Drawn by: Donald K. Tisdale
Mailto: Wachovia Mortgage Company, P. O. Box 3174, Winston Salem, N. C. 27102

NORTH CAROLINA

VA Form 26-6321 (Home Loan)
Rev. Jan. 1969. Use optional.
Section 1810, Title 38, U.S.C.
Acceptable to Federal National
Mortgage Association

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DEED OF TRUST

THIS INDENTURE, made and entered into this 13 day of May , 19 74 , by and between

Robert F. O'Toole and wife, Sara R. O'Toole

, party of the first part (whether one or more persons), and Archie C. Walker , Trustee(s), party of the second part, and Wachovia Mortgage Company , a corporation organized and existing under the laws of North Carolina , party of the third part,

WITNESSETH, that whereas the party of the first part is indebted to the party of the third part in the principal sum of Twenty Three Thousand, Five Hundred and no/100------- Dollars ($23,500.00), as evidenced by a promissory note of even date herewith, the terms of which are incorporated herein by reference, with interest from date, at the rate of eight & three-fourth per centum (8 3/4%) per annum on the unpaid balance until paid, principal and interest being payable at the office of Wachovia Mortgage Company , in Winston Salem, North Carolina , or at such other place as the holder may designate in writing delivered or mailed to the party of the first part, in monthly installments of One Hundred Eighty Four and 95/100---------- Dollars ($184.95), commencing on the first day of July , 19 74 , and continuing on the first day of each month thereafter until principal and interest are fully paid, except that the final payment of principal and interest, if not sooner paid, shall be due and payable on the first day of June ,2004 .

NOW, THEREFORE, in consideration of the aforesaid indebtedness and the sum of One Dollar ($1) cash in hand paid, the receipt of which is hereby acknowledged, the party of the first part has bargained, sold, given, granted, assigned, and conveyed and does by these presents bargain, sell, give, grant, assign, and convey to the party of the second part, his successors and assigns, all that certain lot or parcel of land situated in the township of Winston , county of Forsyth , State of North Carolina, and more particularly designated and described as follows:

Being known and designated as Lot 33, Section 4, as shown on the Map of The Cloisters, recorded in Plat Book 17, page 196 in the Office of the Register of Deeds of Forsyth County, North Carolina, to which map reference is hereby made for a more particular description.

The grantors covenant and agree that so long as this Deed of Trust, Security Deed of Mortgage, whichever is applicable, and the Note secured hereby are guaranteed under the Servicemen's Readjustment Act, he will not execute or file for record any instrument which imposes a restriction upon the sale or occupancy of the subject property on the basis of race, color or creed. Upon any violation of this covenant, the note-holder may, at its option, declare the unpaid balance of the debt secured hereby immediately due and payable.

(The Grantors covenant and agree that should the loan, evidenced by the Note secured by this instrument, be determined ineligible for guaranty under the Servicemen's Readjustment Act within sixty days from the date hereof (written statement of any officer or authorized agent of the Veterans Administration declining to guarantee said loan being deemed conclusive proof of such ineligibility), the holder of said Note may, at its option, declare the balance then unpaid immediately due and payable.)

together with all fixtures now or hereafter attached to or used in connection with the premises herein described and in addition thereto the following described household appliances, which are, and shall be deemed to be, fixtures and a part of the realty, and are a portion of the security for the indebtedness herein mentioned;

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TO HAVE AND TO HOLD the same, with all the rights, privileges and appurtenances thereunto belonging, to the party of the second part, his successors and assigns, forever. The party of the first part covenants with the party of the second part that he is seized of the premises in fee (or such other estate, if any, as is stated herein before) and has the right to convey the same; that the same are free and clear of all encumbrances except as herein before otherwise recited and that he will warrant and forever defend the premises as herein conveyed unto the party of the second part from and against the lawful claims of all persons whomsoever.

IN TRUST, HOWEVER, For the uses and purposes following:

If the party of the first part shall well and truly perform all the terms and conditions of this Deed of Trust and of the note secured hereby, then this conveyance shall be null and void, and shall be properly canceled of record. If, however, there shall be a default in any of the terms or conditions of this Deed of Trust, or under the note secured hereby, or if the aggregate monthly payment is not paid in full prior to the due date of the next such monthly payment, then all sums owing by the party of the first part to the party of the third part under this Deed of Trust or under the note secured hereby shall immediately become due and payable at the option of the party of the third part; and, on the application of the party of the third part, it shall be lawful for and the duty of the party of the second part, and he is authorized and empowered, to sell the lands and premises hereinbefore described at public auction to the highest bidder for cash at the usual and customary place for such sales at the courthouse in Forsyth County, after first giving notice of the time, place, and terms of such sale by posting the same at the courthouse door, and after due advertisement as provided by law in the State of North Carolina for sales of real estate under mortgages or deeds of trust; and upon such sale the party of the second part shall collect the purchase money and convey title to the purchaser in fee simple or such other estate as is conveyed hereby; and after retaining one per centum (1%) of the proceeds of such sale as compensation for the making thereof and for all services performed, and after retaining also all expenses incurred, including reasonable attorney's fees, for legal services actually performed, the party of the second part shall apply so much of the residue as may be necessary to pay off the debt secured hereby, including accrued interest thereon, as well as any other sums owing to the party of the third part by the party of the first part pursuant to this instrument and thereafter shall apply so much of the remaining proceeds as may be necessary to the reimbursement of the Veterans Administration for any sums paid by it on account of the guaranty or insurance of the indebtedness secured hereby; and he shall pay the surplus, if any, to the party of the first part. The party of the first part agrees that in the event of a sale hereunder the party of the third part shall have the right to bid thereat. The party of the third part, its successors or assigns, shall have the right to remove the said Trustee and appoint his successor by an instrument in writing, duly acknowledged or proved so as to entitle the same to record in this State, and the new Trustee shall thereupon become successor to the title of the said property and the same shall become vested in him in trust for the purposes and uses of these presents, with all the powers, duties and obligations herein conferred on the party of the second part in the same manner and to the same effect as though he were named herein as Trustee.

The party of the first part does hereby covenant and agree as follows:

1. He will pay the indebtedness as hereinbefore provided. Privilege is reserved to prepay at any time without premiums or fee, the entire indebtedness or any part thereof not less than the amount of one installment, or one hundred dollars ($100.00), whichever is less.

2. Together with and in addition to the monthly payments of prinicipal and interest payable under the terms of the note secured hereby, he will pay to the party of the third part, as trustee (under the terms of this trust as hereinafter stated), on the first day of each month until the note is fully paid:

(a) A sum equal to the ground rents, if any, and the taxes and special assessments next due on the premises covered by this Deed of Trust, plus the premiums that will next become due and payable on policies of fire and other hazard insurance on the premises covered hereby (all as estimated by the party of the third part, and of which the party of the first part is notified) less all sums already paid therefor divided by the number of months to elapse before one month prior to the date when such ground rents, premiums, taxes, and assessments will become delinquent, such sums to be held by party of the third part in trust to pay said ground rents, premiums, taxes, and special assessments, before the same become delinquent.

(b) The aggregate of the amounts payable pursuant to subparagraph (a) and those payable on the note secured hereby, shall be paid in a single payment each month, to be applied to the following items in the order stated:

(I) ground rents, taxes, special assessments, fire and other hazard insurance premiums;

(II) interest on the note secured hereby; and

(III) amortization of the principal of said note.

Any deficiency in the amount of such aggregate monthly payment shall, unless made good by the party of the first part prior to the due date of the next such payment, constitute an event of default under this Deed of Trust. At the option of the party of the third part, the party of the first part will pay a "late charge" not exceeding four per centum (4%) of any installment when paid more than fifteen (15) days after the due date thereof to cover the extra expense involved in handling delinquent payments, but such "late charge" shall not be payable out of the proceeds of any sale made to satisfy the indebtedness secured hereby, unless such proceeds are sufficient to discharge the entire indebtedness and all proper costs and expenses secured hereby.

3. If the total of the payments made by the party of the first part under (a) of paragraph 2 preceding shall exceed the amount of payments actually made by the party of the third part as trustee for ground

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rents, taxes and assessments or insurance premiums, as the case may be, such excess shall be credited on subsequent payments to be made by the party of the first part for such items or, at the option of the party of the third part as trustee, shall be refunded to the party of the first part. If, however, such monthly payments shall not be sufficient to pay such items when the same shall become due and payable, then the party of the first part shall pay to the party of the third part as trustee any amount necessary to make up the deficiency within thirty (30) days after written notice from the party of the third part stating the amount of the deficiency, which notice may be given by mail. If at any time the party of the first part shall tender to the party of the third part, in accordance with the provisions of the note secured hereby, full payment of the entire indebtedness represented thereby, the party of the third part, as trustee, shall, in computing the amount of such indebtedness, credit to the account of the party of the first part any credit balance remaining under the provisions of (a) of paragraph 2 hereof. If there shall be a default under any of the provisions of this Deed of Trust resulting in a public sale of the premises covered hereby or if the property is otherwise acquired after default, the party of the third part, as trustee, shall apply, at the time of the commencement of such proceedings, or at the time the property is otherwise acquired, the amount then remaining to credit of party of the first part under (a) of paragraph 2 preceding, as a credit on the interest accrued and unpaid and the balance to the principal then remaining unpaid on the note secured hereby.

4. He will continuously maintain hazard insurance, of such type or types and amounts as the party of the third part may from time to time require, on the buildings and improvements now or hereafter on said premises, and except when payment for all such premiums has theretofore been made under (a) of paragraph 2 hereof, he will pay promptly when due any premiums therefor. All insurance shall be carried in companies, approved by the party of the third part, and the policies and renewals thereof shall be held by the party of the third part and have attached thereto loss payable clauses in favor of and in form acceptable to the party of the third part. In event of loss he will give immediate notice by mail to the party of the third part, who may make proof of loss if not made promptly by the party of the first part, and each insurance company concerned is hereby authorized and directed to make payment for such loss directly to the party of the third part instead of to the party of the first part and the party of the third part jointly, and the insurance proceeds, or any part thereof, may be applied by the party of the third part at its option, either to the reduction of the indebtedness hereby secured or to the restoration or repair of the property damaged. In event of foreclosure of this Deed of Trust or other transfer of title to the said premises in extinguishment of the indebtedness secured hereby, all right, title and interest of the party of the first part in and to any insurance policies then in force shall pass to the purchaser or grantee.

5. He will pay all taxes, assessments, water rates, and other governmental or municipal charges, fines, or impositions, for which provision has not been made hereinbefore, will promptly deliver the official receipts therefor to the party of the third part, and in default thereof the party of the third part shall have the right to pay the same. The party of the third part shall also have the right to make any payment which the party of the first part should have made, and the party of the third part may also pay any other sum that is necessary to protect the security of this instrument. All such sums, as well as all costs paid by the party of the third part pursuant to this instrument, shall be secured hereby and shall bear interest at the rate provided for in the principal indebtedness.

6. Upon the request of the party of the third part, the party of the first part shall execute and deliver a supplemental note or notes for the sum or sums advanced by the party of the third part for the alteration, modernization, improvement, maintenance, or repair of said premises, for taxes or assessments against the same and for any other purpose authorized hereunder. Said note or notes shall be secured hereby on a parity with and as fully as if the advance evidenced thereby were included in the note first described above. Said supplemental note or notes shall bear interest at the rate provided for in the principal indebtedness and shall be payable in approximately equal monthly payments for such period as may be agreed upon by the creditor and debtor. Failing to agree on the maturity, the whole of the sum or sums so advanced shall be due and payable thirty (30) days after demand by the creditor. In no event shall the maturity extend beyond the ultimate maturity of the note first described above.

7. He will keep the said premises in as good order and condition as they are now, reasonable wear and tear excepted, and will not commit or permit any waste.

8. That if there be a sale of the premises herein conveyed, as provided above, the party of the first part shall become tenant at will of the purchaser and shall be entitled to possession for only ten (10) days after the date of delivery of the deed to the purchaser; and after such period the party of the first part does hereby release and relinquish all right, title and interest in and to said premises, or the possession thereof, and assigns to the purchaser all the rents or profits accruing therefrom, together with the right to collect the same.

9. If any of the proceeds of the loan made by the party of the third part to the party of the first part, the repayment of which is secured hereby, or if any money paid or advanced by the party of the third part, be used directly or indirectly to pay off, discharge or satisfy in whole or in part any prior lien or encumbrance upon the premises above described, or any part thereof, then the party of the third part shall be subrogated to any additional security held by the holder of such lien or encumbrance.

10. No sale of the premises described above and no forbearance on the part of the party of the third part and no extension of the time for the payment of the debts secured hereby given by the party of the third part shall operate to release, discharge, modify, change or affect the original liability of the party of the first part herein, either in whole or in part, nor shall the full force and effect of the lien of this instrument be altered thereby.

11. If foreclosure proceedings are instituted under this Deed of Trust, the party of the second part is authorized to take possession of the premises above described, and collect any rental, accrued or to accrue; or he may let the premises or any part thereof, receive the rents, income and profits therefrom, and hold the proceeds subject to the order of the court for the benefit of the party of the third part, pending the final decree in the foreclosure proceeding, and during any period allowed by law for the redemption from any sale ordered in such proceeding; and the party of the second part may act irrespective of the value of the property described or its adequacy to secure or discharge the indebtedness then owing.

12. If the indebtedness secured hereby be guaranteed or insured under Title 38, United States Code, such Title and Regulations issued thereunder and in effect on the date hereof shall govern the rights, duties and liabilities of the parties hereto, and any provisions of this or other instruments executed in connection with said indebtedness which are inconsistent with said Title or Regulations are hereby amended to conform thereto.

The covenants herein contained shall bind, and the benefits and advantages shall inure to, the respective heirs, executors, administrators, successors or assigns of the parties hereto. Whenever used, the singular number shall include the plural, the plural the singular, the use of any gender shall be applicable to all genders, and the term "party of the third part" shall include any payee of the indebtedness hereby secured or any transferee thereof whether by operation of law or otherwise.

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IN WITNESS WHEREOF, The parties of the first part ha ve hereunto set their hand(s) and seal(s) the day and year first above written.

Robert F. O'Toole [SEAL]
Robert F. O'Toole

[SEAL]

Sara R. O'Toole [SEAL]
Sara R. O'Toole

[SEAL]

STATE OF NORTH CAROLINA,
COUNTY OF FORSYTH } ss:

I, Sylvia G. Sink of Davidson County, a Notary Public in and for the county and state aforesaid, do hereby certify that Robert F. O'Toole and wife, Sara R. O'Toole, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and Notarial Seal the 13 day of May, 19 74.

Sylvia G. Sink
Notary Public.

My commission expires April 2, 1975

STATE OF NORTH CAROLINA—Forsyth County

The foregoing (or annexed) certificate of Sylvia G. Sink, N.P.
(here give name and official title of the officer signing the certificate passed upon)
Davidson Co., N.C.

is (~~are~~) certified to be correct. This the 13th day of May 19 74.

Eunice Ayers, Register of Deeds

By Linda M. Dawley Deputy ~~Assistant~~

Probate fee 50¢ paid.

STATE OF NORTH CAROLINA

Deed of Trust

PRESENTED FOR REGISTRATION AND RECORDED
MAY 13 4 28 PM '74
EUNICE AYERS
REGISTER OF DEEDS
FORSYTH CTY. N.C.

Filed for registration in County. Registry this day of , 19 , at o'clock .M. Recorded in Book at page this day of , 19 . Verified and properly indexed same date.

Register of Deeds, County, N. C.

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