Drawn by Parks Roberts
Parks Roberts' Box 33

CENTRAL CAROLINA BANK AND TRUST COMPANY, NATIONAL ASSOCIATION
LINE OF CREDIT DEED OF TRUST

NORTH CAROLINA FORSYTH **COUNTY**

THIS DEED OF TRUST, made and entered into this the 1st day of November, 19 88 by and between T & O Properties, Inc., a North Carolina corporation (BORROWER)

parties of the first part (whether one or more persons), **REPUBLIC BANK & TRUST CO., Trustee,** party of the second part, and **CENTRAL CAROLINA BANK AND TRUST COMPANY, NATIONAL ASSOCIATION (BANK),** a National Banking Association with its principal office in Durham, North Carolina, party of the third part.

WITNESSETH: that whereas, the parties of the first part have requested the party of the third part to extend them or any or either of them a line of credit, and the party of the third part has agreed to extend to the parties of the first part a line of credit, in the sum not to exceed $ 500,000.00, and

WHEREAS, the parties of the first part or any or either of them may hereafter execute and deliver to said party of the third part various notes, (or negotiate and discount various notes payable to them), guaranty agreements, or any other such evidences of indebtedness whatsoever, at various times and in various amounts within the limits of said line of credit; and

WHEREAS, it is the intent of the parties hereto that this instrument shall secure present obligations and future obligations, of any one or more of the parties of the first part and that BANK is authorized to make future advances to be secured by this Deed of Trust upon the signature of any one or more of the said parties of the first part without the signature of any other; and

WHEREAS, it has been agreed that in addition to and not in substitution of any other security which may be held by said party of the third part, all of the indebtedness of said parties of the first part to said party of the third part which may hereafter exist, either as principal, surety, guarantor, or endorser, within the limits of said line of credit, shall be secured by the conveyance of the land hereinafter described; provided that the total indebtedness hereby secured, exclusive of interest, shall at no one time exceed the maximum limit of this Deed of Trust as set out hereinabove and provided further that should any one item of indebtedness secured hereby be overdue and unpaid, the party of the third part may at its option declare all said indebtedness due and payable;

NOW, THEREFORE, in consideration of the premises and of the sum of One Dollar to the parties of the first part in hand paid by the said party of the second part, the receipt of which is hereby fully acknowledged, and in order to carry out the intention expressed in the premises, the said parties of the first part have given, granted, bargained and sold and do so these presents give, grant, bargain, sell, alien, assign and convey unto said party of the second part as trustee, and its successors and assigns, all of that certain lot, tract, or parcel of land lying and being in Winston Township, County of Forsyth, and State of North Carolina, bounded and described as follows:

BEGINNING at an iron stake located at the northwest corner of the Winston-Salem Industries for the Blind's property described in deed recorded in Book 1478, page 1828 in the Office of the Register of Deeds of Forsyth County, North Carolina, said beginning point also being located in the south line of Southern Railway right of way; running thence from said beginning point with the west line of Winston-Salem Industries for the Blind's property, South 3° 33' West 340.21 feet to an iron stake located in the south line of a 60 foot access easement and also being in the north line of Emory E. James property described in Book 1548, page 1414; running thence with said James property, North 86° 27' West 201.56 feet to an iron located in the line of Emory E. James property described in Book 1580, page 145; running thence with the Betsy S. Neill property described in Book 1460, page 699, North 3° 33' 20" East 340.24 feet to an iron located in the south line of the Southern Railway right of way; running thence with the south line of said right of way, South 86° 26' 20" East 201.54 feet to the point and place of Beginning. Being a part of the property conveyed to Lynda King Morris, Trustee, et al by deed recorded in Book 1353, page 1248 in the Forsyth County Registry.

Also being designated as Lot 210G, Block 3443 on Forsyth County Tax Maps.

TOGETHER with all right, title and interest in and to easements for the purposes of ingress and egress and for installation and maintenance of utilities as set out and referred to in deed recorded in Book 1353, page 1248 and subject to access and utility easement as set out in said deed recorded in Book 1353, page 1248 in the Office of the Register of Deeds of Forsyth County, NC. And also all right to the easements reserved in deed to Winston-Salem Industries for the Blind, Inc. recorded in Book 1478, page 1828.

(sometimes hereafter referred to as the "property")
together with all heating, plumbing, electrical and air conditioning fixtures, equipment and appurtenances thereto, including floor carpeting, and all renewals or replacements, now or hereafter attached to or used in connection with said real estate.

TO HAVE AND TO HOLD said lot, tract, or parcel of land with all privileges and appurtenances thereon and thereto belonging unto the said party of the second part and its successors and assigns forever in fee simple. And the parties of the first part covenant for themselves and their heirs and assigns that they are seized of said land in fee and have good right to convey the same in fee simple; that the same are free and clear of all encumbrances of any kind and that they will forever warrant and defend the title thereto against the claims of all persons whomsoever.

The parties of the first part do hereby assign, transfer, and set over to the party of the third part any and all rents and income from said property during the life of this indenture as further security to said debt, and upon any default therein set out the party of the third part shall be entitled to enter into the possession of said property for the purpose of collecting the rents and profits arising therefrom, and is hereby authorized to employ an agent to collect said rents and profits, to pay said agent a reasonable commission out of rents and profits so collected, and is directed to apply the balance upon the debt hereby secured; provided, the party of the third part may make such repairs as in its opinion are needed on the property, and first deduct the costs thereof from rents received. This rental assignment shall in no way affect or prejudice the rights of the party of the third part to have this Deed of Trust foreclosed upon breach of its terms and conditions.

IT IS UNDERSTOOD AND AGREED that the parties of the first part shall pay all taxes, or other assessments, which may be levied upon or against said property, within the time prescribed by law; shall upon demand of the Bank pay to it monthly in advance one-twelfth of the estimated taxes, assessments and insurance premiums for the current year; shall keep the buildings on said premises insured against loss or damage by fire, windstorm, flood, hazards included within the term "extended coverage" and such other hazards as Bank may require and in such amounts, for such periods and in such insurance company or companies as the Bank may require, which policy, or policies, shall be payable to said Bank, as its interest may appear, and such policies and proceeds shall be deposited with the Bank to be applied, in case of loss, as far as the same may extend or may be necessary to the satisfaction of this trust and any such application of proceeds to principal shall not extend or postpone the due date of any sums due as set forth herein. If the said parties of the first part shall fail to pay said taxes, or other assessments, as and when said taxes and assessments shall fall due, or to effect said insurance, or to keep said property free and clear of encumbrances, the said Bank shall be at liberty to pay said taxes, or other assessments, or to effect said insurance, or to pay off and remove such encumbrances, as the case may be, and the amount so advanced shall be deemed principal money, bearing interest at the rate set forth in said Note and be due and payable on the first day of the next succeeding month.

THE CONDITION OF THIS DEED, HOWEVER, IS SUCH that if the parties of the first part, their heirs, executors, administrators, or assigns shall pay or cause to be paid the interest and principal secured hereby to the party of the third part, shall perform all other obligations herein assumed as to the payment of taxes, assessments, insurance premiums, and monies advanced by the party of the third part for the purpose of protecting its security, and shall perform and fully discharge all covenants and stipulations as herein required, then this conveyance shall be null and void.

If said parties of the first part or their heirs, executors, administrators or assigns shall fail or neglect to pay the monthly installments of interest and/or interest and principal at maturity, as herein provided for, at the time and in the manner set out herein, and any and all other sums which may become due and payable hereunder, and shall fail or neglect to keep faithfully each and all of the other agreements and covenants herein made, or in the event of actual or threatened demolition or injury or waste to the premises which may impair the value of the property herein conveyed, or if a receiver should be appointed for, or a petition in bankruptcy filed by or against the parties of the first part or either of them; then and in any or all of said events the whole of the debt hereby secured shall immediately become due and payable at the option of the party of the third part, and upon application of the said party of the third part, its successors and assigns, it shall be lawful for and the duty of the said party of the second part or its successors, and it is hereby authorized and empowered to sell the land and premises hereinbefore described in one or more parcels, at public auction. If it is determined in a hearing held in accordance with applicable law that Trustee can proceed to sale, Trustee shall take such action regarding notice of sale and shall give such notices to Borrower and to other persons as applicable law may require. After the lapse of such time as may be required by applicable law and after the publication of the notice of sale, Trustee, without demand on Borrower shall sell the property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in such order as Trustee may determine. Bank or Bank's designee may purchase the property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying the property so sold without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all costs and expenses of the sale, including, but not limited to, Trustee's fees of 5% of the gross sale price and cost of title evidence; (b) to all sums secured by this Deed of Trust; (c) the excess, if any, to the person or persons legally entitled thereto. In making such sale, the party of the second part may require the successful bidder at any sale to deposit immediately with the party of the second part, cash or certified check in an amount not to exceed ten percent (10%) 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 resale is had; otherwise, it shall be applied to the purchase price.

Upon condemnation of the premises or improvements or any part thereof, the entire unpaid balance of the Note secured hereby shall, at the option of the party of the third part, at once become due and payable and any amounts paid for such taking shall be paid to the party of the third part and be applied upon the indebtedness hereby secured.

The Note(s) and other evidences of indebtedness secured by this Deed of Trust, at the option of the party of the third part, shall become and be due and payable forthwith if the parties of the first part shall convey said premises or any part thereof or if title or any interest therein shall be sold, transferred or otherwise become vested in any other person or party in any manner whatsoever, unless the party of the third part shall, in writing, have expressly consented thereto.

This conveyance and the property hereby conveyed shall continue as security for all Notes and all other indebtedness presently outstanding and hereafter contracted by the parties of the first part to the parties of the third part, under and within the limits of said line of credit so long as there may be any such Notes or other indebtedness outstanding and unpaid; and upon the payment of all such Notes and indebtedness whatever, together with interest thereon, insurance, taxes, and any other charges arising hereunder, and upon the termination of said line of credit as the same may be agreed to between the parties of the first part and the party of the third part, the party of the third part shall thereupon endorse upon this Deed of Trust the endorsement that the same has been paid and satisfied in full; and thereupon the Register of Deeds of the County where the above described property is located shall be and he hereby is authorized and empowered to cancel this Deed of Trust upon the records of said County upon the presentation to him of the original bearing the endorsement aforesaid; and it shall be unnecessary that any of the Notes or other evidences of indebtedness executed and delivered under said line of credit be presented to him for the purpose of cancellation of this instrument on the records of said County.

The right is hereby given by Borrower to Trustee and Bank to make partial releases or releases of security hereunder (whether or not such releases are required by agreement among the parties) agreeable to Trustee and Bank without notice to, or the consent, approval or agreement of other parties and interest, including junior lienors and purchasers subject to this lien, which partial release or releases shall not impair in any manner the validity of or priority of this Deed of Trust on the premises remaining hereunder, nor release Borrower from personal liability for the indebtedness hereby secured. Notwithstanding the existence of any other security interests in the premises held by the Bank or by any other party, Bank shall have the right to determine the order in which any or all of the premises shall be subjected to the remedies provided herein. Bank shall have the right to determine the order in which any or all portions of the indebtedness secured hereby are satisfied from the proceeds realized upon the exercise of the remedies provided herein. Borrower and any other party who has actual or constructive notice hereof hereby waives any and all right to require the marshalling of assets in connection with the exercise of any of the remedies permitted by applicable law or provided herein.

All notices required to be given to Bank by Borrower or an intervening lienor or encumbrancer pursuant to North Carolina General statute 45-70(b) shall be mailed to: CENTRAL CAROLINA BANK AND TRUST COMPANY, NATIONAL ASSOCIATION, Attention: LOAN CONTROL DEPARTMENT, Post Office Box 931, Durham, N.C. 27702.

THE NOTE(S) AND/OR OTHER EVIDENCE(S) OF INDEBTEDNESS SECURED BY THIS DEED OF TRUST is (are) for the present and any future obligations of the maker(s) to the payee thereof, and this Deed of Trust is executed to secure all such obligations.

The amount of the present obligation(s) secured is..... $ -0-
The maximum amount, including present and future obligations, which shall be secured hereby at any one time is..... $ 500,000.00

The period within which such future obligations may be incurred shall not be more than 10 years from the date of this Deed of Trust.

The balance of all Notes and/or other evidences of indebtedness secured by this Deed of Trust shall always be due and payable in full according to the terms thereof; but if not sooner paid, in any event within 40 years from the date hereof.

In case the party of the third part or the party of second part voluntarily or otherwise shall become a party to any suit or legal proceeding to protect the property herein conveyed or to protect the lien of this Deed of Trust, the party of the second part and the party of the third part shall be saved harmless and shall be reimbursed by the parties of the first part for any amounts paid, including all reasonable costs, charges and attorney's fees incurred in any 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.

All interest, costs, expenses and advances required to be made to protect the security of or to discharge a paramount lien, on the property hereinbefore described shall be secured hereby without limitation in respect to the amount thereof and the amount so advanced shall become a debt due hereunder and shall bear interest at the rate specified in the Note and the monies so advanced shall be secured by this Deed of Trust and this Deed of Trust secures all other covenants and agreements contained in this instrument or in the Note(s) or other evidences of indebtedness hereinbefore referred to.

SUBSTITUTE TRUSTEE. Bank may from time to time remove Trustee and appoint a successor Trustee to any Trustee appointed hereunder by an instrument recorded in the county in which this Deed of Trust is recorded. The successor Trustee shall succeed to all the title, power and duties conferred upon the Trustee herein and by applicable law.

IN TESTIMONY WHEREOF, each undersigned individual party of the first part has hereunto set his hand and adopted as his seal the word "SEAL" appearing beside or near his signature, this sealed instrument being executed and delivered on the day and year first above written.

_____ (SEAL) _____ (SEAL)

_____ (SEAL) _____ (SEAL)

_____ (SEAL) _____ (SEAL)

IN WITNESS WHEREOF, the undersigned corporate party of the first part, has caused this Deed of Trust to be signed in its name by its duly authorized officer(s) and its corporate seal to be hereto affixed and attested by its _____ Secretary, all by authority of its Board of Directors duly given, this day and year first above written.

ATTEST.

_____ SECRETARY

CORPORATE SEAL

T & O Properties, Inc.
NAME OF CORPORATION

By _____ (TITLE)

By: _____ (TITLE)

By: _____ (TITLE)

Line of Credit-DAT
CCB FORM 0091-3

BOOK 1653 PAGE 3123

REV. 11/87

NOTARIAL SEAL HERE

STATE OF NORTH CAROLINA, COUNTY OF _____

I, _____, a Notary Public of said County do hereby certify that _____

_____

personally appeared before me this day and acknowledge the due execution of the foregoing instrument.

Witness my hand and notarial seal, this the _____ day of _____, 19____

SIGNATURE of NOTARY REQUIRED

_____
Notary Public

My commission expires _____ 19____

NOTARIAL SEAL HERE

STATE OF NORTH CAROLINA, COUNTY OF _____

I, _____, a Notary Public of said County 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 the _____ day of _____, 19____

SIGNATURE of NOTARY REQUIRED

_____
Notary Public

My commission expires _____ 19____

NOTARIAL SEAL HERE

NANCY S. HURST
NOTARY PUBLIC
FORSYTH COUNTY, NC
My Commission Expires Sept. 9, 1989

STATE OF NORTH CAROLINA, COUNTY OF Forsyth

This is to certify that on this day before me personally came Frank M. Tharpe, Jr.

with whom I am personally acquainted, who, being by me first duly sworn, says that

Marten W. Quadland is the _____ president and

Frank M. Tharpe, Jr. is the _____ secretary of

T & O Properties, Inc.

the corporation described in and which executed the foregoing deed of trust, 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 the 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 the said instrument is the act and deed of said corporation.

Witness my hand and notarial seal this the 1st day of November 19 88

SIGNATURE of NOTARY REQUIRED

Nancy S. Hurst
Notary Public

My commission expires _____ 19____

STATE OF NORTH CAROLINA, COUNTY OF Forsyth

The foregoing certificate(s) of Nancy S. Hurst Notary Public

of Forsyth County, N.C., is certified to be correct.

Let the said deed and certificate be registered.

This 2 day of Nov 19 88

L. E. Speas
Register of Deeds

By _____ Deputy, Register of Deeds

PARCEL IDENTIFIER NO. _____

PREPARED BY _____

DEED OF TRUST

_____

_____

TO

Republic Bank & Trust Co.
Trustee for
CENTRAL CAROLINA BANK AND TRUST COMPANY, NATIONAL ASSOCIATION,
111 CORCORAN STREET
P.O. BOX 931
DURHAM, N.C. 27701

PRESENTED FOR REGISTRATION AND RECORDED
NOV 2 11 58 AM '88
L.E. SPEAS
REGISTER OF DEEDS
FORSYTH CTY, N.C.

Consideration $ _____

_____, 19____

_____ County, North Carolina

Filed for registration on the _____

day of _____, 19____

at _____ o'clock ____ M., and

duly recorded in the office of Register of Deeds

of _____ County, N.C. in Mortgage Book 1653 Page 312, etc.

No. _____

Register of Deeds.

$ 1200 S/AS