

THIS INSTRUMENT DRAFTED BY

DEED OF TRUST

(With Provision For Optional Future Advances)

THIS DEED OF TRUST is made this 30 day of January, 19 79, among the Grantor, H & C CONSTRUCTION COMPANY, INC. (Formerly Hinton and Associates, Inc.) (herein "Borrower"), and the Beneficiary, Harley P. Graves (herein "Trustee"), and the Beneficiary, BANK OF NORTH CAROLINA, N.A., a corporation organized and existing under the laws of the United States of America, whose address is 206 West 4th Street, Winston-Salem, North Carolina (herein "Lender").

Borrower, in consideration of the indebtedness herein recited and the trust herein created, irrevocably grants and conveys to Trustee and Trustee's successors and assigns, in trust, with power of sale, the following described property located in the County of Forsyth, State of North Carolina:

Being known and designated as Lot #8 as shown on the map of Cyndi Meadows, which is recorded in Plat Book 26 at page 139 in the office of the Register of Deeds of Forsyth County, North Carolina, to which map further reference is hereby made for a more particular description.

THIS INSTRUMENT DRAFTED BY:

William Von Cannon
(SIGNATURE OF DRAFTSMAN)

To Have and to Hold unto Trustee and Trustee's successors and assigns, forever, together with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents (subject however to the rights and authorities given herein to Lender to collect and apply such rents), royalties, mineral, oil and gas rights and profits, water, water rights, and water stock, and all fixtures now or hereafter attached to the property, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the property covered by this Deed of Trust; and all of the foregoing, together with said property (or the leasehold estate in the event this Deed of Trust is on a leasehold) are herein referred to as the "Property";

To Secure to Lender (a) the repayment of the indebtedness evidenced by Borrower's note of even date herewith (herein "Note"), in the amount of Five Thousand (\$5,000.00) Dollars with interest thereon payable as set out in said Note; the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of the Deed of Trust; and the performance of the covenants and agreements of Borrower herein contained, and (b) the repayment of any future advances, with interest thereon, made to Borrower by Lender pursuant to paragraph 19 hereof (herein "Future Advances").

Borrower covenants the Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property, that the Property is unencumbered, and that Borrower will warrant and defend the title to the Property against all claims and demands, subject to any easements and restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Lender's interest in the Property.

Borrower and Lender covenant and agree as follows:

1. **Payment of Principal and Interest.** Borrower shall promptly pay when due the principal of and interest on the indebtedness evidenced by the Note, prepayment and late charge as provided in the Note, and the principal of and interest on any Future Advances secured by this Deed of Trust.

2. **Funds for Taxes and Insurance.** At Lender's option and subject to paragraphs 4 and 5 hereof, Borrower shall pay to Lender on installments, if any, until the Note is paid in full, a sum (herein "Funds") a pro-rata portion of the yearly taxes and assessments which may attain priority over this Deed of Trust, and ground rents on the Property, if any, plus a pro-rata portion of yearly premium installments for hazard insurance, plus a pro-rata portion of yearly premium installments for mortgage insurance, if any, all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof. The Funds shall be held in an institution for deposits or accounts of which are insured or guaranteed by a Federal or state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay said taxes, assessments, insurance premiums and ground rents. Lender shall make no charge for so holding and applying the Funds or verifying and compiling said assessments and bills. Borrower and Lender may agree in writing at the time of execution of this Deed of Trust that interest on the Funds shall be paid to Borrower, and unless such agreement is made, Lender

shall not be required to pay Borrower any interest on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for the sums secured by this Deed of Trust.

If the amount of the Funds held by Lender, together with the future monthly installments of Funds payable prior to the due dates of taxes, assessments, insurance premiums and ground rents, shall exceed the amount required to pay said taxes, assessments, insurance premiums and ground rents as they fall due, such excess shall be, at Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly installments of Funds. If the amount of the Funds held by Lender shall not be sufficient to pay taxes, assessments, insurance premiums and ground rents as they fall due, Borrower shall pay to Lender any amount necessary to make up the deficiency within thirty days after notice from Lender to Borrower requesting payment thereof.

Upon payment in full of any sums secured by this Deed of Trust, Lender shall promptly refund to Borrower any Funds held by Lender.

If under paragraph 16 hereof the Property is sold or the Property is otherwise acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of application as a credit against the sums secured by this Deed of Trust.

3. **Application of Payments.** Unless applicable law provides otherwise, all payments received by Lender under the Note and paragraphs 1 and 2 hereof shall be applied by Lender first in payment of amounts payable to Lender by Borrower under paragraph 2 hereof, then to interest payable on the Note and on Future Advances, if any, and then to the principal of the Note and to the principal of Future Advances, if any.

4. **Charges; Liens.** Borrower shall pay all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Deed of Trust, and ground rents, if any, at Lender's option in the manner provided under Paragraph 2 hereof or by Borrower making payment, when due, directly to the payee thereof. Borrower shall promptly furnish to Lender all notices of amounts due under this paragraph, and in the event Borrower shall make payment directly, Borrower shall promptly furnish to Lender receipts evidencing such payments. Borrower shall promptly discharge any lien which has priority over this Deed of Trust; provided, that Borrower shall not be required to discharge any such lien so long as Borrower shall agree in writing to the payment of the obligation secured by such lien in a manner acceptable to Lender, or shall in good faith contest such lien by, or defend enforcement of such lien in legal proceedings which operate to prevent the enforcement of the lien or forfeiture of the Property or any part thereof.

5. **Hazard Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage", and such other hazards as Lender may require and in such amounts and for such periods as Lender may require; provided, that Lender shall not require that the amount of such coverage exceed that amount of coverage required to pay the sums secured by this Deed of Trust.

The insurance carrier providing the insurance shall be chosen by Borrower subject to approval by Lender; provided, that such approval shall not be unreasonably withheld. All premiums on insurance policies shall be paid at Lender's option in the manner provided under paragraph 2 hereof or by Borrower making payment, when due, directly to the insurance carrier.

All insurance policies and renewals thereof shall be in form acceptable to Lender and shall include a New York Standard Mortgage Clause in favor of and in form acceptable to Lender. Lender shall have the right to hold the policies and renewals thereof, and Borrower shall promptly furnish to Lender all renewal notices and all receipts of paid premiums. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender, and Lender may make proof of loss if not made promptly by Borrower.

Each insurance company concerned is hereby authorized and directed to make payment for such loss direct to Lender instead of to Borrower and Lender jointly. Lender is authorized and empowered to adjust and compromise any loss under insurance policies, to collect and receive insurance proceeds, and to apply the insurance proceeds or any part thereof at its option to the restoration or repair of the Property damaged or to the reduction of the sums secured by this Deed of Trust in the order of application hereinbefore set forth. If the Property is sold under foreclosure or the Property is acquired by Lender, all right, title and interest of Borrower in and to any insurance policies and in and to the proceeds thereof resulting from damage to the Property prior to the sale or acquisition shall pass to purchaser or Lender, as the case may be.

6. **Preservation and Maintenance of Property; Leaseholds; Condominiums.** Borrower shall keep the property in good repair and shall not permit or commit waste, including the cutting and removal of timber from the Property; 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 condominium unit, Borrower shall perform all of Borrower's obligations under the declaration of condominium master deed, the by-laws and regulations of the condominium project and constituent documents.

7. **Protection of Lender's Security.** If Borrower fails to perform the covenants and agreements contained in this Deed of Trust, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, including, but not limited to, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then Lender at Lender's option, upon notice to Borrower, may make such appearance, disburse such sums and take such action as is necessary to protect Lender's interest, including, but not limited to, disbursement of reasonable attorney's fees and entry upon the Property to make repairs. Any amount disbursed by Lender pursuant to this paragraph 7, with interest thereon, shall become additional indebtedness of Borrower secured by this Deed of Trust. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof, and shall bear interest from the date of disbursement at the rate stated in the Note unless payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate permissible by applicable law. Nothing contained in this paragraph 7 shall require Lender to incur any expense or do any act hereunder.

8. **Inspection.** Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefor related to Lender's interest in the Property.

9. **Condemnation.** Any awards, proceeds, or damages for the taking of, or damages to, all or any part of the Property or any interest therein upon the lawful exercise of the power of eminent domain, or for conveyances in lieu of such taking, are hereby assigned and shall be paid to Lender to the extent of the sum secured by this Deed of Trust. Lender, at its option, shall apply such awards, proceeds or damages, to restoration of the Property or to payment of the sum secured by this Deed of Trust. Lender is hereby authorized in the name of Borrower to execute and deliver valid acquittances thereof and to appeal from any such award. If Lender incurs attorney's fees or expenses in protecting its interest in condemnation or other proceeding affecting the lien of this Deed of Trust, Borrower agrees to repay Lender any such amounts so paid by Lender for such attorney's fees and expenses, with the interest thereon, and the same shall be a lien on said premises, and be secured by these presents.

If the Property is abandoned by Borrower or if after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days of the date of such notice, Lender is authorized to collect and apply the proceeds at Lender's option either to restoration or repair of the Property or to the sums secured by this Deed of Trust.

Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of the monthly installments referred to in paragraphs 1 and 2 hereof or change the amount of such installments.

10. **Borrower not Released.** Extension of the time for payment or modification of amortization of the sums secured by this Deed of Trust granted by Lender to any successor in interest of Borrower shall not operate to release, in any manner, the liability of the original Borrower and Borrower's successors in interest. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Deed of Trust by reason of any demand made by the original Borrower and Borrower's successors in interest.

11. **Forbearance by Lender not a Waiver.** Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any right or remedy hereunder. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Deed of Trust.

12. **Remedies Cumulative.** All remedies provided in the Deed of Trust are distinct and 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.

13. **Successors and Assigns Bound; Joint and Several Liability; Captions.** The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower, subject to the provisions of paragraph 15 hereof. All covenants and agreements of Borrower shall be joint and several. The captions and headings of the paragraphs of this Deed of Trust are for convenience only and are not to be used to interpret or define the provisions hereof.

14. **Notice.** Any notice to Borrower provided for in this Deed of Trust shall be given by mailing such notice by certified mail addressed to Borrower at the Property Address stated below, except for any notice required under paragraph 18 hereof to be given to Borrower in the

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manner prescribed by applicable law. Any notice provided for in this Deed of Trust shall be deemed to have been given to Borrower when given in the manner designated herein.

15. **Transfer of the Property; Assumption.** If all or any part of the Property or an interest therein is sold or transferred by Borrower without Lender's prior written consent, including (a) the creation of a lien or encumbrance subordinate to this Deed of Trust, (b) the creation of a purchase money security interest for household appliances, (c) a transfer by devise, descent or by operation of law upon the death of a joint tenant or (d) the grant of any leasehold interest of three years or less containing or not containing an option to purchase, Lender may, at Lender's option, declare all the sums secured by this Deed of Trust to be immediately due and payable. Lender shall have waived such option to accelerate if, prior to the sale or transfer, Lender and the person to whom the Property is to be sold or transferred reach agreement in writing that the credit of such person is satisfactory to Lender and that the interest payable on the sums secured by this Deed of Trust shall be at such rate as Lender shall request.

If Lender exercises such option to accelerate, Lender shall mail Borrower notice of acceleration in accordance with paragraph 14 hereof. Such notice shall provide a period of not less than 10 days from the date the notice is mailed within which Borrower may pay the sums declared due. If Borrower fails to pay such sums prior to the expiration of such period, Lender may, without further notice or demand on Borrower, invoke any remedies permitted by paragraph 16 hereof.

16. **Acceleration; Remedies.** If there shall be any default in any of the terms, conditions, covenants, or obligations of the Note secured hereby, or this Deed of Trust, or in the event of actual or threatened demolition, or injury or waste to the Property which may impair its value, or if a receiver shall be appointed for, or an arrangement or a petition in bankruptcy filed by or against Borrower, or if an assignment for the benefit of Borrower's creditors is made, then and in any of such events, Lender may declare the entire indebtedness secured hereby immediately due and payable, regardless of the maturity date thereof, and on the application of the Lender, it shall be lawful for and the duty of the Trustee, and he is hereby authorized and empowered to expose to sale and sell the Property in one or more parcels in such order as Trustee may determine, at public auction for cash in compliance with the requirements of the General Statutes of North Carolina, in effect at the time as such sale takes place. The Trustee, after having retained five (5%) percent of the gross proceeds of such sale as compensation for his services, with a minimum compensation of four hundred fifty dollars for such services and, after retaining also all advertising and other expenses incurred by him including a reasonable attorney's fee for legal services actually performed, shall apply the residue first to the payment of any taxes or assessments which may be a lien against the land unless the Trustee advertised and sold same subject to such taxes or assessments, second to the payment of the note secured hereby with all accrued interest and any sums advanced by the Lender as herein provided, and any balance to the Borrower or other party entitled thereto. An incomplete foreclosure is one terminated upon payment of the note or reinstatement of installments by the Lender after the Trustee is called upon by the Lender to commence foreclosure proceedings and before his deed is delivered, in which case the Trustee shall be paid by the Borrower or their successors in title all expenses incurred by him and compensation for his services based upon the five percent commission computed on the full indebtedness then owing or the aforesaid minimum commission, whichever is greater, in accordance with the following schedule, to wit: one fourth thereof before the Trustee issues a notice of hearing on the right to foreclose, one half thereof after issuance of said notice; three fourths thereof after such hearing; and the greater of the full commission or minimum after the initial sale. The Borrower agrees that in the event of a sale hereunder the Lender shall have the right to bid thereat. The Trustee may require the successful bidder in any sale to deposit immediately with the Trustee cash or certified check in an amount not to exceed 25% of his bid, provided notice of such requirement is contained in the advertisement of the sale. The bid may be rejected if the deposit is not immediately made, and thereupon the next highest bidder may be declared to be the purchaser. Such deposit shall be refunded in case a re-sale is had, otherwise, it shall be applied to the purchase price. If personal property is sold hereunder, it need not be at place of sale, but the published notice shall state the time and place where such Property may be inspected prior to sale. The Lender may resort for the payment of the indebtedness secured hereby to its several securities therefor in such order and manner as it may deem fit.

17. **Crop Allotment.** If it is understood and agreed by the Borrowers that any and all crop allotments now assigned or hereafter assigned to the above described lands by any agency of the United States or any agency of the State of North Carolina are hereby conveyed to the Trustee and the lien created by this instrument constitutes a lien on such allotments. Said Borrowers further agree that said allotments cannot be sold or transferred by them without the written consent and release of the Trustee or Lender.

18. **Assignment of Leases and Rent; Appointment of Receiver; Lender in Possession.** As additional security hereunder, Borrower hereby assigns to Lender the rents of the Property, provided that Borrower shall, prior to acceleration under paragraph 16 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable. Lender shall be subrogated to all rights of Borrower under said Lease, including, without limitation, all rights and remedies Borrower may have against tenant in the event of default.

19. **Future Advances.** Upon request of Borrower, Lender, at Lender's option within ten years of the date of this Deed of Trust or any amendment thereto, may make Future Advances to Borrower. Such Future Advances, with interest thereon, shall be secured by this Deed of Trust when evidenced by written instruments stating that said notes are secured hereby. At no time shall the principal amount of the indebtedness secured by this Deed of Trust, not including sums advanced in accordance herewith to protect the security of this Deed of Trust, exceed the original amount of the Note plus _____ Dollars (G.S. § 45-70(c)).

20. **Release.** Upon payment of all sums secured by this Deed of Trust, Lender or Trustee shall cancel this Deed of Trust without charge to Borrower. If Trustee is requested to release this Deed of Trust, all notes evidencing indebtedness secured by this Deed of Trust shall be surrendered to Trustee. Borrower shall pay all costs of recordation, if any.

21. **Substitute Trustee.** Lender may from time to time remove Trustee and appoint a successor trustee to any Trustee appointed hereunder. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon the Trustee herein and by applicable law.

22. **Late Charge.** Lender may collect a late charge of 5% of each installment ten(10) days or more in arrears to cover the extra expense involved in handling delinquent payments.

23. **Indemnification in the Events of Suits.** In case the Lender or the Trustees voluntarily or otherwise shall become parties to any suit or legal proceeding to protect the property herein conveyed or to protect the lien of this Deed of Trust, the Trustees and the Lender shall be saved harmless and shall be reimbursed by the Borrower for any amounts paid, including all reasonable cost, charges and attorneys' fees incurred in any such suit or proceeding, and the same shall be secured by this Deed of Trust and its payment enforced as if it were a part of the original debt.

24. **The Borrower's Continuing Obligation.** The Borrower shall remain liable for full payment of the principal and interest on the Note (or any advancement or obligation) secured hereby, notwithstanding any of the following: (a) the sale of all or a part of the premises, (b) the assumption by another party of the Borrower's obligations hereunder, (c) the forbearance or extension of time for payment of performance of any obligation hereunder, whether granted to Borrower or a subsequent owner of the property, and (d) the release of all or any part of the premises 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.

25. **Prepayment.** At the option of the Lender, a prepayment fee, if any is provided in the Note secured hereby, may be charged if said loan is repaid in full within three years following the date of the first payment of principal thereon and thereafter there shall be no prepayment fee.

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In Witness Whereof, Borrower has executed and sealed this Deed of Trust.

Property address: _____ (SEAL)

H & C CONSTRUCTION COMPANY, INC. (SEAL)
By: [Signature] (SEAL) (Title)
By: Claude A. Harrel (SEAL) (Title)

STATE OF NORTH CAROLINA,
COUNTY OF _____

I, _____, a Notary Public of _____ County, N. C.
do hereby certify that _____
personally appeared before me this day and acknowledged the due execution of the foregoing instrument.
Witness my hand and notarial seal, this _____ day of _____, 19____.
My commission expires _____, 19____. _____ Notary Public

STATE OF NORTH CAROLINA, COUNTY OF FORSYTH
I, ALICE M. EVANS, Notary Public, certify that Helen L. Harrel
personally came before me this day and acknowledged that he is _____ Secretary of H & C CONSTRUCTION COMPANY,
corporation, and that, by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its
_____ President, sealed with its corporate seal and attested by himself as its _____ Secretary.
Witness my hand and notarial seal, this 25 day of January, 1979.
My commission expires 11-22, 1981.
ALICE M. EVANS Notary Public
My commission expires Nov. 22, 1981

STATE OF NORTH CAROLINA FORSYTH COUNTY.
The foregoing certificate(s) of Alice M. Evans, N.P., Forsyth Co., N.C.
is ~~(are)~~ 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, N. C. in Book _____, Page _____.
This 26 day of January, A.D., 1979 at _____ o'clock _____ M.
Eunice Ayers, Register of Deeds By: [Signature] Deputy/Assistant Register of Deeds.
Recorded and verified: Probate Fee \$1.00 paid

PRESENTED FOR
REGISTRATION
AND RECORDED

JAN 26 2 58 PM '79

EUNICE AYERS
REGISTER OF DEEDS
FORSYTH CTY. N.C.

\$6.00 per
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