

DEED OF TRUST

STATE OF NORTH CAROLINA

COUNTY OF FORSYTH

THIS INDENTURE made and entered into this 26th day of February, 1975, by and between H & F COMPANY, a Partnership "party of the first part"; NICHOLAS A. DAVES, of the City of Winston-Salem, County of Forsyth in the State of North Carolina, "Trustee", party of the second part; and

NORTH CAROLINA NATIONAL BANK

a national banking association with its principal offices in the County of Mecklenburg, State of North Carolina, as "party of the third part";

WITNESSETH:

WHEREAS, the party of the first part is indebted to the party of the third part in the principal sum of FORTY THOUSAND AND 00/100***** Dollars (\$40,000.00*****) as evidenced by its note of even date herewith, bearing interest at the rate of twelve (12%) per centum per annum, principal and interest payable as therein set forth, the final maturity of which is the 10th day of March, 1982; and

WHEREAS, it is agreed that the payment of said indebtedness, together with any renewals or extensions thereof, be secured by conveyance to the party of the second part of the real property hereinafter described.

NOW, THEREFORE, in consideration of the premises and for the purposes aforesaid, and of the sum of One Dollar (\$1.00) to the party of the first part in hand paid by the party of the second part, the receipt of which is hereby acknowledged, the party of the first part has bargained, sold, given, granted and conveyed, and by these presents does bargain, sell, give, grant and convey to the party of the second part, his successors and assigns, all that certain lot or parcel of land in the City of Winston-Salem, situated in the Township of Winston, County of Forsyth, State of North Carolina, and more particularly designated and described as follows, to wit:

BEGINNING at a point in the Northeast line of Olson Street, said point being South 46 deg. 45 min. East a distance of 120 feet as measured along the Northeast side of Olson Street from a point where the Southerly line of Townley Street intersects the Northeast line of Olson Street, and running thence from said BEGINNING point North 42 deg. 48 min. 30 sec. East 39.0 feet to an iron stake; thence South 46 deg. 45 min. East 3.50 feet to an iron stake; thence North 42 deg. 48 min. 30 sec. East 65.0 feet to an iron stake; thence North 46 deg. 45 min. West 3.50 feet to an iron stake; thence North 42 deg. 48 min. 30 sec. East 91.57 feet to an iron stake in the East line of Lot 193 as shown on the map of Section 2, property of P. H. Hanes Knitting Company, which map is recorded in Plat Book 17 at Page 59 in the Office of the Register of Deeds of Forsyth County, North Carolina; running thence with the East line of said lot South 48 deg. 22 min. 30 sec. East 14.05 feet to the Southeast corner of said lot; running thence South 46 deg. 45 min. East 8 feet to an iron stake, continuing on said bearing 113.95 feet to a point a corner of the property described in a Deed recorded in Deed Book 957, Page 639 in the Office of the Register of Deeds of Forsyth County, North Carolina, and continuing on said bearing 3.16 feet for a total distance on said bearing of 125.11 feet to an iron stake in the line of the property described in a Deed recorded in Deed Book 972 at Page 315 in the Office of the Register of Deeds of Forsyth County, North Carolina; running thence through the property described in said Deed recorded in Deed Book 972 at Page 315 South 42 deg. 56 min. 30 sec. West 195.95 feet to an iron stake in the Northeast line of Olson Street; running thence with the Northeast line of Olson Street North 46 deg. 45 min. West 2.68 feet to a point, another corner of the property described in said Deed recorded in Deed Book 957, Page 639, and continuing on said bearing, passing an iron stake at 121.0 feet and continuing 15.0 feet for a total distance on said bearing of 138.68 feet to the place of BEGINNING, and being known and designated as Lot 201, Block 3804, and a strip off the Northwest side of Lot 204, Block 3804, Forsyth County Tax Maps, and being a part of the property conveyed to Lambe-Young-Jones, Inc. by Deeds recorded in Deed Book 957, Page 639 and Deed Book 972, Page 315, in the Office of the Register of Deeds of Forsyth County, North Carolina.

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Together with all additions and improvements thereto, including buildings and fixtures thereon, and all other real estate as may hereafter be acquired and used or held for use in connection with the business of the party of the first part; and the party of the first part hereby waives notice of any application by the party of the second part or party of the third part for the appointment of a receiver upon default of any of the conveyances and covenants herein contained.

And the party of the first part covenants that it is seized of said lands in fee simple and has the right to convey said real estate in fee simple; that the same is free and clear of all encumbrances and liens of every nature and that it will warrant and defend the same against the claims of all persons whomsoever; that it will not create or permit to accrue any debt, lien, security interest or charge which would be prior to or on a parity with the lien created as herein provided and that it will comply with all statutes, ordinances, regulations and requirements imposed by any governmental authority upon or with respect to said property or any part thereof.

TO HAVE AND TO HOLD the said lands and premises, together with any and all rights, privileges and appurtenances thereon and pertaining thereto, including improvements thereto in fee simple and absolutely, upon the trusts and for the uses and purposes hereinafter set forth.

If the amounts payable on said note, hereby secured, or any extensions or renewals thereof, be not paid when due; or if the party of the third part, or holder of said note, determines in good faith that the prospects of payment or performance are impaired; or said party of the third part or holder deems itself insecure; or if the party of the first part shall: Fail or neglect to pay all taxes or assessments which are or may be levied against or which may constitute a lien upon the aforesaid property within three months after the same shall have become due and payable; or fail to keep the improvements on said real estate, all other insurable property conveyed hereby and any business with which same is connected, insured against loss by fire and other hazards and in the amount or amounts required by the party of the third part, its successors or assigns, loss, if any, payable to the Trustee herein as his interests may appear, for the benefit of the party of the third part or the holder or holders of the indebtedness hereby secured; or remove any of the aforesaid property from its location as shown herein without the prior written consent of the party of the third part, its successors or assigns; or fail to comply with or perform any of the party of the first part's agreements or covenants set forth in this Deed of Trust or in the said note; or make or have made any statement, or representation or warranty to the party of the third part in connection with this Deed of Trust which is false in any material respect when made or furnished; or if there occurs any of the following events: dissolution, termination of existence, insolvency, failure to pay debts as they mature, appointment of Receiver for any part of the party of the first part's (or its subsidiary's) property, assignment for the benefit of creditors by party of the first part (or its subsidiary) or the commencement of any bankruptcy proceeding by or against party of the first part (or its subsidiary); then in either one or more of said events all of the indebtedness hereby secured shall immediately become due and collectible at the option of the holder thereof and without notice to the party of the first part; and on the application of the party of the third part or the holder of the aforesaid note evidencing any portion of the indebtedness hereby secured, it shall be lawful for, and the duty of, the Trustee to advertise at the county courthouse in the county wherein the real property hereinabove described is located, for a time not less than thirty (30) days, and also to publish notice of sale once a week for four (4) successive weeks in some newspaper published within the county wherein the real property hereinabove described is located appointing a day and place of sale, and at such time and place to expose the property described in such notice of public sale to the highest bidder for cash, or upon such terms as the party of the third part or the holder of said note may direct. The Trustee may require the successful bidder at any sale to deposit immediately with the Trustee cash or certified check in the amount of ten per cent (10%) of his bid as a guarantee of his compliance with his bid, provided that such requirement is set forth in said notice. The Trustee may reject a bid if the deposit is not immediately made. Any deposit shall be refunded in the case of a resale ordered by virtue of an increased bid. If the purchaser fails to comply with his bid, the deposit shall be applied toward the expenses of the sale and the residue, if any, as a credit to the indebtedness. In all other cases the deposit shall be applied upon the purchase price. Upon such sale, the Trustee shall collect the purchase money and convey title to said real estate to the purchaser, first retaining the usual compensation received by a Trustee for making such sale, and for all services performed and expenses incurred incidental thereto, out of the proceeds of such sale and shall apply so much of the residue as may be necessary to pay off and discharge said note and all interest then accrued and due thereon, as well as any other indebtedness which may be owing to the party of the third part by the party of the first part, and shall pay the surplus, if any remains, to said party of the first part, its successors, legal representatives or assigns.

AND IT IS FURTHER STIPULATED AND AGREED, that if the said party of the first part, its successors or assigns, shall pay in full said note and interest thereon as herein or in said note provided, and any and all other indebtedness of said party of the first part to the party of the third part, and discharge fully the Trustees as herein required, at any time before such sale or disposition, then this Deed of Trust shall become null and void; or, if such discharge of indebtedness shall be accomplished by a sale or disposition of a part of the property hereinabove described then so much of said property as may not have been sold or disposed of and is not required to meet any of said trusts, agreements or covenants shall be reconveyed to the party of the first part, its successors or assigns, or any title and rights thereto may be revested in it according to the provisions of law.

The party of the third part, its successors and assigns, or the holder or holders of any part of the indebtedness hereby secured, are expressly authorized to pay any taxes or assessments on said property, to secure or renew insurance required hereunder and to pay the premiums thereon, but it shall be under no obligation to do so.

The party of the first part agrees that all expenses paid or incurred by the party of the third part, including reasonable counsel fees incidental to the protection, preservation or collection of the note or said real estate securing same, or the foreclosure of this Deed of Trust by suit or otherwise shall be added to or become a part of the indebtedness secured hereby and bear interest at the same rate.

7 IN WITNESS WHEREOF, the undersigned has (have) caused these presents to be executed under seal, pursuant to authority duly given, the day and year first above written.

H & F COMPANY, a Partnership
CORPORATION OR PARTNERSHIP
By: FITZGERALD MORTGAGE COMPANY, Partner
BY *[Signature]* President
By: JAD CORPORATION, Partner
By: *[Signature]* (SEAL)
XXXXXXXXXXXX President

COUNTY OF Westchester

WITNESS my hand and seal this _____ day of _____ A. D., 19_____

BOOK 1142P1243

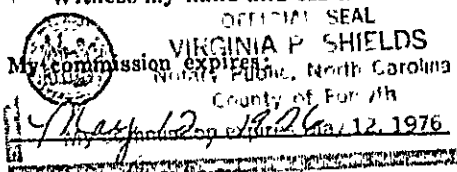
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STATE OF NORTH CAROLINA.
COUNTY OF FORSYTH

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This is to certify that on the 26th day of February, 1975, before me personally came R. E. Fitzgerald, Jr., with whom I am personally acquainted, who being by me duly sworn says that he is the President and James A. Fitzgerald is the Secretary of FITZGERALD MORTGAGE COMPANY, a Partner of H & F COMPANY, a Partnership described in and which executed the foregoing instrument; that he knows the common seal of said corporation; that the seal affixed to the foregoing instrument is said common seal, and the name of the corporation was subscribed thereto by said President, and that said President and Secretary subscribed their names thereto and the common seal was affixed all by order of the Board of Directors of said corporation, and that said instrument is the act and deed of said corporation.

Witness my hand and official seal this 26th day of February, 1975.



Virginia P. Shields, Notary Public

STATE OF NORTH CAROLINA—COUNTY OF FORSYTH

This 26th day of February, 1975, personally came before me, Virginia P. Shields, a notary public, James A. Fitzgerald who, being by me duly sworn, says that he knows the Common Seal of JAD CORPORATION, a Partner of H & F COMPANY, a Partnership, and is acquainted with Don R. House who is the President of said Corporation, and that he, the said James A. Fitzgerald is the Secretary of the said Corporation, and saw the said President sign the foregoing instrument, and saw the Common Seal of said Corporation affixed to said instrument by said President, and that he, the said James A. Fitzgerald signed his name in attestation of the execution of said instrument in the presence of said President.

Witness my hand and notarial seal this the 26th day of February, 1975.
(Notarial Seal)
My commission expires May 12, 1976

Virginia P. Shields
Notary Public

STATE OF NORTH CAROLINA—Forsyth County

The foregoing (or annexed) certificate of Virginia P. Shields N.P. (there give name and official title of the officer signing the certificate, passed upon)

Forsyth Co., N.C.

are certified to be correct. This the 26 day of Feb., A.D. 1975.

Eunice Ayers, Register of Deeds

Probate fee 50¢ paid.

By Jessie Giddens Deputy Assistant

Filing Fee \$ 5.00 paid.

4:01 P.M. 26 1975

Drafted by: David B. Blanco, Attorney at Law

By Robert Washington DEPUTY REGISTER OF DEEDS

DEED OF TRUST

to

Trustee for

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 _____ in Book _____

of Deeds, page _____

Register of Deeds

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