner as Lender may desire. However, until default hereunder or under the Note(s) and other evidences of debt or obligation secured hereby, Borrower may continue to collect and enjoy such rents and profits without any accountability to Lender. 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 other remedies. Upon acceleration of the Note or abandonment of the Property, Lender shall be entitled to have a receiver appointed by a court to enter upon, take possession of and manage the Property and to collect the rents of the Property, including those past due. All rents collected by such receiver shall be applied first to payment of the costs of management of Property and collection of rents, including but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Deed of Trust. The receiver shall be liable to account only for those rents actually received.

11. **Debtor's Continuing Obligation; Assumption.** Borrower shall remain liable for full payment of the principal and interest on the Note(s) or any other evidences of debt or obligations secured hereby, notwithstanding any of the following: (a) the sale of all or any part of the Property, (b) the assumption by another party of his obligations hereunder, (c) the forbearance or extension of time for payment or performance of any obligations hereunder or of any obligations secured hereby, whether granted to Borrower or to a subsequent owner of the property, or (d) the release of all or any part of the Property 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 Lender's right to a deficiency judgment (in the event of foreclosure) against Borrower or any party assuming the obligations hereunder. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Deed of Trust. However, this option shall not be exercised by Lender if exercise is prohibited by Federal law as of the date of this Deed of Trust.

If Lender exercised this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Deed of Trust. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Deed of Trust without further notice or demand on Borrower.

This Deed of Trust may not be assumed by a purchaser without the Lender's consent. If an assumption is allowed, the Lender may charge an assumption fee and require the person(s) assuming the loan to pay additional charges as authorized by law.

12. **Substitution of Trustee.** Lender shall have the unqualified right to remove the Trustee named above and to appoint one or more substitute or successor Trustees by instruments filed for registration in the Public Registry where this Deed of Trust is recorded. Any such removal or appointment may be made at any time without notice, without specifying any reason therefor and without any court approval and without conveyance of the Property. Any such appointee shall become fully vested with title to the Property and with all rights, powers and duties conferred upon the Trustee herein named, in the same manner and to the same effect as though he were named herein as the original Trustee.

13. **Acceleration; Remedies.** Upon Borrower's breach of any covenant or agreement of Borrower in this Deed of Trust, including the covenants to pay when due any sums under the Note secured by this Deed of Trust, Lender, at Lender's option, may declare all of the sums secured by this Deed of Trust to be immediately due and payable without demand or notice unless required by law or the Note and may invoke the power of sale and any other remedies permitted by applicable law. Lender shall be entitled to collect in such proceeding all expenses of foreclosure, including, but not limited to, reasonable attorneys' fees and costs of documentary evidence, abstracts and title reports.

In addition to the remedies provided on Borrower's breach of any covenant or agreement of the Borrower in this Deed of Trust, Lender may declare Borrower in default under this Deed of Trust if any of the following events occur:

(a) if Borrower fails to make payments on the due date; (b) if a petition is filed or other proceedings started under the Federal Bankruptcy code or any state insolvency statute or if a receiver is appointed or writ or order of attachment, levy or judgment is issued against Borrower or the Property, assets or income that affects the ability repay the Note in accordance with the terms of the Note or that adversely affects Lender's

HK1874 P3101

STATE OF NORTH CAROLINA)

COUNTY OF)

_____, do hereby certify that _____
and _____, his wife, personally appeared before me this day and
acknowledged the due execution of the foregoing instrument.

WITNESS my hand and Notarial Seal the _____ day of _____, 19 _____

My commission expires:

_____, 19 _____

(Notary Public)

NORTH CAROLINA, DAVIDSON COUNTY, _____

This 9 day of OCTOBER, A.D. 1995, personally came before me,

Patricia P. Hodges a Notary Public THOMAS R. SMITH

Secretary

Carolina Corporation

_____, being by me duly sworn, says that he/she is _____
INVESTMENTS, INC., a North
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/her in behalf of said corporation by its authority
duly given. And the said Thomas R. Smith acknowledged the said writing to be the act and deed of said corporation.

My commission expires June 26, 2000

(Notary Public)

NORTH CAROLINA, FORSYTH COUNTY

The foregoing or annexed certificate(s) of Patricia P. Hodges, Notary(ies) Public of

Davidson County is certified to be correct. This instrument was

presented for registration and recorded in this office in Book _____, Page _____

This 9 day of OCTOBER, 19 95, o'clock _____ M.

JOHN HOLLEMAN, REGISTER OF DEEDS

(Register of Deeds)

(Deputy Register of Deeds)

John Holleman
Register of Deeds
Forsyth Co. N.C.

95 OCT -9 P 4:47

PRESENTED FOR
REGISTRATION
AND RECORDED

STATE OF NORTH CAROLINA
County of FORSYTH

J & A INVESTMENTS, INC.

To

FIRST UNION NATIONAL BANK
OF NORTH CAROLINA

DEED OF TRUST

Filed for registration in the _____

FORSYTH County

Registry this 9 day of _____

OCTOBER, 19 95, at

o'clock _____ M. Recorded in

Book _____ at Page _____ this

9 day of _____

OCTOBER, 19 95
Verified and properly indexed same date.

Register of Deeds
County N.C.

EXHIBIT "A"
TO DEED OF TRUST DATED OCTOBER 9, 1995 TO
FIRST UNION NATIONAL BANK OF NORTH CAROLINA
EXECUTED BY J & A INVESTMENTS, INC.

Winston Township, Forsyth County

Those certain premises comprising a portion of the project known as **SALEM SQUARE CONDOMINIUM**, said project having been established as a horizontal property regime by Master Deed and Declaration and Bylaws dated November 12, 1981, and recorded in Book 1349, Page 1291, in the Office of the Register of Deeds for Forsyth County, North Carolina, under and pursuant to the provisions of the North Carolina Unit Ownership Act, the premises hereby conveyed being more particularly described as follows:

FIRST: Unit No. 3822-B, of said project as shown on Condominium Map, filed in Condominium Book 1, Pages 107 and 130, in the Office of the Register of Deeds for Forsyth County, North Carolina, excepting and reserving any easements through said apartment appurtenant to the common elements and other apartments, all as set forth in said Declaration.

SECOND: An undivided 2.38 percentage interest appurtenant to the apartment in all common elements of said project as described in said Declaration, including the buildings and land described in the Declaration, which said Declaration is incorporated herein as if fully set out herein.

SUBJECT, HOWEVER, to the following: The reservations, restrictions on use and all covenants and obligations set forth in the Declaration dated November 12, 1981, and filed with the Register of Deeds for Forsyth County, North Carolina, and as set forth in the Bylaws of the Association of Owners attached thereto and as it may be amended from time to time, said Bylaws to be filed with the Board of Directors of said Association, all of which restrictions, payments of charges, and all other covenants, agreements, obligations, conditions, and provisions are incorporated in this deed by reference and constitute and shall constitute covenants running with the land, equitable servitude and liens to the extent set forth in said documents and as provided by law, and all of which are accepted by the Grantee(s) as binding and to be binding on the Grantee(s) and his or its successors, heirs, administrators, executors, and assigns or the heirs and assigns of the survivor of them, as the case may be.

REFERENCE: Deed Book 1613, Page 194 in the Office of the Register of Deeds for Forsyth County, North Carolina.

RK1874 P3104