

SATISFACTION: The debt secured by the within Deed of Trust together with the note(s) secured thereby has been satisfied in full.

This the day of, 19

Signed:

11

Mail after recording to:

HOUSE, BLANCO & OSBORN BOX

Box 3461, Lot 16A, Pt. 16-13 Pt. 15C

This instrument prepared by:

RONALD A. MATAMOROS, Esquire

Recording: Time, Book and Page

NORTH CAROLINA DEED OF TRUST

THIS DEED of TRUST made this 16 day of September, 19 86, by and between:

GRANTOR	TRUSTEE	BENEFICIARY
TOWERGATE ASSOCIATES	HOUSE, BLANCO & OSBORN, P.A.	SOUTHERN NATIONAL BANK OF NORTH CAROLINA, a national banking association

Enter in appropriate block for each party: name, address, and, if appropriate, character of entity, e.g. corporation or partnership.

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: The Grantor is indebted to the Beneficiary in the sum of ONE MILLION FORTY-EIGHT THOUSAND AND NO/100 * * * * * DOLLARS (\$ 1,048,000.00) (the "Debt") for money loaned, as evidenced by promissory Note(s) of even date herewith, the terms of which are incorporated herein by reference.

NOW, THEREFORE, as security for the Debt, together with interest thereon, and as security for all renewals, extensions, deferments, amortizations and re-amortizations thereof, in whole or in part, together with interest thereon whether at the same or different rates, and for a valuable consideration, receipt of which is hereby acknowledged, the Grantor has bargained, sold, granted and conveyed and does by these presents bargain, sell, grant and convey to the Trustee, his heirs, or successors, and assigns, the real property situated in the City of Winston-Salem ----- Township, Forsyth County, State of North Carolina, particularly described as follows:

DESCRIPTION SET FORTH HEREINBELOW AND ON SCHEDULE "A", IF ANY, ATTACHED HERETO AND MADE A PART HEREOF

TO HAVE AND TO HOLD said real property, including all buildings, improvements and fixtures now or hereafter located thereon, with all the rights, privileges and appurtenances thereunto belonging, to the Trustee, his heirs, or successors, and assigns forever, upon the trusts, terms and conditions, and for the uses hereinafter set forth.

If the Grantor shall pay the Debt secured hereby in accordance with the terms of the note(s) evidencing the same, and all renewals, extensions, deferments, amortizations and reamortizations thereof, in whole or in part, together with interest thereon, and shall comply with all the covenants, terms and conditions of the deed of trust, then this conveyance shall be null and void and may be cancelled of record at the request of the Grantor. If, however, there shall be any default in any of the covenants, terms, or conditions of the Note(s) secured hereby, or any failure or neglect to comply with the covenants, terms, or conditions contained in this deed of trust, then and in any of such events, if the default is not made good within (15) days, the Note(s) shall, at the option of the Beneficiary, at once become due and payable without notice, and it shall be lawful for and the duty of the Trustee, upon request of the Beneficiary, to sell the land herein conveyed at public auction for cash, after having first given such notice of hearing as to commencement of foreclosure proceedings and obtaining such findings or leave of court as may be then required by law and giving such notice and advertising the time and place of such sale in such manner as may be then provided by law, and upon such and any resales and upon compliance with the then law relating to foreclosure proceedings to convey title to the purchaser in fee simple.

The proceeds of the Sale shall, after the Trustee retains his commission, be applied to the costs of sale, the amount due on the Note(s) hereby secured and otherwise as required by the then existing law relating to foreclosures. The Trustee's commission shall be five per cent of the gross proceeds of the sale or the minimum sum of \$ 500.00, whichever is greater, for a completed foreclosure. In the event foreclosure is commenced, but not completed, the Grantor shall pay all expenses incurred by Trustee and a partial commission computed on five per cent of the outstanding indebtedness or the above stated minimum sum, whichever is greater, in accordance with the following schedule, to wit: one-fourth thereof before the Trustee issues a notice of hearing on the right to foreclose; one-half thereof after issuance of said notice; three-fourths thereof after such hearing; and the greater of the full commission or minimum after the initial sale.

And the said Grantor does hereby covenant and agree with the Trustee and with the Beneficiary as follows:

1. INSURANCE. Grantor shall keep all improvements on said land, now or hereafter erected constantly insured for the benefit of the Beneficiary against loss by fire, windstorm and such other casualties and contingencies, in such manner and in such companies and for such amounts as may be satisfactory to or required by the Beneficiary. Grantor shall purchase such insurance, pay all premiums therefor, and shall deliver to Beneficiary such policies along with evidence of premium payment as long as the Note(s) secured hereby remains unpaid. If Grantor fails to purchase such insurance, pay the premiums therefor or deliver said policies with mortgagee clause satisfactory to Beneficiary attached thereto, along with evidence of payment of premiums thereon, then Beneficiary, at his option, may purchase such insurance. Such amounts paid by Beneficiary shall be added to the Note(s) secured by this Deed of Trust, and shall be due and payable upon demand by Grantor to Beneficiary.

2. TAXES, ASSESSMENTS, CHARGES. Grantor shall pay all taxes, assessments and charges as may be lawfully levied against said premises within thirty (30) days after the same shall become due. In the event that Grantor fails to so pay all taxes, assessments and charges as herein required, then Beneficiary, at his option, may pay the same and the amounts so paid shall be added to the Note(s), secured by this Deed of Trust, and shall be due and payable upon demand by Grantor to Beneficiary.

3. PARTIAL RELEASE. Grantor shall not be entitled to the partial release of any of the above described property unless a specific provision providing therefor is included in this Deed of Trust. In the event a partial release provision is included in this Deed of Trust, Grantor must strictly comply with the terms thereof. Notwithstanding anything herein contained, Grantor shall not be entitled to any release of property unless Grantor is not in default and is in full compliance with all of the terms and provisions of the Note(s), this Deed of Trust, and any other instrument that may be securing said Note(s).

4. WASTE. The Grantor covenants that he will keep the premises herein conveyed in as good order, repair and condition as they are now, reasonable wear and tear excepted, and that he will not commit or permit any waste.

5. WARRANTIES. Grantor covenants with Trustee and Beneficiary that he is seized of the premises in fee simple, has the right to convey the same in fee simple, that title is marketable and free and clear of all encumbrances, and that he will warrant and defend the title against the lawful claims of all persons whomsoever, except for the exceptions hereinafter stated. Title to the property hereinabove described is subject to the following exceptions:

(a) Taxes for the year 1986 and subsequent years.

(b) Restrictions and easements of record, if any.

6. CONVEYANCE; ACCELERATION: If Grantor sells, conveys, transfers, assigns or disposes of the hereinabove-described real property or any part thereof or interest therein, by any means or method, whether voluntary or involuntary, without the written consent of Beneficiary, then at the option of Beneficiary and without notice to Grantor, all sums of money secured hereby, both principal and interest, shall immediately become due and payable and in default, notwithstanding anything herein or in the Note(s) secured hereby to the contrary.

7. SUBSTITUTION OF TRUSTEE. Grantor and Trustee covenant and agree to and with Beneficiary that in case the said Trustee, or any successor trustee, shall die, become incapable of acting, renounce his trust, or for other similar or dissimilar reason become unacceptable to the holder of the Note(s), then the holder of the Note(s) may appoint, in writing, a trustee to take the place of the Trustee; and upon the probate and registration of the same, the trustee thus appointed shall succeed to all the rights, powers, and duties of the Trustee.

8. CIVIL ACTION. In the event that the Trustee is named as a party to any civil action as Trustee in this Deed of Trust, the Trustee shall be entitled to employ an attorney at law, including himself if he is a licensed attorney, to represent him in said action and the reasonable attorney's fees of the Trustee in such action shall be paid by Beneficiary and charged to the Note(s) and secured by this Deed of Trust.

9. PRIOR LIENS. Default under the terms of any instrument secured by a lien to which this deed of trust is subordinate shall constitute default hereunder.

IN WITNESS WHEREOF, the Grantor has hereunto set his hand and seal, or if corporate, has caused this instrument to be signed in its corporate name by its duly authorized officers and its seal to be hereunto affixed by authority of its Board of Directors, the day and year first above written.

(Corporate Name) TOWERGATE ASSOCIATES (SEAL)
By: (SEE SEPARATE SIGNATURE PAGES (SEAL)
..... President ATTACHED HERETO)
ATTEST: (SEAL)
..... Secretary (Corporate Seal) (SEAL)

SEAL-STAMP STATE OF NORTH CAROLINA, COUNTY OF
I, a notary public of said county do
hereby certify that
..... Grantor,
personally appeared before me this day and acknowledged the execution of the foregoing instrument. Witness my hand and
official stamp or seal, this day of 19
My commission expires: Notary Public

SEAL-STAMP STATE OF NORTH CAROLINA, COUNTY OF
I, a Notary Public of the County and State aforesaid,
certify that personally came before me this day and acknowledged
that he is Secretary of a North
Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed
in its name by its President, sealed with its corporate seal and attested by
..... as its Secretary.
Witness my hand and official stamp or seal, this day of 19
My commission expires: Notary Public

The foregoing Certificate(s) of
is/are certified to be correct. This instrument and this certificate are duly registered at the date and time and in the Book and Page shown on the first page hereof.
..... REGISTER OF DEEDS FOR (COUNTY)
By Deputy Assistant - Register of Deeds

ESSEX 1564 P 0510

EXHIBIT A

BEING all that property designated as "Section Four, Towergate," and being recorded in Plat Book 31, Page 56, Forsyth County Registry of Deeds.

There is further conveyed herewith a non-exclusive right of ingress and regress across those private access easements designated on the Plat of Towergate, as recorded in Plat Book 30, Page 27, Forsyth County Registry of Deeds.

SIGNATURE PAGE TO
DEED OF TRUST
FROM TOWERGATE ASSOCIATES
TO SOUTHERN NATIONAL BANK OF NORTH CAROLINA
DATED SEPTEMBER 16, 1986

TOWERGATE ASSOCIATES, a Partnership

BY: S & A PARTNERSHIP, Partner

By: Larry Alexander (SEAL) ✓
Partner

By: Claude R. Horn, Jr. (SEAL) ✓
Partner

By: Stephen H. Homer (SEAL) ✓
Stephen H. Homer - Partner

By: William E. Elisha (SEAL) ✓
William E. Elisha - Partner

By: Michael H. Rubin (SEAL) ✓
Michael H. Rubin - Partner

By: Thomas J. Koontz (SEAL) ✓
Thomas J. Koontz - Partner

By: Richard R. Guidetti (SEAL) ✓
Richard R. Guidetti - Partner

By: Paul J. Beerman (SEAL) ✓
Paul J. Beerman - Partner

By: John E. Phillips (SEAL) ✓
John E. Phillips - Partner

By: Alonzo D. Kornegay (SEAL) ✓
Alonzo D. Kornegay - Partner

BY: B & D INVESTMENTS, Partner

By: James S. Gibbs (SEAL) ✓
Partner

By: James S. Gibbs (SEAL) ✓
James S. Gibbs - Partner

By: Richard W. Adams (SEAL) ✓
Richard W. Adams - Partner

By: Elms L. Allen (SEAL) ✓
Elms L. Allen - Partner

(SIGNATURES CONTINUED ON PAGE 2)

BY: FHS ASSOCIATES, Partner

By: Gilly J. Sharp (SEAL) ✓
Partner

By: Gary W. Elliott (SEAL) ✓
Gary W. Elliott - Partner

By: Nancy Southard (SEAL) ✓
Nancy Southard - Partner

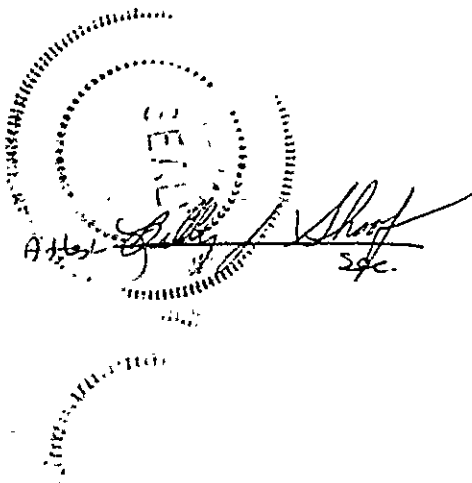
By: Philip McKinley (SEAL) ✓
Philip McKinley - Partner

By: Raymond Marshall (SEAL) ✓
Raymond Marshall - Partner

BY: ALL-SOUTH MANAGEMENT COMPANY,
Partner

By: Robert B. Hill (SEAL)
Partner
Pres.

Grover W. Shugart, Jr. (SEAL) ✓
Grover W. Shugart, Jr. Partner
F.



(SEE SEPARATE SIGNATURE PAGE FOR ADDITIONAL PARTNER)

TOWER7.RAM/hlm

STATE OF NORTH CAROLINA - COUNTY OF Forsyth

I, Holly M. McDevitt, a Notary Public of Forsyth County, North Carolina, certify that LARRY ALEXANDER, Partner of S & A PARTNERSHIP, a Partner of TOWERGATE ASSOCIATES, a partnership, personally appeared before me this day and acknowledged the execution of the foregoing instrument for and on behalf of said Partnership.

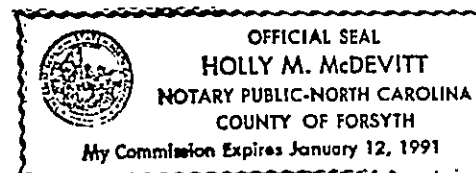
WITNESS my hand and notarial stamp or seal this the 11th day of September, 1986.

Holly M. McDevitt
Notary Public

My Commission Expires:

January 12, 1991

NOTARIAL STAMP/SEAL:



STATE OF NORTH CAROLINA - COUNTY OF Forsyth

I, Holly M. McDevitt, a Notary Public of Forsyth County, North Carolina, certify that CLAUDE R. HORN, JR., STEPHEN H. HOMER, WILLIAM ELESHA, MICHAEL H. RUBIN, THOMAS J. KOONTZ, RICHARD R. GUIDETTI, PAUL J. BEERMAN, JOHN E. PHILLIPS, ALONZO D. KORNEGAY, JAMES S. GIBBS, RICHARD W. ADAMS, ELMS L. ALLEN, GARY W. ELLIOTT, NANCY SOUTHARD, PHILIP H. MCKINLEY, RAYMOND MARSHALL, and GROVER F. SHUGART, JR., Partners of TOWERGATE ASSOCIATES, a partnership, personally appeared before me this day and acknowledged the execution of the foregoing instrument for and on behalf of said Partnership.

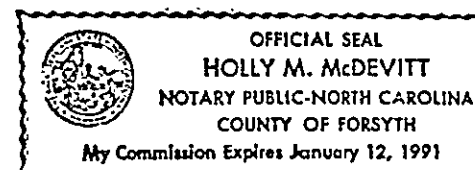
WITNESS my hand and notarial stamp or seal this 11th day of September, 1986.

Holly M. McDevitt
Notary Public

My Commission Expires:

January 12, 1991

NOTARIAL STAMP/SEAL:



STATE OF NORTH CAROLINA - COUNTY OF Forsyth

I, Holly M. McDevitt, a Notary Public of Forsyth County, North Carolina, certify that PAUL H. BAILEY, Partner of B & D INVESTMENTS, a Partner of TOWERGATE ASSOCIATES, a partnership, personally appeared before me this day and acknowledged the execution of the foregoing instrument for and on behalf of said Partnership.

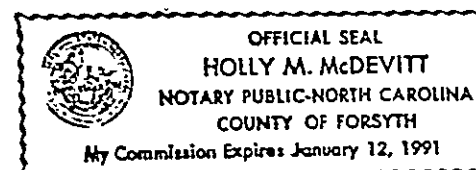
WITNESS my hand and official stamp or seal this 11th day of September, 1986.

Holly M. McDevitt
Notary Public

My Commission Expires:

January 12, 1991

NOTARIAL STAMP/SEAL:



STATE OF NORTH CAROLINA - COUNTY OF Forsyth

I, Holly M. McDevitt, a Notary Public of Forsyth County, North Carolina, certify that BILLY J. SHOAF, Partner of FHS ASSOCIATES, Partner of TOWERGATE ASSOCIATES, a partnership, personally appeared before me this day and acknowledged the execution of the foregoing instrument for and on behalf of said Partnership.

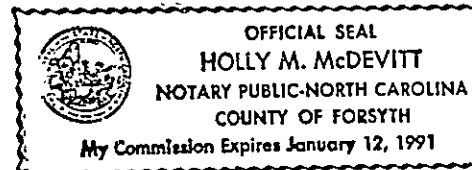
WITNESS my hand and notarial stamp or seal this 11th day of September, 1986.

Holly M. McDevitt
Notary Public

My Commission Expires:

January 12, 1991

NOTARIAL STAMP/SEAL:



STATE OF NORTH CAROLINA - COUNTY OF Forsyth

I, Holly M. McDevitt, a Notary Public of Forsyth County, North Carolina, certify that BILLY J. SHOAF personally appeared before me this day and acknowledged that he is the Secretary of ALL-SOUTH MANAGEMENT COMPANY, a corporation and a Partner of TOWERGATE ASSOCIATES, a Partnership, and that by authority duly given and as the act of the corporation on behalf of the Partnership, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by BILLY J. SHOAF as its Secretary.

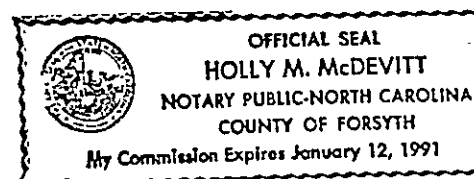
WITNESS my hand and notarial stamp or seal this 11th day of September, 1986.

Holly M. McDevitt
Notary Public

My Commission Expires:

January 12, 1991

NOTARIAL STAMP/SEAL:



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SEPARATE SIGNATURE PAGE TO
DEED OF TRUST
FROM TOWERGATE ASSOCIATES
TO SOUTHERN NATIONAL BANK OF NORTH CAROLINA
DATED SEPTEMBER 16, 1986

Towergate Associates, a Partnership

By: Brady Warner (SEAL)
Brady Warner - Partner

STATE OF CALIFORNIA - COUNTY OF Santa Barbara

I, Mollie Patricia Buchert, a Notary Public of
Santa Barbara County, State of California, certify that BRADY
WARNER, Partner of TOWERGATE ASSOCIATES, a Partnership, personally
appeared before me this day and acknowledged the execution of the
foregoing instrument for and on behalf of said Partnership.

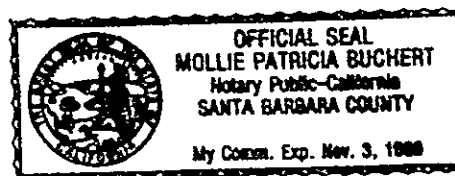
WITNESS my hand and official stamp or seal, this 11th day of
September, 1986.

Mollie Patricia Buchert
Notary Public

My Commission Expires:

November 3, 1989

NOTARIAL STAMP/SEAL:



STATE OF NORTH CAROLINA - Forsyth County

The foregoing (or annexed) certificate s of Holly M. McDowell R.P. Forsyth Co., N.C.
(the give name and official title of the officer signing the certificate passed upon)

Mollie Patricia Buchert R.P. Santa Barbara Calif

* (are) certified to be correct. This the 16th day of Sept, 1986.

L. E. Speas, Register of Deeds

SEP 16 9 44 AM '86

By

Jessie Holden

Deputy-~~Assistant~~

Probate and Filing Fee \$

15.50

REG. OF DEEDS
FORSYTH CO., N.C.

CC

BOOK 1564 P. 516