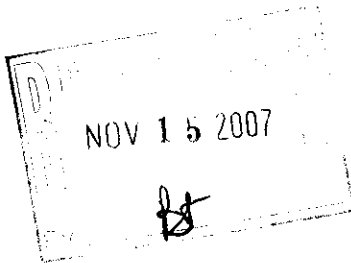


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Return document to: env
Grantor



2007064568 00122
FORSYTH CO, NC FEE \$47.00
PRESENTED & RECORDED:
11-07-2007 02:00 PM
KAREN GORDON
REGISTER OF DEEDS
By: SHANNON BOSTIC-GRIFFITH DPTY
BK: RE 2794
PG: 1774-1785

ENVELOPE

DEED OF TRUST SECURING FUTURE ADVANCES

SATISFACTION

47
Paid and Satisfied in
Full this 24th day of
November 2009
NewBridge Bank
By Aimee Tilley
Aimee Tilley
Assistant Vice President

WHEN RECORDED MAIL TO:
Lexington State Bank
P O Box 707
Lexington , NC 27293-0707

This Deed of Trust prepared by:
X _____
Don R. House, Attorney

THIS DEED OF TRUST is dated November 5, 2007, among Z House R-E, LLC, whose address is 901 West Fourth Avenue, Winston-Salem, NC 27101 ("Grantor"); Lexington State Bank, whose address is (LSB The Bank), 38 West 1st Avenue, Lexington , NC 27292 (referred to below sometimes as "Lender" and sometimes as "Beneficiary"); and TRUSTEE SERVICES, INC., whose address is 10 LSB PLAZA, LEXINGTON, NC 27292 (referred to below as "Trustee").

CONVEYANCE AND GRANT. NOW, THEREFORE, as security for the indebtedness, advancements and other sums expended by the Beneficiary pursuant to this Deed of Trust and costs of collection (including attorneys' fees as provided in the Note) and other valuable consideration, the receipt of which is hereby acknowledged, Grantor has bargained, sold, given, granted and conveyed and does by these presents bargain, sell, give, grant and convey to Trustee, and Trustee's heirs or successors and assigns, for the benefit of Lender as Beneficiary, all of Grantor's right, title, and interest in and to the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; all easements, rights of way, and appurtenances; all water, water rights and ditch rights (including stock in utilities with ditch or irrigation rights); and all other rights, royalties, and profits relating to the real property, including without limitation all minerals, oil, gas, geothermal and similar matters, (the "Real Property") located in Forsyth County, State of North Carolina:

See Exhibit A, which is attached to this Deed of Trust and made a part of this Deed of Trust as if fully set forth herein.

The Real Property or its address is commonly known as 901 West Fourth Street, Winston-Salem, NC 27101.

To have and to hold said Real Property with all privileges and appurtenances thereunto belonging, to the Trustee, his heirs, successors and assigns forever, upon the trusts, terms and conditions and for the uses hereinafter set forth.

CROSS-COLLATERALIZATION

In addition to the Note, this Deed of Trust secures all obligations, debts and other obligations of Grantor or Borrower to Lender, or any one or more of them, as well as all obligations of Grantor or any one or more of them, whether now existing or hereafter existing, to the purpose of the Note, whether voluntary or otherwise, whether due or not due, whether undetermined, absolute or contingent, liquidated or unliquidated, whether incurred individually or jointly with others, whether obligated as guarantor, surety, or otherwise, and whether recovery upon such amounts may be or hereafter may become due, and whether the obligation to repay such amounts may be or hereafter may



2009053617 00197

FORSYTH CO, NC FEE \$0.00
PRESENTED & RECORDED

12-14-2009 02:43:00 PM

C. NORMAN HOLLEMAN
REGISTER OF DEEDS
BY: LORI HOLLOWAY
DPTY

BK: RE 2925
PG: 1287-1288

**DEED OF TRUST
(Continued)**

Grantor presently assigns to Lender (also known as Beneficiary in this Deed of Trust) all of Grantor's right, title, and interest in and to all present and future leases of the Property and all Rents from the Property. In addition, Grantor grants to Lender a Uniform Commercial Code security interest in the Personal Property and Rents.

THIS DEED OF TRUST, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS GIVEN TO SECURE (A) PAYMENT OF THE INDEBTEDNESS AND (B) PERFORMANCE OF ANY AND ALL OBLIGATIONS UNDER THE NOTE, THE RELATED DOCUMENTS, AND THIS DEED OF TRUST. THIS DEED OF TRUST IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

FUTURE ADVANCES. The indebtedness secured by this Deed of Trust is for present and future obligations and this Deed of Trust is given to secure all present and future obligations of Grantor to Beneficiary. The period in which future obligations may be incurred and secured by this Deed of Trust is the period between the date hereof and that date which is fifteen (15) years from the date hereof. The amount of present obligations secured by this Deed of Trust is \$ 0.00 and the maximum principal amount, including present and future obligations, which may be secured by this Deed of Trust at any one time is One Hundred Thousand & 00/100 Dollars (\$100,000.00.) Any additional amounts advanced by Beneficiary pursuant to the provisions of this Deed of Trust shall be deemed necessary expenditures for the protection of the security. Each future advance need not be evidenced by a written instrument or notation signed by Grantor or any other person evidencing or stipulating that such advance is secured by this Deed of Trust. All future obligations shall be considered to be made pursuant to the requirements of North Carolina General Statutes Sections 45-67, et. seq., or any amendments thereto. Specifically, without limitation, this Deed of Trust secures a revolving line of credit, which obligates Lender to make advances to Grantor so long as Grantor complies with all the terms of the Note and the Related Documents. The principal amount of the Note may be borrowed, repaid, and reborrowed from time to time, as provided in the Note, provided that the maximum principal amount of obligations outstanding at any one time shall not exceed the maximum amount set forth above.

GRANTOR'S REPRESENTATIONS AND WARRANTIES. Grantor warrants that: (a) this Deed of Trust is executed at Borrower's request and not at the request of Lender; (b) Grantor has the full power, right, and authority to enter into this Deed of Trust and to hypothecate the Property; (c) the provisions of this Deed of Trust do not conflict with, or result in a default under any agreement or other instrument binding upon Grantor and do not result in a violation of any law, regulation, court decree or order applicable to Grantor; (d) Grantor has established adequate means of obtaining from Borrower on a continuing basis information about Borrower's financial condition; and (e) Lender has made no representation to Grantor about Borrower (including without limitation the creditworthiness of Borrower).

GRANTOR'S WAIVERS. Grantor waives all rights or defenses arising by reason of any "one action" or "anti-deficiency" law, or any other law which may prevent Lender from bringing any action against Grantor, including a claim for deficiency to the extent Lender is otherwise entitled to a claim for deficiency, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale. Grantor expressly waives, to the extent permitted by North Carolina law, all of Grantor's rights under (a) North Carolina General Statutes Sections 26-7 through Section 26-9, or any similar or subsequent laws, (b) North Carolina General Statutes Section 25-3-605 relating to the impairment of the collateral, or any similar or subsequent law, and (c) North Carolina General Statutes Section 25-9-501 and 25-9-504 with respect to the "commercial reasonableness" of any sale of collateral, or any similar or subsequent laws.

PAYMENT AND PERFORMANCE. Except as otherwise provided in this Deed of Trust, Borrower and Grantor shall pay to Lender all indebtedness secured by this Deed of Trust as it becomes due, and Borrower and Grantor shall strictly perform all their respective obligations under the Note, this Deed of Trust, and the Related Documents.

POSSESSION AND MAINTENANCE OF THE PROPERTY. Borrower and Grantor agree that Borrower's and Grantor's possession and use of the Property shall be governed by the following provisions:

Possession and Use. Until the occurrence of an Event of Default, Grantor may (1) remain in possession and control of the Property; (2) use, operate or manage the Property; and (3) collect the Rents from the Property.

Duty to Maintain. Grantor shall maintain the Property in tenable condition and promptly perform all repairs, replacements, and maintenance necessary to preserve its value.

Compliance With Environmental Laws. Grantor represents and warrants to Lender that: (1) During the period of Grantor's ownership of the Property, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance by any person on, under, about or from the Property; (2) Grantor has no knowledge of, or reason to believe that there has been, except as previously disclosed to and acknowledged by Lender in writing, (a) any breach or violation of any Environmental Laws, (b) any use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance on, under, about or from the Property by any prior owners or occupants of the Property, or (c) any actual or threatened litigation or claims of any kind by any person relating to such matters; and (3) Except as previously disclosed to and acknowledged by Lender in writing, (a) neither Grantor nor any tenant, contractor, agent or other authorized user of the Property shall use, generate, manufacture, store, treat, dispose of or release any Hazardous Substance on, under, about or from the Property; and (b) any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations and ordinances, including without limitation all Environmental Laws. Grantor authorizes Lender and its agents to enter upon the Property to make such inspections and tests, at Grantor's expense, as Lender may deem appropriate to determine compliance of the Property with this section of the Deed of Trust. Any inspections or tests made by Lender shall be for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to Grantor or to any other person. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Property for Hazardous Substances. Grantor hereby (1) releases and waives any future claims against Lender for indemnity or