

Prepared by *J. Tyson Brown, Attorney*
 *dot* **FIRST FINANCIAL SAVINGS BANK, INC.**
FUTURE ADVANCE DEED OF TRUST

STATE OF NORTH CAROLINA
COUNTY OF FORSYTH

162

THIS INDENTURE, made the 4th day of December, 19 87, by and between
G & J CONSTRUCTION, a North Carolina General Partnership of Forsyth County,

North Carolina, hereinafter called "Trustor," whether one or more; Barbara Wall Spearman, hereinafter called "Trustee," whether one or more; and **FIRST FINANCIAL SAVINGS BANK, INC.**, a North Carolina corporation, hereinafter called "Beneficiary";

WITNESSETH:

WHEREAS, Trustor is indebted or is to be indebted to Beneficiary in the principal sum of _____

Fifty Four Thousand and NO/100 _____ Dollars (\$ 54,000.00)

as evidenced by a Note of even date herewith, payable with interest as specified therein, at _____

King _____, North Carolina, or at such other place as the holder thereof from time to time may

designate in writing, said Note being due or having a final payment due on December 1, 19 88; and,

WHEREAS, this Deed of Trust secures a Note and a Loan Agreement given to secure present and future obligations of the maker or makers as follows:

The total amount of the present obligations secured is \$ -0-

The total amount of the future obligations secured is \$ 54,000.00

Total \$ 54,000.00

Future advances secured by this Deed of Trust may be advanced at any time before maturity or any extension thereof, but in no event shall such maturity date be extended to a date which is more than five (5) years from the date of this Deed of Trust.

This Deed of Trust is given to secure a Note and a Loan Agreement dated December 4, 1987, between Trustor and **FIRST FINANCIAL SAVINGS BANK, Inc.**; and the terms, conditions, covenants and agreements set forth in said Loan Agreement are hereby incorporated by reference as fully as if specifically set out herein and the collateral specified in said Loan Agreement is given as collateral to secure the Note, the Loan Agreement and all present obligations and future obligations and advances made hereunder. The advances made pursuant to said Loan Agreement and Note shall be evidenced as specified in said Loan Agreement. The payee of the Note is obligated to make advances under the provisions of said Loan Agreement as set forth therein; and,

WHEREAS, the property hereinafter described is conveyed herein to secure the payment of the indebtedness, interest, taxes, charges, assessments, insurance premiums and other obligations of Trustor as herein expressly provided, and to secure the performance of all of the conditions, covenants and agreements as set forth in the aforesaid Loan Agreement;

NOW, THEREFORE, in consideration of the indebtedness now or hereafter evidenced by the Note and the obligations contained in the Loan Agreement, and for the purpose of securing the payment and performance evidenced therein, and in consideration of the sum of One Dollar (\$1) and other good and valuable considerations paid to Trustor by Trustee, the receipt of which is hereby acknowledged, Trustor has bargained, sold, granted and conveyed and by these presents does bargain, sell, grant and convey to Trustee, his heirs, successors, and assigns the following property, situated in _____

Forsyth _____ County, North Carolina, and more particularly described as follows:

BEING all of Lot 12 as shown on the plat of **SHELTON RIDGE** recorded in Plat Book 32, Page 55, in the Office of the Register of Deeds of Forsyth County, North Carolina.

Subject to Restrictive Covenants recorded in Book 1623, Page 4286 in the Office of the Register of Deeds of Forsyth County.

Together with all the buildings, fixtures and improvements thereon, and all rights, easements, hereditaments and appurtenances thereunto belonging, including all heating, plumbing, ventilating, lighting goods, equipment and other tangible and intangible property now or hereafter acquired, attached to or reasonably necessary to the use of such premises. **COLLATERAL IS OR INCLUDES FIXTURES.**

TO HAVE AND TO HOLD the same, with all rights, privileges and appurtenances thereunto belonging to said Trustee, his heirs, assigns and successors in trust, upon the trust and for the uses and purposes hereinafter set forth, and no other;

AND TRUSTOR covenants to and with Trustee and Beneficiary that Trustor is seized of said premises in fee; that Trustor has the right to convey same in fee simple; that the same are free and clear from all encumbrances and restrictions not specifically mentioned herein; and that Trustor does hereby forever warrant and will forever defend the title to same against the lawful claims of all persons whomsoever.

AND TRUSTOR FURTHER COVENANTS AND AGREES AS FOLLOWS:

1. **PAYMENT**-To pay the sum or sums specified above and as more particularly provided in the note or notes evidencing same, with interest thereon.

2. **TAXES AND CHARGES**-To pay, within sixty (60) days after they shall come due and payable, and before any penalty or interest shall be charged thereon, all general and special taxes, charges, and assessments of every kind and nature that may be levied, assessed or be or become a lien on the premises and property herein described, whether the same be for state, county, or city purposes, and to furnish annually to Beneficiary, immediately after payment, certificates or receipts of the proper authorities showing full payment of same.

That in the event of failure of Trustor to pay all of the aforesaid taxes, assessments and charges as hereinabove provided, Beneficiary shall have the option to advance the necessary funds to pay said taxes, assessments and charges; and all amounts so expended by Beneficiary for taxes, charges and assessments, as herein provided, shall be charged hereunder as principal money secured by this Deed of Trust and shall bear interest at the same rate as the principal indebtedness secured hereby, payable upon demand or otherwise as Beneficiary may determine. After any such advances are made, Beneficiary may apply any funds received hereunder to principal, advances or interest as Beneficiary may determine and Beneficiary will not be held to have waived any rights accruing to Beneficiary by the payment of any sum hereunder and particularly the right to declare this Deed of Trust in default by the reason of failure of performance of this condition or the non-payment of the indebtedness secured.

3. **INSURANCE**-To secure, maintain and keep in force with an insurance company or companies approved by Beneficiary an insurance policy or policies providing fire, extended coverage, malicious mischief and vandalism coverage and such other insurance as may be required by Beneficiary from time to time upon the buildings, fixtures and improvements now or hereafter situate upon the premises in an amount equal to the maximum insurable value of same or such amount as shall be approved by Beneficiary, whichever shall be the lesser sum; and to keep the policy or policies therefor constantly assigned and delivered to Beneficiary with subrogation clauses satisfactory to Beneficiary providing the right and power in Beneficiary to demand, receive and collect any and all money becoming payable thereunder and to apply same toward the payment of the indebtedness hereby secured, unless the same is otherwise paid.

That in the event of failure of Trustor to pay all of the aforesaid insurance premiums, as hereinabove provided, Beneficiary shall have the option to advance the necessary funds to pay said insurance premiums, and all amounts so expended by Beneficiary for insurance premiums, as herein provided, shall be charged hereunder as principal money secured by this Deed of Trust and shall bear interest at the same rate as the principal indebtedness secured hereby, payable upon demand or otherwise as Beneficiary may determine. After any such advances are made, Beneficiary may apply any funds received hereunder to principal, advances or interest as Beneficiary may determine and Beneficiary will not be held to have waived any rights accruing to Beneficiary by the payment of any sum hereunder and particularly the right to declare this Deed of Trust in default by the reason of failure of performance of this condition or the non-payment of the indebtedness secured.

4. **REPAIRS**-To keep all buildings and improvements now or hereafter situate upon the premises in good order and repair, to comply with all governmental requirements respecting the premises or their use, and to neither commit or permit any waste, nor to alter, add to or remove any of said buildings or improvements without the written consent of Beneficiary.

5. **TITLE DEFECTS**-To pay to Beneficiary any and all sums, including costs, expenses, and reasonable attorneys' fees, which Beneficiary may incur or expend in any proceeding, legal or otherwise, which Beneficiary shall deem necessary to sustain the lien of this Deed of Trust or its priority.

6. **ACCELERATION**-That in the event (a) Trustor shall default in any respect in the performance of any one or more covenants, conditions, or agreements specified herein; or, (b) for any reason Trustor's covenant to pay all taxes specified above shall be of become legally inoperative or unenforceable in any particular; or, (c) for any reason Trustor shall fail to provide and maintain the necessary insurance as hereinabove required; or, (d) any lien, charge, or encumbrance prior to or affecting the validity of this Deed of Trust be found to exist, or proceedings be instituted to enforce any lien, charge or encumbrance against any of said premises; or, (e) the removal or demolition of any of the buildings or improvements now or hereafter situate upon the premises is threatened; or, (f) Trustor be declared bankrupt or insolvent, or abandon the premises; or, (g) for any reason Trustor shall default in any respect in the performance of any one or more of the covenants, agreements or conditions specified herein; then upon the occurrence of any such event, the entire balance of the principal, advances and interest, shall become due and payable immediately at the option of Beneficiary, and neither the advance of funds by Beneficiary under any of the terms and provisions hereof nor the failure of Beneficiary to exercise promptly any right to declare the maturity of the debt under any of the foregoing conditions shall operate as a waiver of Beneficiary's right to exercise such option thereafter as to any past or current default.

7. **CASUALTY LOSS OR CONDEMNATION**-In the event of any loss covered by insurance assigned to Beneficiary hereunder, or in the event that the premises hereby conveyed, or any part thereof, shall be condemned and taken under power of eminent domain, Trustor shall give immediate written notice to Beneficiary and Beneficiary shall have the right to receive and collect any proceeds of such insurance and all damages awarded by reason of such taking, and the right to such proceeds and damages is hereby assigned to Beneficiary who shall have the discretion to apply the amount so received, or any part thereof, toward the principal indebtedness due hereunder or toward the alteration, repair or restoration of the premises by Trustor.

8. **ASSIGNMENT OF RENTS**-Trustor hereby assigns to Beneficiary any and all rents or emoluments from the premises herein described and, in the event of any default hereunder, Trustor hereby authorizes Beneficiary's agents to enter upon and take possession of the premises or any part thereof, to rent same for the account of Trustor at any rent satisfactory to Beneficiary, to deduct from such rents or emoluments received all necessary and reasonable costs and expenses of collection and administration, and to apply the remainder on account of the indebtedness hereby secured.

9. **APPOINTMENT OF RECEIVER**-Beneficiary, immediately upon default herein, or upon proceedings being commenced for the foreclosure of this Deed of Trust, may apply ex parte for and as a matter of right be entitled to the appointment of a receiver of the rents and emoluments of the premises, without notice, and without reference to the value of the premises or the solvency of any persons or entities liable hereunder.

10. **SUBSTITUTION OF TRUSTEE**-Beneficiary and the successors or assigns of same are hereby authorized and empowered at any time or times hereafter, at Beneficiary's sole option, without specifying any reason for such action, to remove any Trustee or successor hereunder, and in such event of the death, resignation or other incapacity of any Trustee, to appoint a successor in his place by an instrument duly recorded in the office of the Register of Deeds of the County in which this Deed of Trust is recorded and such substitute Trustee or Trustees shall thereupon become vested with all the rights, powers, duties and obligations herein conferred upon the Trustee: it being expressly understood that the rights and powers herein conferred shall be in addition to, and not in derogation of, any other rights, powers and privileges under then existing law with reference to the substitution of Trustees.

11. ADVANCES-Beneficiary and the successors or assigns of same, upon default of Trustor in any respect in the performance of any one or more of the covenants or agreements specified herein, may perform, at its option, such defaulted covenant or agreement and may advance such funds as it may deem necessary for this purpose, and all such advances and other funds expended by Beneficiary under the terms and provisions hereof shall be payable upon demand or otherwise as Beneficiary shall determine, shall bear interest at the maximum lawful rate until repaid, and shall be secured by this Deed of Trust and any other security interest given to secure the loan secured by this Deed of Trust. After any such advances are made, Beneficiary may apply any funds received hereunder to principal, advances or interest as it, in its sole discretion, may determine.

12. CONVEYANCE—DEFAULT-In the event Trustor conveys to any other party an interest in said premises or any part thereof without the prior written consent of Beneficiary or its successors or in the event Trustor shall sell or otherwise dispose of the said premises or any part thereof without the prior written consent of Beneficiary, Beneficiary at its election may declare the entire indebtedness hereby secured to be immediately due and payable, without notice to Trustor or its successor, which notice said Trustor and any successor to Trustor in interest hereby expressly waives, and upon such declaration the entire indebtedness hereby secured shall be immediately due and payable, anything herein or in the said promissory note to the contrary notwithstanding.

13. CROSS DEFAULT-In the event of default by Trustor in the performance (1) of Trustor's obligations under this deed of trust, (2) of any other obligation of Trustor to the holder of the note secured by this deed of trust, whether at the same branch or otherwise, (3) of default or failure to perform any of the conditions or covenants of the note secured by said deed of trust or any security agreement given to secure said note, such default may be deemed, at the option of the holder of the note secured by this deed of trust, a default in all indebtedness due said holder and the whole sum of the principal and interest of the debt evidenced by the note secured by this deed of trust and all of the other indebtedness due to holder by Trustor shall, at the option of the holder of the said note, become due and payable immediately, and this deed of trust and all other security interest for the benefit of or held by the holder may be foreclosed at once.

14. TERMS-The term "Trustor" as used herein shall include, jointly and severally, all parties herinbefore named as "Trustor," whether one or more and whether individual, corporate or otherwise, and their heirs, legal representatives and assigns, and any subsequent owners of the property hereby conveyed, and the term "Beneficiary" as used herein shall include any lawful owner or holder of the indebtedness secured hereby whether one or more.

BUT THIS CONVEYANCE IS MADE UPON THIS SPECIAL TRUST that if Trustor shall pay or cause to be paid to Beneficiary the aforesaid indebtedness in accordance with the terms and conditions of the note or notes evidencing the same, and at the time and place therein mentioned for the payment thereof, together with all interest thereon and all taxes, charges, assessments and any premiums for insurance hereby secured, as hereinabove expressly agreed, and shall perform and observe all the covenants, conditions and agreements herein, then and in that event this Deed of Trust shall become null and void and shall be cancelled or released of record.

BUT IF DEFAULT shall occur in the payment of said indebtedness, interest or any part of either, or any note or bond given in renewal in whole or in part thereof, or of any taxes, charges, assessments or insurance premiums, or other default as hereinabove provided, or by reason of the failure of Trustor to perform and observe each and every covenant, condition and agreement specified in this Deed of Trust, then in all or any of said events, the full principal sum, advances and interest thereon, at the option of Beneficiary as hereinabove provided, shall become immediately due and payable without further notice, and it shall be lawful for and upon the request of Beneficiary, it shall become the duty of Trustee hereby authorized, empowered and directed, to advertise and sell under this Deed of Trust the land and property herein described, at public sale, to the highest bidder for cash and in one or more parcels, after first giving such notice of hearing as to commencement of foreclosure proceedings and obtaining such findings or leave of court as then may be required by applicable law, and thereafter giving such notice and advertising of the time and place of such sale in such mannerr as then may be required by applicable law; and upon such sale and any resales in accordance with the law then relating to foreclosure proceedings, and upon collection of the purchase money arising therefrom, to make and deliver to the purchaser or purchasers, their heirs, successors or assigns, a proper deed or deeds therefor, and to pay from the proceeds arising from such sale: first, all costs and expenses incident to said sale, including as compensation for his services an amount equal to five per cent (5%) of the gross proceeds of such sale or \$150 whichever is greater, together with reasonable attorneys' fees for legal services actually performed; second, all taxes or assessments then constituting a lien against said premises other than those advertised and sold subject to; third, the unpaid principal, interest, and such sums advanced by Beneficiary as herein provided; and fourth, the balance to Trustor or such other person entitled thereto, or to the Clerk of Court of the County in which said foreclosure proceedings were instituted, or as then may be authorized or directed by applicable law.

It is further provided that in the event foreclosure is terminated upon the request of Trustor prior to delivery of the deed of Trustee as aforesaid, Trustor shall pay unto Trustee all costs and expenses incident to said foreclosure, including as compensation for his services an amount equal to 50 per cent of the compensation to which he would have been entitled upon delivery of the deed as aforesaid if such termination is prior to any hearing then required by applicable law; 75 per cent of such amount if such termination is after such hearing but before any sale hereunder; and the full amount if such termination is at any time after such sale; together with reasonable attorneys' fees for legal services actually performed to the date of such termination and reasonable attorneys' fees, if any, as provided in the evidence of indebtedness secured by this Deed of Trust.

It is further provided that the compensation herein allowed to Trustee shall constitute a lien on said property immediately upon request of sale as aforesaid, and that said Trustee shall suffer no liability by virtue of Trustee's acceptance of this trust, except such as may be incurred by Trustee's failure to advertise and sell said property if so requested or a failure to account for the proceeds thereof.

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.

IN TESTIMONY WHEREOF, Trustor has caused this instrument to be executed in its corporate name by its

_____, President, attested by its

_____, Secretary, and its corporate seal to be hereto affixed, all by order of its Board of Directors duly given, the day and year first above written.

Name of Corporation

By: _____

President

ATTEST: _____

Secretary

IN TESTIMONY WHEREOF, each Trustor has hereunto set his hand and adopted as his seal the word "Seal" appearing beside his name, the day and year first above written.

G & J CONSTRUCTION, a North Carolina General Partnership
By: Dennis Wayne Gallman (Seal) General Partner ✓

By: Carl Clinton Johnson (Seal) General Partner ✓

(Seal)

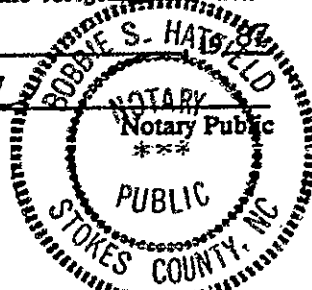
(Seal)

STATE OF NORTH CAROLINA
COUNTY OF Stokes

I, Bobbie S. Hatfield, a Notary Public in and
for said County and State, do hereby certify that DENNIS W. GALLIMORE and CARL C. JOHNSON, General Partners
of G & J CONSTRUCTION personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and notarial seal, this 4th day of December

Bobbie S. Hatfield



My Commission expires:

STATE OF NORTH CAROLINA
COUNTY OF _____

I, _____, a Notary Public in and
for said County and State, do hereby certify that on the _____ day of _____, 19____

before me personally came _____ with whom I am personally acquainted, who,

being before me duly sworn, says that _____ is the _____ President and that

_____ is the _____ Secretary of _____
the corporation 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 that the name of the corporation was subscribed thereto by

said _____ President, and that said _____ President and _____
Secretary subscribed their names thereto, and said 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 notarial seal, this _____ day of _____, 19____

Notary Public

My Commission expires:

STATE OF NORTH CAROLINA
COUNTY OF FORSYTH

The foregoing certificate of Bobbie S. Hatfield, a Notary

Public of the County of Stokes, State of North Carolina, is 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, North Carolina, in Book _____, at Page _____

This 4 day of Dec, 1987, at _____ o'clock _____ M.

L. E. SPEAS, REGISTER OF DEEDS

Jessie Golden Deputy
Register of Deeds

PRESENTED FOR
REGISTRATION
AND RECORDED

DEC 4 4 30 PM '87

L. E. SPEAS
REGISTER OF DEEDS
FORSYTH CTY. N.C.

\$12.00
732

BOOK 1629 P 1065

Mail to:
First Financial Savings Bank, Inc.
_____, North Carolina
Mortgage No. _____

**NORTH CAROLINA
DEED OF TRUST**

to _____ Trustee

For _____
FIRST FINANCIAL SAVINGS BANK, INC.

Amount \$ _____ Date _____
Premises: _____

Filed for registration on the _____ day of _____, 19____, at _____ o'clock _____ M., and registered in the office of the Register of Deeds for _____ day of _____, 19____, at _____ o'clock, _____ in Deed of Trust Book _____, at page _____, et seq.

Register of Deeds