

DRAFTED BY: RONALD A. MATAMOROS
RETURN TO: HOUSE, BLANCO & OSBORN BOX AT REGISTER OF DEEDS.

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DEED OF TRUST

Collateral is or Includes Fixtures

NOTICE: This Deed of Trust Secures a Note that Contains Provisions
Allowing for Changes in the Interest Rate and the Monthly Payment and
for Increases in the Amount to be Repaid.

THIS DEED OF TRUST, executed this 15th day of July, 1983, by and
among EXECUTIVE BOULEVARD ENTERPRISES, a North Carolina general partnership
and H & F COMPANY, a North Carolina general partnership, hereinafter called
"Grantor"; SAMUEL L. BLYTHE, hereinafter called "Trustee", and NORTHWESTERN
BANK, a North Carolina banking corporation having an office in Winston-Salem,
North Carolina, hereinafter called "Beneficiary" or "Note Holder".

TO SECURE to Beneficiary the repayment of the indebtedness evidenced by
Grantor's note of even date herewith any modifications, extensions or renewals
thereof (herein "Note"), in the principal amount of THREE HUNDRED TWENTY-FIVE
THOUSAND AND NO/00 DOLLARS (\$325,000.00) (and any and all accrued interest
that my from time to time be added to the principal balance of the Note as in
the Note provided), with interest thereon, providing for monthly installments
of principal and interest, with the balance of the indebtedness, if not sooner
paid, due and payable on July 1, 1993; the payment of all other sums with
interest thereon, advanced in accordance herewith to protect the security of
this Deed of Trust; and the performance of the covenants and agreements of
Grantor herein contained.

GRANTOR, in consideration of the premises, the indebtedness evidenced by
the Note, and for the purpose of securing payment thereof, and in considera-
tion of the sum of One Dollar (\$1.00) paid to Grantor by Trustee, the receipt
of which is hereby acknowledged, has bargained, sold, granted and conveyed to
Trustee and Trustee's successors and assigns, certain land located in Winston-
Salem, Forsyth County, North Carolina, more particularly described as follows:

SEE "EXHIBIT A" ATTACHED HERETO AND MADE A PART HEREOF.

Which has the address of 265 Executive Park Boulevard, Winston-Salem,
North Carolina 27103.

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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 hereinafter attached to or reasonably necessary to the use of such premises.

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 on 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 revested 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 and 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 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.

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

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will not make this loan insecure) but excluding any income tax, State or Federal, imposes 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 require the payment, in addition to each monthly payment required hereunder or under the evidence of debt secured hereby, of 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 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 as above provided. 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

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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 be immediately due and payable upon notice from beneficiary to Grantor and shall 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, direct or consequential, in conjunction with any taking or condemnation of said property, or portion thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Beneficiary.

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 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 to 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 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

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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 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 purchasers 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 its successor, said notice being expressly waived by Grantor or its successor, and upon such declaration the entire indebtedness secured hereby shall be immediately due and payable.

THIRTEEN: That Grantor shall be in default hereunder, upon the happening of any of the following events, circumstances or conditions:

- (1) Default in the payment or performance of any of the obligations provided hereunder or in the note secured hereby or in connection herewith or any other obligations of the Grantor, or any endorser, guarantor, or surety for Grantor to Beneficiary, howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, now or hereafter existing, due or to become due, or of any other covenant, warranty or liability expressed herein or therein; or
- (2) Any warranty, representation or statement made or furnished to Beneficiary by or on behalf of Grantor, in connection herewith or in connection with any other obligations of Grantor or any endorser, guarantor or surety for Grantor to Beneficiary which are false in any material respect when made or furnished; or
- (3) Loss, theft, substantial change, destruction, sale or encumbrance to or of any collateral provided in connection herewith, or the assertion of any claim, levy, seizure, mechanic's or materialman's or laborer's lien, or attachment thereof or thereon; or
- (4) Death, dissolution, termination of existence, insolvency, business failure, appointment of a receiver of any part of the property or Assignment for the Benefit of Creditors by, or the commencement of any proceeding under the Bankruptcy or Insolvency Laws or any state or federal rules or regulations promulgated thereunder, or against the Grantor or any endorser, guarantor or surety for said Grantor; or
- (5) Failure of said Grantor, endorsers, guarantors, or sureties to maintain their corporate existence in good standing; or
- (6) Said Grantor, endorsers, guarantors or sureties being found to have either a record or reputation for violating Laws of the United States or of any State relating to liquor (as referred to in 18 USCA 3617, et seq), narcotics, or any Commercial Crimes; or
- (7) Upon the entry of any judgment, assessment, filing of any tax lien against the said Grantor, endorsers, guarantors or sureties, or upon the issuance of any writ of garnishment or attachment against any property of, debts due, or rights of said Grantor, endorsers, guarantors or sureties, specifically including commencement of any action or proceeding to seize monies of the said Grantor, endorsers, guarantors, or sureties on deposit in any bank account with Beneficiary; or

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(8) Failure of Grantor to furnish such financial information as may be required by Beneficiary in a form and of content acceptable to Beneficiary.

Upon the occurrence of any of the foregoing events, circumstances or conditions of Default, all of the obligations evidenced herein and in the note secured hereby and/or any of all other obligations of Grantor to Beneficiary, shall in the sole discretion of Beneficiary be accelerated and immediately due and payable. Any waiver, forbearance or limited exercise by Beneficiary of such acceleration rights shall not waive or prejudice Beneficiary's right to any other, further or subsequent exercise of said right.

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: 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.

EXECUTIVE BOULEVARD ENTERPRISES, a North Carolina general partnership

By: Lloyd R. Daniel, Jr. (SEAL)
Lloyd R. Daniel, Jr. - Partner

By: Robert N. Pulliam (SEAL)
Robert N. Pulliam - Partner

By: C. David McKee (SEAL)
C. David McKee - Partner

H & F COMPANY, a North Carolina general partnership

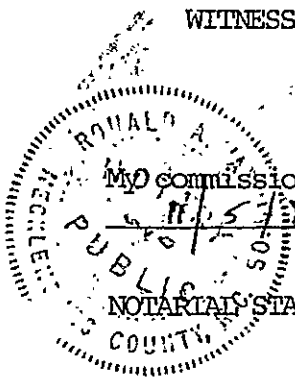
By: Don R. House (SEAL)
Don R. House - Partner

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STATE OF NORTH CAROLINA - County of Forsyth
Mecklenburg

I, a Notary Public of the County and State aforesaid, certify that LOYD R. DANIEL, JR., ROBERT N. PULLIAM, and C. DAVID MCKEE, Partners of EXECUTIVE BOULEVARD ENTERPRISES, a North Carolina general partnership, personally appeared before me this day and acknowledged the execution of the foregoing instrument, for and on behalf of said Partnership.

WITNESS my hand and official stamp or seal, this 1 day of July, 1983.

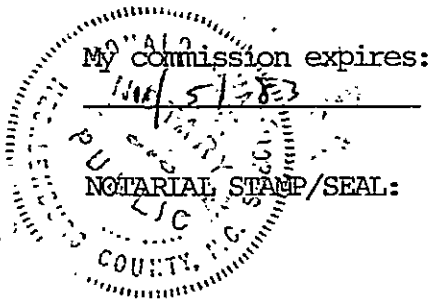


Ronald A. Matamoras
Notary Public

STATE OF NORTH CAROLINA - County of Forsyth
Mecklenburg

I, a Notary Public of the County and State aforesaid, certify that DON R. HOUSE, Partner of H & F COMPANY, a North Carolina general partnership, personally appeared before me this day and acknowledged the execution of the foregoing instrument, for and on behalf of said Partnership.

WITNESS my hand and official stamp or seal, this 1 day of July, 1983.



Ronald A. Matamoras
Notary Public

The foregoing Certificate(s) of Ronald A. Matamoras N.P.
Mecklenburg Co. N.C.
is/are certified to be correct. This instrument and this certificate are duly registered at the date and time and in the Book and Page shown on the first page hereof.

EUNICE AYERS, Register of Deeds for
Forsyth County

By: Jessie Golden
Deputy Assistant - Register of Deeds

Probate Fee: \$1.00 Paid.
Filing Fee: \$ Paid.

PRESENTED FOR
REGISTRATION
AND RECORDED

JUL 1 9 37 AM '83

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

\$14.50 pd. K K

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"EXHIBIT A"

LYING AND BEING in Winston-Salem, Forsyth County, North Carolina, more particularly described as follows:

BEGINNING at a point in the Northeast line of Executive Park Boulevard (formerly Olson Street), said point being South 46 deg. 45 min. East a distance of 120 ft. as measured along the Northeast side of Executive Park Boulevard (formerly Olson Street) from a point where the Southerly line of Townley Street intersects the Northeast line of Executive Park Boulevard (formerly Olson Street, and running thence from said BEGINNING point, North 42 deg. 48 min. 30 sec. East 39.0 ft. to an iron stake; thence South 46 deg. 45 min. East 3.50 ft. to an iron stake; thence North 42 deg. 48 min. 30 sec. East 65.0 ft. to an iron stake; thence North 46 deg. 45 min. West 3.50 ft. to an iron stake; thence North 42 deg. 48 min. 30 sec. East 91.57 ft. 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, 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 ft. to the Southeast corner of said lot; running thence South 46 deg. 45 min. East 8 ft. to an iron stake; continuing on said bearing 113.95 ft. 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 ft. for a total distance of said bearing of 125.11 ft. to an iron stake in the line of the property described in a Deed recorded in Deed Book 972, 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, Page 315, South 42 deg. 56 min. 30 sec. West 195.95 ft. to an iron stake in the Northeast line of Executive Park Boulevard (formerly Olson Street); running thence with the Northeast line of Executive Park Boulevard (formerly Olson Street), North 46 deg. 45 min. West 2.68 ft. 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 ft. and continuing 15.0 ft., for a total distance on said bearing of 138.68 ft., 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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