

Account Number: \_\_\_\_\_  
Return to: \_\_\_\_\_

103

RK1865 P0343

This instrument was prepared by:



First Union National Bank

(Name)

P.O. Box 98, Clemmons, NC 27012

(Address)

T. Dan Womble, Attorney at Law

(Name)

P.O. Box 1698, Clemmons, NC

(Address)

27012

## Deed Of Trust

THIS DEED OF TRUST is made this 21st day of July, 19 95,  
among S & B Partnership

Party of the First Part, whether one or more persons (hereinafter "Borrower"), and Susan Henderson  
whose address is 101 South Stratford Road, Winston-Salem, NC 27103

Trustee, Party of the Second Part (hereinafter "Trustee"), and FIRST UNION NATIONAL BANK of NORTH CAROLINA and any subsequent  
holder of the note(s) hereafter mentioned, as his, her or its interest may appear, Party for the Third Party (hereinafter "Lender").

Whereas, Borrower is indebted to Lender in the principal sum of U.S. Sixty Thousand and No/100

(\$ 60,000.00) Dollars, together with interest thereon at

the Contract Rate specified in the Note evidencing said indebtedness, all terms of which are incorporated herein by reference; payable at the  
office of Lender as specified in said Note, or at such other place at the holder may designate in writing. The due date for final payment of said  
Note, if not sooner paid and if payment thereof is not extended, modified or renewed, is August 5, 2010

**FUTURE ADVANCES:** Pursuant to provisions of North Carolina G.S. § 45-67, et. seq., this "Security Instrument" is being given to secure, in  
addition to the obligation evidenced by the Note first above referred to, any future loans or advances made by Lender to Debtor hereunder, or  
any successors in title, prior to cancellation of this "Security Instrument," provided that this Deed of Trust shall not secure more than U.S.

Sixty Thousand and No/100

(\$60,000.00) Dollars, including present and future obligations

hereunder, at any one time, plus any advances necessary for the protection or preservation of the collateral and/or security, interest due on  
obligations secured hereby, and costs. The amount of obligations presently secured by this Deed of Trust is \$ 60,000.00. It is  
further understood and agreed by and among the parties hereto that this Deed of Trust shall secure the original present obligation first above  
shown, together with any and all loans or advances hereunder to either or all Borrowers, subject to the maximum amount stated above which  
may be secured hereunder at any one time, provided that the period within which such future obligations may be incurred and secured hereby  
shall not extend for more than fifteen (15) years from the date of this Deed of Trust. It is further understood and agreed that Lender is authorized  
to make future advances to be secured by this Deed of Trust upon the signature of either Borrower (when more than one) without the signature  
of any other Party of the First Part, and that no future advance made pursuant hereto is required to be evidenced by a written instrument or notation.

**NOW THEREFORE**, in consideration of the aforesaid indebtedness, to additionally secure payment of said debt and all other obligations of  
Borrower to Lender secured hereby, and in consideration of the sum of One Dollar (\$1.00) cash in hand paid, the receipt of which is hereby  
acknowledged, Borrower hereby grants and conveys to Trustee, his successors and assigns, the following described premises located in  
Clemmons Township, Forsyth County, State of North Carolina, the street  
address being: 6313 Arden Forest Circle, Clemmons, North Carolina 27012

("Property Address"), and more particularly described, as follows:

Being Known and designated as Lot No. 16, as shown upon the plat of  
Arden Forest, as recorded in Plat Book 19, Page 1, in the Office of  
the Register of Deeds of Forsyth County, North Carolina.

together with improvements and fixtures now or hereafter attached to or used in connection with said Property (hereinafter "Property").

**TO HAVE AND TO HOLD** the same, with all the rights, privileges and appurtenances thereunto belonging, to Trustee, his successors and  
assigns, forever. Borrower covenants with Trustee that he is seized of the Property in fee and has the right to grant and convey the same in fee;  
that said Property is free and clear of all encumbrances unless contrary information is hereunder stated, and that he will warrant and forever  
defend the Property unto Trustee from and against all claims of all persons whomsoever.

**IN TRUST**, for the following uses and purposes:

Borrower does hereby covenant and agrees as follows:

1. **Payments.** Borrower shall make timely payments of principal, interest and any other charges due on the aforementioned Note(s) and/  
or other evidences of debt or obligation(s) secured hereby in the amounts, in the manner and at the place set forth therein.

**2. Encumbrances.** Debtor agrees not to and will not attempt to transfer, sell, or further encumber said Property so long as any amount secured hereby is unpaid without prior, written approval of Lender. Borrower shall perform all of Borrower's obligations under any mortgage, Deed of Trust or other security agreement with a lien which has priority over this Deed of Trust, including Borrower's covenants to make payments when due.

**3. Insurance.** Borrower will keep all improvements now existing or hereafter erected on the Property insured, as may be required from time to time by Lender, against loss by fire and other hazards included within the term "extended coverage", casualties and contingencies in such amounts and for such periods as may be required by Lender and will pay promptly, when due, any premiums on such insurance. All insurance shall be carried with companies approved by Lender, and the policies and renewals thereof may be held by Lender and shall have attached thereto loss payable clauses in favor of and in form acceptable to Lender. In the event of loss, Borrower will give immediate notice to the insurance carrier and Lender, who may make proof of loss if such is not made promptly by Borrower, and each insurance company concerned is hereby expressly authorized and directed to make payment for such loss directly to Lender instead of to Borrower and Lender jointly. Further, if the Property is abandoned by Borrower, or if Borrower fails to respond to Lender within 30 days from the date notice is mailed by Lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized to collect and apply the insurance proceeds, or any part thereof, in its sole discretion and at its option, either to the reduction of the indebtedness hereby secured or to the restoration or repair of the Property. In the event of foreclosure of this Deed of Trust or other transfer of title to the Property in extinguishment of the indebtedness secured hereby, all right, title and interest of Borrower in and to any insurance policies then in effect shall pass to the purchaser or grantee.

**4. Taxes — Assessments — Liens.** Borrower will pay all taxes, assessments, water charges, and other governmental or municipal charges, fines or impositions before any penalty or interest accrues thereon, and he will promptly deliver the official receipts therefor to Lender; that he further will pay other charges and/or encumbrances which shall hereafter be or appear to be a lien upon said Property. Upon default thereof, Lender shall have the right (but not the obligation) to pay the same under the terms and conditions stated hereinafter.

**5. Repairs.** Borrower shall keep the property in as good order and repair as they are now (reasonable wear and tear expected) and will neither commit nor permit any waste or any 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 unit in a condominium or a planned unit development, Borrower shall perform all of Borrower's obligations under the declaration or covenants creating or governing the condominium or planned unit development, the by-laws and regulation of the condominium or planned unit development, and constituent documents.

**6. Compliance with Laws.** The state and local laws applicable to this Deed of Trust shall be the laws of the jurisdiction in which the Property is located. The foregoing sentence shall not limit the applicability of federal law to this Deed of Trust. In the event that any provision or clause of the Deed of Trust or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Deed of Trust or the Note which can be given effect without the conflicting provision, and to this end the provisions of this Deed of Trust and the Note are separable. As used herein, "costs", "expenses", and "attorneys' fees" include all sums to the extent not prohibited by applicable law or limited herein.

**7. Condemnation Award.** The proceeds of any award for the taking of, or damages to, all or any part of the Property or any interest therein upon the lawful exercise of power of eminent domain are hereby assigned and shall be payable to Lender, who may apply said sums so received to any debt(s) hereby secured in such manner as Lender may deem appropriate, in its sole discretion.

**8. Payments by Lender.** If Borrower shall be in default in the timely payment or performance of any obligation under this Deed of Trust or the Note(s) or other evidences of debt or obligation hereby secured, Lender may, but is not obligated to upon notice to Borrower, expend for the account of Borrower such sums as may be necessary to cure any such default. Further, Lender may, but is not obligated to, upon notice to Borrower, expend for the account of said Borrower such sums, expenses and fees including reasonable attorneys' fees, as may become necessary or be incurred for the protection of the Property and the maintenance of execution of this trust. Any amounts so expended shall be deemed principal advances fully secured by this Deed of Trust, shall bear interest from the time expended at the Note rate until paid and shall be due and payable on demand. Lender shall be under no obligation to do any of the foregoing, and its failure to do so shall not be construed as a waiver of any default hereunder.

**9. Escrow Deposits.** Upon demand of Lender, Borrower will add to each monthly or other periodic payment required under the Note(s) and other evidences of debt or obligation secured hereby the amount estimated by Lender to be sufficient to enable Lender to pay, as they become due, all taxes, charges, assessments, and insurance premiums which Borrower is required to pay hereunder. Further, any deficiency occasioned by an insufficiency of such additional payments shall be forthwith deposited by Borrower with Lender upon demand.

**10. Rents and Profits.** Borrower hereby assigns to lender all future rents and profits from the Property as additional security for the payment of all indebtedness and obligations hereby secured and full performance of all of Borrower's undertakings hereunder. Lender is herewith given a prior and continuing lien thereon, and Borrower hereby appoints Lender his attorney to collect such rents and profits, with or without suit, and to apply the same (less expenses of collection) to said indebtedness and the performance of said undertaking in such manner as Lender may desire. However, until default hereunder or under the Note(s) and other evidences of debt or obligation secured hereby, Borrower may continue to collect and enjoy such rents and profits without any accountability to Lender. This assignment shall be irrevocable and shall be in addition to other remedies herein provided for in event of default and may be put into effect independently of or concurrently with any of said other remedies. Upon acceleration of the Note or abandonment of the Property, Lender shall be entitled to have a receiver appointed by a court to enter upon, take possession of and manage the Property and to collect the rents of the Property, including those past due. All rents collected by such receiver shall be applied first to payment of the costs of management of Property and collection of rents, including but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Deed of Trust. The receiver shall be liable to account only for those rents actually received.

**11. Debtor's Continuing Obligation; Assumption.** Borrower shall remain liable for full payment of the principal and interest on the Note(s) or any other evidences of debt or obligations secured hereby, notwithstanding any of the following: (a) the sale of all or any part of the Property, (b) the assumption by another party of his obligations hereunder, (c) the forbearance or extension of time for payment or performance of any obligations hereunder or of any obligations secured hereby, whether granted to Borrower or to a subsequent owner of the property, or (d) the release of all or any part of the Property 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. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Deed of Trust. However, this option shall not be exercised by Lender if exercise is prohibited by Federal law as of the date of this Deed of Trust.

If Lender exercised this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Deed of Trust. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Deed of Trust without further notice or demand on Borrower.

This Deed of Trust may not be assumed by a purchaser without the Lender's consent. If an assumption is allowed, the Lender may charge an assumption fee and require the person(s) assuming the loan to pay additional charges as authorized by law.

**12. Substitution of Trustee.** Lender shall have the unqualified right to remove the Trustee named above and to appoint one or more substitute or successor Trustees by instruments filed for registration in the Public Registry where this Deed of Trust is recorded. Any such removal or appointment may be made at any time without notice, without specifying any reason therefor and without any court approval and without conveyance of the Property. Any such appointee shall become fully vested with title to the Property and with all rights, powers and duties conferred upon the Trustee herein named, in the same manner and to the same effect as though he were named herein as the original Trustee.

**13. Acceleration; Remedies.** Upon Borrower's breach of any covenant or agreement of Borrower in this Deed of Trust, including the covenants to pay when due any sums under the Note secured by this Deed of Trust, Lender, at Lender's option, may declare all of the sums secured by this Deed of Trust to be immediately due and payable without demand or notice unless required by law or the Note and may invoke the power of sale and any other remedies permitted by applicable law. Lender shall be entitled to collect in such proceeding all expenses of foreclosure, including, but not limited to, reasonable attorneys' fees and costs of documentary evidence, abstracts and title reports.

In addition to the remedies provided on Borrower's breach of any covenant or agreement of the Borrower in this Deed of Trust, Lender may declare Borrower in default under this Deed of Trust if any of the following events occur:

(a) if Borrower fails to make payments on the due date; (b) if a petition is filed or other proceedings started under the Federal Bankruptcy code or any state insolvency statute or if a receiver is appointed or writ or order of attachment, levy or judgment is issued against Borrower or the Property, assets or income that affects the ability repay the Note in accordance with the terms of the Note or that adversely affects Lender's

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security rights in the Property; (c) if Borrower permits any other lienholder to gain or appear to gain priority over Lender, except whatever Deed of Trust is outstanding on the Property, as Lender agrees, at the time of recording of Lender's Deed of Trust to secure the Note, (d) if the Property is condemned or is totally or partially destroyed by fire or other hazards or any proceeding is commenced which materially affects Lender's interest in the Property; (e) if the secured note for any prior Deed of Trust or lien on the Property is in default by failure to pay principal, interest, charges, fees, escrow items or the commencement of a foreclosure proceeding or collection action that adversely affects Lender's security interest in the Property; (f) if Lender believes, in good faith, that Borrower has allowed the Property to deteriorate, committed waste or destructively used or failed to maintain the Property; (g) if Borrower commits fraud or misrepresent any information in the loan application, the Note or the Deed of Trust at any time; (h) if Borrower fails to disclose any known environmental condition or hazard which adversely affects Lender's security interest in the Property; (i) if Borrower fails to maintain adequate insurance coverage on the Property naming Lender as insured; (j) if Borrower fails to pay taxes and assessments on the Property that results in a filing of a lien senior to Lender's lien that impairs Lender's security interest in the Property; or (k) if Borrower transfers any interest or title to the Property without Lender's consent as set forth in the terms of the Deed of Trust or transfer of title occurs due to Borrower's death or by governmental action such as condemnation, however, Borrower understands Lender will not accelerate payment if such action is prohibited by federal law as of the date of the Deed of Trust.

In case of a conflict between the terms of the Note and this Deed of Trust governing remedies on default or termination of advances, the priority of controlling terms shall be the Note and then this Deed of Trust.

If Lender invokes the power of sale, Lender or Trustee shall give to Borrower (and the owner of the Property, if a different person) notice of sale in the manner prescribed by applicable law. Trustee shall give public notice by advertising, in accordance with applicable law, once a week for two successive weeks in a newspaper having general circulation in the county or city in which the Property or home portion thereof is located, and by such additional or different form of advertisement as the Trustee may deem advisable, if any. Trustee may sell the Property on the eighth day after the first advertisement, or any day thereafter, but not later than 30 days following the last advertisement. 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. Trustee may postpone sale of all or any parcel of the Property by advertising in accordance with applicable law. Lender or Lender's designee may purchase the Property at any sale.

Trustee shall deliver the purchaser Trustee's deed conveying the Property so sold with special warranty of title. The recitals in 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 reasonable costs and expenses of the sale, including, but not limited to, Trustee's fees of 5% of the gross sale price, reasonable attorneys' fees and costs of title evidence; (b) to the discharge of all taxes, levies and assessments on the Property, if any, as provided by applicable law; (c) to all sums secured by this Deed of Trust; and (d) the excess, if any, to the person or persons legally entitled thereto. Trustee shall not be required to take possession of the Property prior to the sale thereof or to deliver possession of the Property to the purchaser at such sale.

14. **Loan Charges.** If the loan secured by this Deed of Trust is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed permitted limits, then: (1) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (2) any sums already collected from Borrower which exceed permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment under the Note.

15. **Legislation.** If, after the date hereof, enactment or expiration of applicable laws have the effect either of rendering the provisions of the Note or this Deed of Trust unenforceable according to their terms, or all or any part of the sums secured hereby uncollectible, as otherwise provided in the Deed of Trust, or of a diminishing the value of Lender's security, then Lender, at Lender's option, may declare all sums secured by the Deed of Trust to be immediately due and payable.

16. **Release.** When the balance of all outstanding sums secured by this Deed of Trust including finance charges or other charge if any, is zero, the Lender shall upon request of the Borrower, release the Deed of Trust without a charge to the Borrower, however Borrower will pay all cost of recordation, if any, of the satisfaction or release. Absent a request from the Borrower, the Deed of Trust shall remain in full force and effect for the term set forth above. Lender, at Lender's option, may allow a partial release of the Property on terms acceptable to the Lender and Lender may charge a release fee.

17. **Successors and Assigns Bound; Joint and Several Liability; Co-signers.** The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower. All covenants and agreements of Borrower shall be joint and several. Any Borrower who co-signs this Deed of Trust, but does not execute the Note, (a) is co-signing this Deed of Trust only to grant and convey that Borrower's interest in the Property to Lender under the terms of this Deed of Trust, (b) is not personally liable on the Note or under this Deed of Trust, and (c) agrees that Lender and any other Borrower hereunder may agree to extend, modify, forbear, or make any other accommodations with regard to the terms of this Deed of Trust or the Note without that Co-Borrower's consent and without releasing that Co-Borrower or modifying this Deed of Trust as to that Co-Borrower's interest in the Property.

18. **Notice.** Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Deed of Trust shall be given by delivering it or by mailing such notice by first class mail addressed to Borrower or the current owner at the Property Address or at such other address as Borrower may designate by notice to Lender as provided herein, and any other person personally liable on this Note as these person's names and addresses appear in the Lender's records at the time of giving notice, and (b) any notice to Lender shall be given by first class mail to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Deed of Trust shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

19. **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.

20. **Borrower's Copy.** Borrower shall be furnished a conformed copy of the Note, this Deed of Trust and Rider(s), if any, at the time of execution or after recordation hereof.

21. **Indemnification in Event of Suits — Miscellaneous.** In case Lender or Trustee 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, said parties shall be saved harmless and shall be reimbursed by Borrower for any amounts paid, including all costs, charges and reasonable attorneys' fees incurred in any such suit or proceeding, and the same shall be secured by this Deed of Trust and payable upon demand. The captions and headings of the paragraphs of this Deed of Trust are for convenience only and shall not be used to interpret or define the provisions hereof. All remedies provided herein 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. All covenants contained herein shall bind, and the benefits and advantages shall inure to the respective heirs, executors, administrators, successors or assigns of the parties hereto. Wherever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders. This Deed of Trust shall be governed by and construed under North Carolina law.

IN WITNESS WHEREOF, the Borrower(s) have hereunto set their hand(s) and seal(s) and delivered this instrument the day and year first above written. Each of the undersigned hereunto expressly adopts as his seal the word "SEAL" appearing beside or near his signature below:

By: [Signature] (SEAL) By: [Signature] (SEAL)  
Borrower, General Partner Borrower, General Partner  
\_\_\_\_ (SEAL) \_\_\_\_\_ (SEAL)  
Borrower Borrower

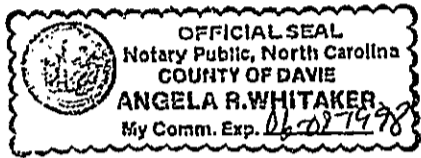
STATE OF NORTH CAROLINA - FORSYTH COUNTY

I, Angela B. Whitaker, a Notary Public of Davie County, North Carolina, do hereby certify that Barry Needham and Steve Hurst, General Partners of S & B Partnership, personally appeared before me this day and acknowledged the execution of the foregoing instrument.

Witness my hand and my notarial seal, this 21 day of July ~~2~~, 1995

My commission expires: 06-08-1998

Angela B. Whitaker  
Notary Public



NORTH CAROLINA, Forsyth COUNTY  
The foregoing or annexed certificate(s) of Angela R. Whitaker, Notary(ies) Public of Davie County is certified to be correct. This instrument was presented for registration and recorded in this office in Book \_\_\_\_\_, Page \_\_\_\_\_  
This 21 day of July, 19 95, o'clock \_\_\_\_\_ M.

JOHN HOLLEMAN, REGISTER OF DEEDS

(Register of Deeds)

D. B. Bell

(Deputy Register of Deeds)

PRESENTED FOR  
REGISTRATION  
AND RECORDED

'95 JUL 21 P2:06

John Holleman  
Register of Deeds  
Forsyth Co. N.C.

1800  
BPAWB

STATE OF NORTH CAROLINA  
County of \_\_\_\_\_

TO  
FIRST UNION NATIONAL BANK  
OF NORTH CAROLINA

DEED OF TRUST

Filed for registration in the \_\_\_\_\_ County

Registry this \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_\_, at \_\_\_\_\_

o'clock \_\_\_\_\_ M. Recorded in \_\_\_\_\_

Book \_\_\_\_\_ at Page \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_

Verified and properly indexed same date. \_\_\_\_\_, 19 \_\_\_\_\_

Register of Deeds  
County, N.C.