

DRAWN BY: ROBERT W. PORTER/Box

BK 1895 P 3525

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Deed Of Trust

COLLATERAL IS OR INCLUDES FIXTURES

THIS DEED OF TRUST, executed this 22nd day of 114 March, 19 96, by

and among J & D INVESTMENTS, INC.

hereinafter

called "Grantor"; B. T. FINANCIAL CORPORATION hereinafter called

"Trustee" and TRIAD BANK, a North Carolina banking corporation having an office in 500 South Stratford Road
Winston-Salem, NC 27103

North Carolina, hereinafter called "Beneficiary" or "Note Holder".

WITNESSETH:

WHEREAS, the Grantor is indebted or is to become indebted to the Beneficiary in the amount not to exceed \$30,000.00

for money loaned as evidenced by a promissory note ("note" shall be construed to include any guaranty given regarding said money loaned) or even date herewith, any modifications, or extensions, or renewals thereof, the terms of which note are incorporated herein by reference, said note requiring all principal and accrued interest to be paid in full on or

before ON DEMAND, 19 96;

And, WHEREAS, both principal and interest are payable in lawful money of the United States at any office of Triad Bank in Winston-

Salem, North Carolina, or at such other place as the Beneficiary or Note Holder shall from time to time direct,

And, WHEREAS, it is agreed that this Deed of Trust is given to secure present obligations and future obligations which may be incurred hereunder, that the amount of present obligations secured hereby is 0, and the maximum principal amount,

including present and future obligations, which may be secured hereby at any one time is \$30,000.00. that all future obligations, if any, shall be incurred on or before ten years from the date hereof, that all future obligations, if any, shall be evidenced by a written instrument or notation, signed by the obligor (Grantor) stating that such obligation is secured by this Deed of Trust, and it is further agreed that in the event partial payments on the obligation have been received so that the maximum amount is not outstanding, further obligations may be incurred from time to time within the time limit set forth above, provided the total unpaid principal balance shall never exceed the maximum amount specified above.

NOW, THEREFORE, in consideration of the premises, the indebtedness evidenced by the Note, and for the purpose of securing payment thereof, and in consideration of the sum of One Dollar paid to Grantor by Trustee, the receipt of which is hereby acknowledged, Grantor has

bargained, sold, granted and conveyed to Trustee, his heirs, successors, and assigns, certain land located in Forsyth County, North Carolina, more particularly described as follows:

SEE SCHEDULE "A" ATTACHED HERETO AND INCORPORATED HEREIN BY REFERENCE FOR DESCRIPTION OF SUBJECT PROPERTY.

hereinafter "the property"

Together with all the buildings and improvements thereon, and all rights, easements, hereditaments and appurtenances thereunto belonging, including all heating, plumbing, ventilating, lighting and other fixtures and equipment now and hereafter attached to or reasonably necessary to the use of such premises.

This instrument was prepared by Robert W. Porter, Attorney

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TO HAVE AND TO HOLD said land and premises with all the rights, privileges and appurtenances thereunto belonging, unto said Trustee, his heirs, successors, and assigns, upon the trusts and for the uses and purposes hereinafter set forth, and no other.

AND, Grantor covenants with Trustee that he is seized of said premises, in fee, that he has the right to convey the same, that the same is free and clear of all encumbrances and restrictions not specifically mentioned herein, and that he does hereby warrant and will forever defend the title of the same against all claims of all persons whomsoever.

THIS DEED OF TRUST, HOWEVER, IS MADE UPON THE TRUSTS and for the uses and purposes following:

That if Grantor shall pay and discharge said obligations and interest or any notes given in renewal of the notes herein, or any notes given as evidence of interest, or any extensions of time of payment of the debt herein secured when the same shall become due and shall pay such sums as shall be necessary to discharge taxes and maintain insurance and repairs and the costs, fees and expenses of making, enforcing, and executing this trust when they shall severally be due and payable, and observe all covenants, conditions and agreements contained in this Deed of Trust, then this conveyance shall become void and be released by the Beneficiary at the cost and expenses of the Grantor, or the title to said premises shall be reverted in Grantor as provided by law, otherwise to be of full force and effect

But if default shall occur by reason of the failure of Grantor to pay when due any payment of principal, advances or interest, as required by the terms and provisions of this Deed of Trust or of the Note, or by reason of the failure of Grantor to perform and observe each and every covenant, condition and agreement specified in this Deed of Trust, then and in such event it shall be lawful for and the duty of Trustee, upon the request of Beneficiary, to sell the premises herein described, at public sale, to the highest bidder, for cash, and in one or more parcels, at such place in the County wherein the premises are located as provided by applicable law after first giving notice of the time, place, and terms of such sale as required by law, and upon compliance with all other applicable provisions of the law of the state in which the property is located, and Trustee shall collect the purchase money arising from such sale, and shall convey title to the Purchaser at such sale in fee simple, and out of the proceeds arising from such sale, Trustee shall pay the costs and expenses of advertising and making such sale, all unpaid taxes and assessments, and fees or commissions for selling and conveying the property, including a reasonable commission to Trustee for making such a sale and for all services performed by him hereunder, and a reasonable attorney's fee, and Trustee shall pay Beneficiary so much of the balance of the proceeds as shall be necessary to pay and discharge all principal, advances and interest due Beneficiary under the terms and provisions of this Deed of Trust and the Note, and shall pay the surplus thereafter, if any remain, to those lawfully entitled thereto, and Beneficiary shall have the right to purchase at such sale. If a foreclosure is commenced under the preceding sentence but no sale is held, the Grantor agrees to pay a Trustee's commission of \$1000 or 5% of balance of the debt hereby secured, whichever shall be greater

AND GRANTOR FURTHER COVENANTS AND AGREES

ONE That he will pay the indebtedness as hereinbefore provided

TWO That he will pay all taxes and assessments against said property and all water rates and other governmental or municipal charges, fines, or impositions, and that he will promptly deliver the official receipts therefore to the Beneficiary, that he will also pay taxes which may be levied upon the interest of the Beneficiary in the said real estate and improvements and which may be levied upon this Deed of Trust or the debt secured hereby (but only to the extent that such is not prohibited by law and only to the extent that such will not make this loan insecure) but excluding any income tax, State or Federal, imposed on the Beneficiary, and will file official receipts showing such payment with said Beneficiary. Upon violation of this undertaking to pay said taxes, or if the said Grantor is prohibited by any law now or hereafter existing from paying the whole or any portion of the aforesaid taxes, or upon the rendering of any court decree prohibiting payment by the Grantor of any such tax, or if any such law or decree provides that any amount so paid by the Grantor shall be credited on the indebtedness, the said Beneficiary shall have the right to require the payment of the entire indebtedness, and said note and debt shall become immediately due and payable and collectible, anything in said note or Deed of Trust hereinbefore contained to the contrary notwithstanding.

THREE That the holder of the note may add to each monthly payment required hereunder or under the evidence of debt secured hereby an amount not to exceed 1/12 of the aggregate taxes and insurance premiums for the current year, to enable the holder of the note to pay as they become due, all taxes, assessments, fire and hazard insurance premiums, and similar charges upon the premises subject hereto, which additional amounts the Grantor agrees to pay, any deficiency because of the insufficiency of such additional payments shall be forthwith deposited with the holder of the note upon demand by the holder of the note

FOUR That he will keep the improvements which are now or may hereafter be upon said land unceasingly insured for the benefit of said Beneficiary until said principal debt hereby secured is fully paid. Said insurance carrier providing insurance shall be chosen by Grantor subject to approval by Beneficiary whose approval shall not be unreasonably withheld. Grantor shall pay all insurance premiums when due directly to insurance carrier unless payments in escrow to Beneficiary for such premiums are made pursuant to a written agreement by and between Grantor and Beneficiary. Said policy or policies and renewals thereof shall be in form acceptable to Beneficiary and shall include a standard mortgage clause in favor of and acceptable to Beneficiary. Said policies shall be delivered to the Beneficiary. If the premises encumbered hereby, or any part thereof, shall be damaged by fire or other hazard against which insurance is held, as herein provided, the amounts paid by any insurance company pursuant to the contract of insurance shall, to the extent of the indebtedness then remaining unpaid, be paid to Beneficiary and at its option may be applied to the debt or released for the repairing or rebuilding of the premises, if the insurance money so collected is applied upon the debt, it may be applied upon the indebtedness last falling due or in such manner as beneficiary may desire

In the event of loss, Grantor shall give prompt notice to the insurance carrier and beneficiary. Beneficiary may file claim for loss sustained if such claim is not promptly made by Grantor. If Grantor abandons property or fails to respond to beneficiary within thirty (30) days from the date notice is mailed by Beneficiary to Grantor that the insurance carrier offers to settle a claim, Beneficiary is hereby authorized to collect and apply the insurance proceeds at Beneficiary's option either to restore or repair said property or to the indebtedness secured by this Deed of Trust. Such application of proceeds to said indebtedness shall not extend or delay the due date of the payments referred to herein or change the amount of such payments, unless Beneficiary and Grantor otherwise agree in writing

In the event Beneficiary acquires property described herein pursuant to the provisions of this Deed of Trust, all right, title and interest of Grantor in said insurance policies and in the proceeds thereof resulting from the damage to said property prior to the sale or acquisition by beneficiary shall pass to Beneficiary immediately prior to such sale or acquisition to the extent of the sums secured by this Deed of Trust

FIVE That he will protect the improvements upon said property by proper repairs and maintain them in good repair and condition, shall not commit waste, and will not do, permit, or suffer any act or thing whatsoever whereby the security herein conveyed might or would be impaired. He shall comply with the provisions of any lease if this Deed of Trust is on a leasehold. If the premises conveyed herein are subject to governmental or consensual restrictions upon the use and/or occupation of such premises, Grantor shall perform all his obligations under such laws, covenants, by laws, declarations and/or other regulations creating, governing, and/or controlling said premises. Provided, nonetheless, that the obligations of the Grantor referenced in the preceding sentence shall not be construed for the benefit of any party other than the parties to this agreement, their heirs, successors and assigns, and shall not be construed to subordinate the lien on this Deed of Trust to any other claims or interests

SIX That Beneficiary may immediately, after any default, under the terms and conditions of the Deed of Trust apply for the appointment of a Receiver of the rents, income and profits from said premises, without notice, and Beneficiary shall be entitled to the appointment of such Receiver as a matter of right, without consideration to the value of the mortgaged premises as security for the amounts due or the solvency of any person or persons liable for the payment of such amounts

If any action or proceeding is brought which materially affects Beneficiary's interest or lienhold priority in the property described herein then Beneficiary at its option may make such appearances, disburse such sums and take such action as it deems necessary to protect its interest in the aforesaid property including but not limited to disbursement of attorney's fees and entry upon the property to repair and maintain it. Grantor shall constantly maintain all insurance coverages regarding the premises, this Deed of Trust and/or the obligations secured hereby, until said obligations are satisfied in full upon such terms, levels and conditions not less favorable to the Beneficiary than as they existed at the date hereof and shall also procure such additional coverages as may reasonably be requested by said Beneficiary from time to time as a result of occurrences subsequent to this date or information not reasonably available to Beneficiary as of this date. Premiums shall be paid as provided for in Paragraph Four. Nothing in this Paragraph Six shall impose a duty on Beneficiary to incur any expense or take any action. Such rights are cumulative and are not a waiver of the right to advertise and sell under Trustee's power of sale or any other rights

SEVEN That the Beneficiary may at its discretion, advance and pay such amounts as may be proper to satisfy taxes or any prior lien on said premises, maintain insurance and repairs, protect and preserve the property, and preserve its lienhold priority. Such amounts shall at the option of the Beneficiary become part of the principal debt, be a lien on said property, shall bear interest at the rate specified in the note hereby secured and be secured and collectible hereby, without waiver of any right arising from the breach of any covenants or agreements herein contained

EIGHT Upon prior notice to Grantor stating reasonable cause relating to Beneficiary's interest in said property, Beneficiary may make or cause to be made reasonable entries upon and inspection of said property

NINE Funds granted pursuant to any claim or award for damages or direct or consequential in conjunction with any taking or condemnation of said property, or segment thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Beneficiary

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If property is taken completely, the proceeds awarded shall be applied to the indebtedness secured hereby. Any excess remaining after satisfaction of said indebtedness shall be paid to Grantor. If a segment of said property is taken, unless Beneficiary and Grantor otherwise agree in writing, there shall be applied to the indebtedness secured hereby a percentage of the sums awarded or compensation equal to the amount by which said property's fair market value has decreased due to the taking.

If Grantor abandons property, or if after notice by Beneficiary to Grantor that the condemnor offers to make an award or settle a claim for damages, Grantor fails to respond to Beneficiary within 30 days after the date such notice is mailed, Beneficiary is authorized to collect and apply the proceeds, at Beneficiary's option, to restoration or repair of the property, or to the indebtedness secured hereby.

Any such application of proceeds to principal shall not extend or postpone the due dates of the payments referred to herein or change the amount of such installments, unless otherwise agreed to in writing by Beneficiary and Grantor.

TEN: That said Grantor, for himself, his heirs and assigns, does hereby assign and set over to the Beneficiary all rents, issues and profits from the above mortgaged property hereafter accruing as additional security for the indebtedness and other items herein secured, and for the purpose of keeping said mortgaged property in proper repair, and the Trustee is given a prior and continuing lien thereon and said Grantor does appoint the said Beneficiary his attorney to collect said rents and profits, with or without suit, and apply the same, less expenses of collection to the said indebtedness, other secured items, and repairs, in such manner as said Beneficiary may elect, provided, however, that until there be a default under the terms of this Deed of Trust the Grantor may continue to collect and enjoy said rent, issues, and profits without accountability to Beneficiary. This assignment of rents and power of attorney shall be irrevocable and shall be in addition to the other remedies herein provided for in event of default, and may be put into effect independently or concurrently with any said remedies; but no liability shall attach to Beneficiary for failure or inability to collect any rents herein assigned. This assignment, lien and power of attorney shall apply to all rents, issues and profits hereinafter accruing from present leases and renewals thereof the mortgaged property and from all leases or renewals hereafter made by the present or any future owners of the property, and any purchases of the mortgaged property shall take subject to all of the provisions and conditions hereof.

ELEVEN: That no sale of the premises described herein and no forbearance on the part of the Beneficiary, and no extension of time for the payment of the debt secured hereby given by said Beneficiary shall operate to release, discharge, modify, change or affect the original liability of the Grantor herein, either in whole or in part.

TWELVE: In the event Grantor sells or otherwise disposes of said property or any part thereof or conveys to any other party an interest in said property or any part thereof without the prior written consent of Beneficiary or its successors, Beneficiary at its option may declare the entire indebtedness secured hereby to be immediately due and payable, without notice to Grantor or his successor, said notice being expressly waived by Grantor or his successor, and upon such declaration the entire indebtedness secured hereby shall be immediately due and payable.

THIRTEEN: That if (a) Grantor shall default in any respect in the performance of any one or more of the conditions or agreements specified herein, (b) Grantor shall default in any other obligation of Grantor to the holder of the note secured hereby, whether at the same branch or otherwise, (c) for any reason Grantor's covenant to pay all taxes specified above shall be or become legally inoperative or unenforceable in any particular, (d) any lien, charge or encumbrance prior to or affecting the validity of this Deed of Trust be found to exist, or proceedings be instituted to enforce any lien, charge or encumbrance against any said premises, (e) the removal or demolition of any of the buildings or improvements upon the premises is threatened, (f) Grantor be declared bankrupt or insolvent, or abandons the premises, (g) Grantor shall default or fail to perform any of the conditions or covenants of the note secured hereby, such default may be deemed, at the option of the holder of the note secured by this Deed of Trust, a default in all indebtedness due said holder and the whole sum of the indebtedness evidenced by the note secured hereby and all of the other indebtedness due to Beneficiary and/or Holder, shall, at the option of the Holder and/or Beneficiary of said note, become immediately due and payable, and this Deed of Trust and all other security interest for the benefit of the Beneficiary and/or Holder may be foreclosed at once and neither the advance of funds by Beneficiary under any of the terms and provisions hereof nor the failure of Beneficiary to exercise promptly any right to declare the maturity under any of the foregoing conditions shall operate as a waiver of Beneficiary's right to exercise such option thereafter as to any past or current default.

FOURTEEN: That the irrevocable power to appoint a substitute Trustee or Trustees is hereby expressly granted to Beneficiary, its successors or assigns, to be exercised at any time hereafter, without notice and without specifying any reason therefore, by filing for record in the office where this instrument is recorded a proper instrument effecting such substitution. The Grantor, for himself, his heirs, executors, administrators, successors and assigns, and the Trustee herein named, or that may be substituted hereunder, expressly waive notice of the exercise of this power and any necessity for making oath or giving bond by any trustee, as well as any requirement for application to any court for the removal, appointment or substitution of any trustee hereunder, and the Beneficiary, its successors or assigns, may elect to appoint a substitute trustee in accordance with applicable law.

FIFTEEN: All parties hereto agree that this Agreement is to be construed in all respects and conditions under the laws of the State of North Carolina, as amended from time to time, that if any provisions hereof are found unenforceable, then only those portions shall be declared null and void without invalidating the remaining provisions. No failure or delay by the Beneficiary to exercise any right, power or privilege will operate as a waiver of any such right, power or privilege or preclude any other or further exercise thereof.

SIXTEEN: The term "Grantor", as used herein, shall include all parties hereinabove named as Grantor, his heirs, legal representatives, successors and assigns, and subsequent owners of the property hereby conveyed, the terms "Beneficiary", as herein, shall include any lawful owner or holder of the indebtedness secured hereby, the term Trustee shall include any subsequent trustee or trustees hereunder; the singular as used herein shall include the plural, and the use of one gender shall include all genders.

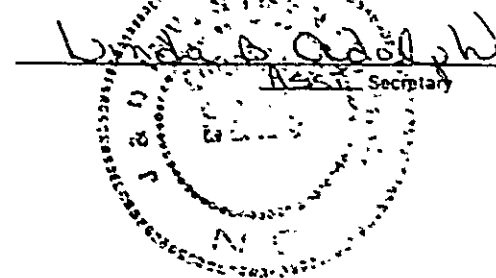
SEVENTEEN: Grantor, in addition to all other covenants herein, expressly warrants that no work has been done on or materials furnished to or improvements made to the property within the last one hundred twenty (120) days, except such improvements, work, and materials, if any, as have been paid in full, that there are no lien rights, or possibility of lien rights, which might be asserted against said property, that the Grantor will indemnify and save harmless Triad Bank from any loss or damage which it may suffer on account of any lien claims, valid or invalid, that may be asserted against the property.

EIGHTEEN: All remedies provided in this Deed of Trust to Beneficiary are cumulative to any other right or remedy under this Deed of Trust or afforded by law or equity, and may be exercised concurrently, independently or successively.

IN WITNESS WHEREOF, Grantor (if an individual) has hereunto set his hand and seal, or (if a corporation) has caused this Deed of Trust to be executed in its corporate name by its duly authorized officers and its seal to be hereunto affixed, the day and year first above written.

CORPORATE GRANTOR:

Attest


Secretary

J & D INVESTMENTS, INC.

Name of Corporation

By HARRIS B. GUPTON

VICE President

By

INDIVIDUAL GRANTORS:

Address

(SEAL)

(SEAL)

(SEAL)

(SEAL)

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NORTH CAROLINA, COUNTY OF _____

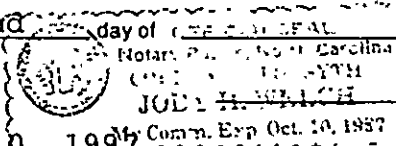
I, _____, a Notary Public for said County and State, do hereby certify that

_____ who is personally known to me, personally appeared before me this day and acknowledged the due execution of the annexed Deed of Trust.

Witness my hand and notarial seal, this _____ day of _____, 19 _____.

Notary Public

My Commission Expires: _____

NORTH CAROLINA, COUNTY OF FORSYTHI, Jody H. Welch, a Notary Public of said County, and State of North Carolina, certify thatLINDA B. ADOLPH personally appeared before me this day and acknowledged that he is AssistantSecretary of J & D INVESTMENTS, INC., a corporation, and that, by authority duly given and as the act of the corpora-tion, the foregoing instrument was signed in its name by its Vice President, sealed with its corporate seal, and attested by her Assistant Secretary.Witness my hand and notarial seal, this 22nd day of March, 19 96.My Commission Expires: October 10, 1997

NORTH CAROLINA, COUNTY OF _____

I, _____, a Notary Public for said County and State, do hereby certify that

_____ and _____, his wife, both of whom are personally known to me, personally appeared before me this day and acknowledged the due execution of the annexed Deed of Trust.

Witness my hand and notarial seal, this _____ day of _____, 19 _____.

Notary Public

My Commission Expires: _____

STATE OF NORTH CAROLINA
COUNTY OF ForsythThe foregoing certificate of Jody H Welch, a Notary Publicof the County of Forsyth, State of North Carolina, is certified to be correct. This instrument was presented for registration this day and hour and duly recorded in the office of the Register of Deeds of Forsyth County, North Carolina, in

Book _____, at Page _____.

This 11th day of April, 19 96, at _____ o'clock _____ MRichard deputy

Register of Deeds

Deed Of Trust

Trustee for
TRIAD BANK

Filed for registration on the _____ day

of _____, 19 _____

at _____ o'clock _____ M, and registered in the

office of the Register of Deeds for _____

County, N. C. _____

day of _____, 19 _____

at _____ o'clock _____ M

in Book _____

of Deeds, Page _____

Register of Deeds

SCHEDULE "A"

BEGINNING at an iron in the Eastern right-of-way margin of Arbor Run Drive, said Beginning point being the Southwest corner of Lot 39 of Arbor Run, Section 1-A, as recorded in Plat Book 32, Page 162, Forsyth County Registry; thence from said beginning iron and running with the Southern line of said Lot 39, S 87 deg. 00 min. 11 sec. E 29.34 feet to an iron, said iron being the Northwest corner of Hubbard Realty Co., property (Lot 14P, Block 4433, Forsyth County Tax Maps), thence with said Hubbard Realty Co. Western line S 08 deg. 37 min. 49 sec. W 260.00 feet to a point, said point being the Northeast corner of property owned by Donald W. Mumy &w/ Anne M. as recorded in Deed Book 1700, Page 3083, Forsyth County Registry, thence with said Mumy Northern line N 78 deg. 01 min. 45 sec. W 139.54 feet to a point in the Eastern right-of-way margin of Arbor Run Drive, thence with the Eastern right-of-way margin of Arbor Run Drive N 39 deg. 51 min. 59 sec. E 80.00 feet, thence continuing on chord of a curve N 29 deg. 26 min. 13 sec. E 193.18 feet to the point and place of BEGINNING. Containing 19,050 square feet and being the northernmost portion of Lot 40 of Arbor Run, Section 1-A as shown on plat recorded in Plat Book 32, Page 162, Forsyth County Registry.

TOGETHER WITH all rights and easements appurtenant to said lot as specifically enumerated in the Declaration of Covenants, Conditions, and Restrictions issued by Gupton Enterprises, Inc., and recorded in Book 1640, at Page 3435, et seq., in the office of the Register of Deeds of Forsyth County, North Carolina; and membership in Arbor Run Homeowners Association; and SUBJECT TO the regular monthly assessments and special assessments, limitations and rules reserved in said Declaration of Covenants, Conditions, and Restrictions, which Declaration is incorporated herein by reference; SAVE AND EXCEPT, however, pursuant to the authority and provisions of Sub-paragraph 3.10 of Article III of the aforementioned Declaration of Covenants, Conditions and Restrictions, the Grantor herein was granted an exception to the aforementioned Declaration of Covenants, Conditions and Restrictions, whereas the Restrictions on Resubdivision being No. 1.2 in Article I, page one of said Declaration, and the restriction that no portion of the lot may be used as a dedicated street or right-of-way to any property lying adjacent to Arbor Run, being Sub-paragraph (r) on page 4, under No. 1.9 in Article I of said Declaration, was specifically waived and removed and whereas the Grantor specifically grants the Grantee all rights obtained by the Grantor with said restriction waiver and modification. Except as here in waived and modified, the aforesaid Declaration remains as restrictive covenants against said property and this conveyance is made subject thereto.

TOGETHER WITH all rights of Grantor in the sight easement reserved in deed of adjacent property to Donald W. Mumy &w/ Anne M. as recorded in Deed Book 1700, Page 3083, Forsyth County Registry.
BEING INFORMALLY KNOWN AS Tax Lot 40B, Block 4433C, Lewisville Township, Forsyth County Tax Maps as presently constituted.
FOR FURTHER REFERENCE, SEE Deed Book 1843, Page 258, Forsyth County Registry.