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DEED OF TRUST

This Instrument Prepared by: Carl E. Bell, Attorney at Law
After Recording Mail to: Carl E. Bell
P.O. Box 1355
Mount Airy, NC 27030

FORSYTH CO, NC 85 FEE: \$ 20.00
PRESENTED & RECORDED: 09/28/1998 11:52AM
DICKIE C. WOOD REGISTER OF DEEDS BY: HODDWA
BK2026 P2568 - P2572

Recording Time

Table with 3 columns: GRANTOR (TARA ASSOCIATES, a North Carolina General Partnership), TRUSTEE (EDWARD C. ASHBY III), and BENEFICIARY (SURREY BANK & TRUST).

The designation Grantor, Trustee, and Beneficiary as used herein shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.

WITNESSETH, that whereas the Grantor has agreed to execute and deliver this Deed of Trust to secure the repayment of the principal sum of Three Hundred Forty Thousand and 00/100 Dollars (\$ 340,000.00) as evidenced by a promissory note executed in favor of the Beneficiary by the Grantor...

(the "Obligation") of even date herewith or dated 09-21-1998, and all future modifications, extensions, renewals and replacements thereof, the terms of which are incorporated herein by reference...

NOW, THEREFORE, in consideration of the premises, and as security for the payment of all sums due under the Obligation, as renewed, extended or modified, including attorneys fees and advancements or other sums due hereunder or thereunder...

SEE EXHIBIT A ATTACHED HERETO AND INCORPORATED HEREIN BY REFERENCE FOR A DESCRIPTION OF THE REAL PROPERTY HEREBY CONVEYED. THE REAL PROPERTY DESCRIBED ON EXHIBIT A ATTACHED HERETO IS HEREBY INCORPORATED HEREIN BY REFERENCE TO THE SAME EXTENT AS IF SET FORTH HEREIN IN ITS ENTIRETY.

TO HAVE AND TO ENJOY, with all the rights and appurtenances thereto, unto their heirs, successors and assigns the said Trustee that he is se encumbrances, and that he wi to wit:

The original of this instrument with the notes or bonds secured thereby having this day been exhibited to the undersigned marked paid and satisfied as required by law, the same is hereby cancelled of record by virtue of authority contained in Section 45-37 of the General Statutes of NC.

By: [Signature] Dickie C. Wood, Register of Deeds
Asst. - Deputy

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alonging, incident or appertaining thereto, to the Trustee, hereinafter described. And the said Grantor covenants with that title to the Premises is marketable and free from all whomsoever, except for the exceptions hereinafter stated.

interest thereon, all renewals and extensions thereof, and on this conveyance shall be void and may be canceled at any time under the Obligation, this Deed of Trust or any other obligation, this Deed of Trust or other instrument securing the same, and it shall be the duty of the Trustee, upon request in writing with all applicable requirements of North Carolina law to convey title to the purchaser in as full and ample manner as the Trust is subordinate shall constitute a default hereunder. The provisions of any foreclosure sale shall be applied by the Trustee and shall not be limited to taxes, assessments, recording costs, service charges, or other expenses expended by the Beneficiary pursuant to the terms hereof. If foreclosure is commenced, the Trustee shall receive a partial commission computed on five percent (5%) of the gross proceeds of the sale.

outstanding indebtedness in accordance with the following schedule: 1/4 thereof before the Trustee issues a notice of hearing on the right to foreclose; 1/2 thereof after issuance of said notice; 3/4 thereof after such hearing; and the full commission after the initial sale.

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The Grantor covenants and agrees to keep all improvements on the Premises constantly insured for the benefit of the Beneficiary against loss by fire and other casualties, and through such underwriters and for such amounts as may be satisfactory to the Beneficiary. Grantor shall purchase such insurance, pay all premiums, and deliver to the Beneficiary a copy of all such policies and evidence that the premiums have been paid.

Initials [Signature]