

Deed of Trust

Drawn By: MELODY NIXON

Mail To: Wachovia Bank, N.A., MAIL CODE - NC38087, P.O. Box 2703, Winston-Salem, NC 27150

State of North Carolina, County of Forsyth

THIS DEED OF TRUST, made this 29th day of October, 2001 by and between Nicholas C. Yacabucci and Vivian C. Yacabucci, hereinafter called the Grantors, and New Salem, Inc. Trustee, of Forsyth County, North Carolina, and Wachovia Bank, N.A., a national banking association with its principal office at 100 North Main Street, Winston-Salem, NC 27150, hereinafter called the Beneficiary;

WITNESSETH, THAT WHEREAS, the Beneficiary is obligated to lend to the Grantors the sum of One Hundred Thousand and 00/100 (\$100,000.00), that being the maximum principal amount of present and future obligations secured by this deed of trust and to be incurred from time to time by periodic advances; all of such future obligations to be incurred on or before ten (10) years from the date of this Agreement.

AND, WHEREAS, the Grantors are thereby indebted to the Beneficiary in the principal sum of One Hundred Thousand and 00/100 (\$100,000.00), as evidenced by that certain Line of Credit Account Agreement ("Agreement") of even date herewith (reference to which is hereby made) the payment of which the Grantor's desire to secure by execution of the deed of trust together with all interest which may accrue on the indebtedness and any renewals, modifications or extensions thereof, in whole or in part, and the additional payments hereinafter agreed to be made.

NOW, THEREFORE, in consideration of the premises, and in further consideration of one dollar to each in hand paid, the receipt whereof is hereby acknowledged, the Grantors have granted, bargained and sold and by these presents do grant, bargain, sell and convey unto the Trustee, his successors, or assigns, that certain piece, parcel, lot or tract of land lying in Forsyth County and more particularly described as follows:

SEE ATTACHED EXHIBIT A

TO HAVE AND TO HOLD, the said premises, together with all the privileges and appurtenances thereto belonging, incident or appertaining thereto, unto the Trustee, his successors and assigns, in trust for the uses and purposes hereinafter limited, described and declared. And the Grantors covenant with the Trustee that they are seized of said premises in fee and have the right to convey the same in fee simple; that the same are free from all encumbrances, and that they will warrant and defend the title to the same against the claims of any and all persons whomsoever.

PROVIDED, nevertheless, and on this EXPRESS CONDITION, that if the Grantors shall fail or neglect to pay the interest on the Agreement as the said interest becomes due and payable, or if they shall fail or neglect to pay the principal and interest due on the Agreement at the maturity thereof, or if any part of the Agreement shall remain due and unpaid, or if Grantor shall fail to comply with the terms and conditions of this Deed of Trust or the terms and conditions of any other document which may from time to time evidence or secure the indebtedness, then it shall be the duty of the Trustee, his successors or assigns, at the request of the Beneficiary, or its assigns, to sell the said land 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 convey title to the purchaser in fee simple. After retaining from the proceeds of sale just compensation for his services and all expenses incurred by him, including reasonable attorney's fees for legal services actually performed, the Trustee shall apply the residue of the proceeds first to the payment of all sums expended by the beneficiary under the terms of this deed of trust; second, to the payment of the Agreement and interest thereon secured hereby; and the balance, if any, shall be paid to the Grantors. The Grantors agree that in the event of a sale hereunder, the Beneficiary shall have the right to bid thereat. The Trustee may require the successful bidder at any sale to deposit immediately with the Trustee cash or certified check in an amount not to exceed five percent (5%) of the bid, provided notice of such requirement is contained in the advertisement of sale. It is stipulated and agreed that in case the Grantors shall pay off the principal of and interest on the Agreement as and when the same shall become due and payable and shall discharge fully the trusts herein declared before such sale then the hereinabove described premises shall be reconveyed to the Grantors or the title hereto shall be revested according to the provisions of law.

Grantors covenant and agree that Grantor will:

1. Pay the indebtedness and the interest and all other amounts becoming due from time to time in connection therewith as provided in the Agreement.
2. Keep all taxes including assessments or other levels made by any governmental or quasi-governmental entity having jurisdiction over the property which may be assessed against said premises promptly paid off.
3. Keep the building on premises insured in the amount required by the Beneficiary against loss or damage by fire, flood or any other casualties as the Beneficiary may require, 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. In the event the said taxes or the premiums for said insurance should at any time be paid by the Beneficiary, or assigns, then any amounts so expended shall become debts due, shall bear interest at the rate specified in the Agreement, and their payment will be secured by this Deed of Trust.
4. Comply with all laws, rules and regulations pertaining to the property, now or hereafter enacted by any federal, state or local governmental agency.
5. Maintain the premises in good order and repair and not commit or permit any waste thereof. The Beneficiary shall have the right to inspect the premises at all reasonable times and the right of access thereto for such purpose is hereby granted to the Beneficiary or its agents. The Grantors warrant that the property has not been used, and will not be used, for illegal purposes, and that the property has not been purchased with proceeds from illegal activity.



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If the premises or any part thereof shall be taken by condemnation or settlement in lieu thereof, Beneficiary shall have the option of declaring unpaid balances of the Agreement immediately due and payable. Any awards paid as a result of condemnation or compromise in lieu thereof are hereby assigned to the Beneficiary.

If the premises shall be transferred, assigned, conveyed or otherwise encumbered or if liens are filed against the property and not removed within 15 days after any such filing during the term of this Deed of Trust without first obtaining the written consent of the Beneficiary, the unpaid principal of and accrued interest on the Agreement secured by the Deed of Trust shall, at the option of the Beneficiary, immediately become due and payable.

No delay of 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 the event the Beneficiary or the Trustee voluntarily or otherwise shall become party to any legal proceeding to protect the property herein conveyed or to protect the lien of this Deed of Trust the Trustee and Beneficiary shall be saved harmless and shall be reimbursed by the Grantor for any amounts paid, including reasonable attorney's fees, and any such amounts so expended shall be secured by the lien of this Deed of Trust, shall bear interest at the highest lawful rate then permitted, and shall be payable upon demand.

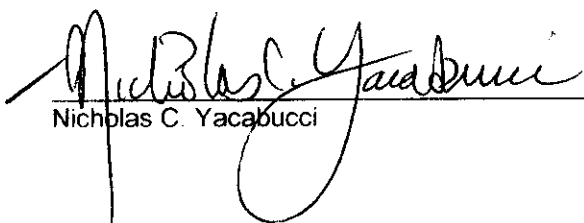
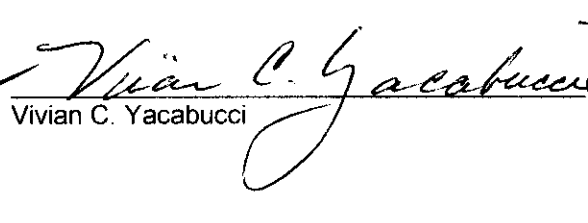
The irrevocable power to appoint a substitute trustee or trustees is hereby expressly granted to the Beneficiary, its successors or assigns, to be exercised at an time hereafter, without notice and without specifying any reason therefor, by filing for record in the office where this instrument is recorded an instrument of appointment. The Grantors, for themselves, their 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 the laws of North Carolina.

Any Grantor who executes this Deed of Trust but does not execute the agreement 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 Agreement or under this Deed of Trust (nothing herein limits or affects such Grantor's liability to the Beneficiary under 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 Agreement without such Grantor's consent and without releasing such Grantor hereunder of modifying or affecting this Deed of Trust as to such Grantor's interest in the Mortgaged Premises.

This Deed of Trust secures an equity line of credit governed by the provisions of Article 9 or Chapter 45 of the North Carolina General Statutes.

Borrower acknowledges that the Lender may reproduce (by electronic means or otherwise) any of the documents evidencing, guaranteeing and/or securing the Obligations and thereafter may destroy the original documents. Borrower does hereby agree that any document so reproduced shall be and remain the binding obligation of Borrower, enforceable and admissible in evidence against it to the same extent as if the original document had not been destroyed. As used in this paragraph, the term "Borrower(s)" shall mean any person or entity primarily or secondarily liable for the indebtedness including, but not limited to, any co-maker, endorser, guarantor or other party.

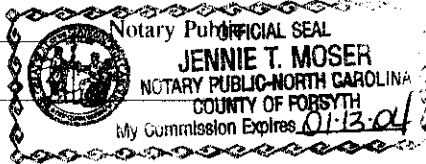
IN WITNESS WHEREOF, the Grantors have hereunto set their hands and seals the day and year first above written.

 (SEAL)  (SEAL)
Nicholas C. Yacabucci Vivian C. Yacabucci

_____(SEAL) _____(SEAL)

State of North Carolina, _____ County
 I, _____, a Notary Public of _____ County, North Carolina, do
 certify that _____ and _____, each
 personally appeared before me this day and acknowledged the due execution of the foregoing Deed of Trust.
 Witness my hand and official seal, this _____ day of _____, 19_____
 _____ Notary Public
 (N.P. SEAL)
 My Commission Expires: _____

State of North Carolina, Forsyth County
 I, Jennie T. Moser, a Notary Public of Forsyth County, North Carolina, do
 certify that Nicholas C Yacaburci and Vivian C Yacaburci, each
 personally appeared before me this day and acknowledged the due execution of the foregoing Deed of Trust.
 Witness my hand and official seal, this 29 day of October, 2001
Jennie T Moser
 (N.P. SEAL)
 My Commission Expires: 01-13-04



State of North Carolina
 County of _____ The foregoing certificate of _____, a Notary Public of
 _____ County, North Carolina is certified to be correct. This the _____ day of
 _____, 19_____

Register of Deeds

STATE OF NC - FORSYTH CO The foregoing certificate(s) of:
Jennie T Moser _____ 19_____, at _____ o'clock, _____ m., and
 re _____ NP(s) _____ County, N.C., in
 Bk _____
 is/are certified to be correct at the date of recordation shown on the first page thereof.
 Dickie C. Wood, Register of Deeds by: [Signature] Deputy/Asst
 _____ Drawn By _____

EXHIBIT "A"

BEING KNOW AND DESIGNATED as Lot 27 as shown on a plat entitled BENT TREE FARM, SECTION 2, LOTS 26 AND 27 REVISED, as recorded in Plat Book 34, page 116, in the Office of the Register of Deeds of Forsyth County, North Carolina, reference to which is hereby made for a more particular description; and TOGETHER with all rights and easements appurtenant to said lot as specifically enumerated in the Declaration of Covenants, Conditions and Restrictions recorded in Book 1698, page 350, Forsyth County Registry (the "Declaration"), and membership in Bent Tree Homeowner's Association, Inc. SUBJECT to assessments, limitations, restrictions and rules as set out in said Declaration, which is incorporated herein by reference.