

# NORTH CAROLINA DEED OF TRUST AND SECURITY AGREEMENT

(Collateral Includes Fixtures)

SATISFACTION: The debt secured by this Deed of Trust, as evidenced by the note or other document secured thereby, has been satisfied in full. This the \_\_\_\_\_ day of \_\_\_\_\_,

Signed: \_\_\_\_\_

Mail after recording to:

BB&T: Attn: Cherry Adouli  
110 S Stratford Rd.  
Winston Salem, NC 27104

This instrument was prepared by:  
T.S. Shuler

Recording: Time, Book and Page

Brief description for index:

LOT 4 SEDGEMONT RD. WINSTON SALEM, NC 27104, AKA, LOTS 28&29 BLOCK 4030

THIS DEED OF TRUST AND SECURITY AGREEMENT ("Deed of Trust") is made as of this \_\_\_\_\_ 7th day of \_\_\_\_\_ March, 2007, by and among:

GRANTOR (Include Address)

TRUSTEE  
BB&T Collateral Service Corporation  
201 W MARKET ST P O BOX 26122  
GREENSBORO, NC 27401-2534

V SALEM DEVELOPMENT CORPORATION

275 EXECUTIVE PARK BLVD

WINSTON SALEM, NC 27103-0000

BENEFICIARY  
BRANCH BANKING AND TRUST  
COMPANY, a  
North Carolina banking corporation  
201 W MARKET ST P O BOX 26122  
GREENSBORO, NC 27401-2534

☒ IF BOX CHECKED, THIS DEED OF TRUST SECURES AN OBLIGATION INCURRED FOR THE CONSTRUCTION OF AN IMPROVEMENT ON LAND.

THE FOLLOWING INFORMATION APPLIES TO THIS DEED OF TRUST:

1. The maximum principal amount of the Debt (defined below), including present and future advances, secured by this Deed of Trust is ONE HUNDRED SIXTY THOUSAND DOLLARS & 00/100

(\$ 160,000.00 ) Dollars.

2. The Debt, on the date hereof, is evidenced by a Note or other Document described by name, parties, dollar amount and date as follows: (i) that Promissory Note dated March 07, 2007 in the amount of \$ 160,000.00

executed by V SALEM DEVELOPMENT CORPORATION,

(the "Borrower" if not the Grantor) and may be evidenced by and shall be at all times deemed to include any other Note or other Document now or hereafter evidencing any debt whatsoever incurred by Grantor and/or Borrower and payable to Beneficiary, the terms of which are incorporated herein by reference; and (ii) all indebtedness and obligations of the Grantor or Borrower to Beneficiary (or an affiliate of Beneficiary) under any interest rate swap transactions, interest rate cap and/or floor transactions, interest rate collar transactions, swap agreements (as defined in 11 U.S.C. § 101) or other similar transactions or agreements, including without limitation any ISDA Master Agreement executed by the Grantor or Borrower and all Schedules and Confirmations entered into in connection therewith, hereinafter collectively referred to as a "Hedge Agreement", the terms of which are incorporated herein by reference.

3. Pursuant to the provisions of Sections 45-67 et seq., of the North Carolina General Statutes, this Deed of Trust secures the payment of the Debt, including present and future advances.

4. The current principal amount of the Debt advanced on the date hereof (including any outstanding amounts advanced previously) by Beneficiary is \$ None (if none, so state).

5. No, execution of a written instrument or notation shall be necessary to evidence or secure any future advances made hereunder. The period within which future advances are to be made shall be the fifteen year period beginning on the date of this Deed of Trust.

6. The real property which is the subject of this Deed of Trust is located in or near the City of WINSTON SALEM, in the Township of \_\_\_\_\_, in the County of FORSYTH, in the State of North Carolina, and the legal description and the chain of title reference of the real property are set forth as follows:

SEE EXHIBIT A

STATEMENT OF PURPOSE: In this Deed of Trust reference shall be made simply to the "Note or other Document", and such a reference is deemed to apply to all of the instruments which evidence or describe the Debt, or which secure its payment, and to all renewals, extensions and modifications thereof, whether heretofore or hereafter executed, and includes without limitation all writings described generally and specifically on the first page of this Deed of Trust in numbered paragraph 2 above. This Deed of Trust shall secure the performance of all obligations of Grantor and of Borrower to Beneficiary which are described in this Deed of Trust, in the Note or other Document, and such performance includes the payment of the Debt. In this Deed of Trust the definition of "Debt" includes: (i) the principal; (ii) all accrued interest including possible fluctuations of the interest rate if so provided in the Note or other Document; (iii) all renewals, extensions and modifications of any obligation under the Note or other Document (even if such renewals or extensions are evidenced by new notes or other documents); (iv) all indebtedness and obligations under a Hedge Agreement; (v) all other obligations of Grantor to Beneficiary which are described in this Deed of Trust, or in the Note or other Document (for example, payment of the attorneys fees of the Beneficiary, insurance premiums, ad valorem taxes, environmental reports and appraisals); and (vi) all future advances to Grantor or Borrower, whether direct or indirect, including without limitation any advances to pay drawings on any irrevocable standby or commercial letter of credit issued on the account of Grantor or Borrower pursuant to an application therefor.

NOW, THEREFORE, for the purposes and under the conditions described in this Deed of Trust and in consideration of the Debt and the mutual promises of Grantor and Beneficiary, Grantor hereby conveys to Trustee, in trust, with power of sale, the real property described in this Deed of Trust, together with any improvements, equipment and fixtures existing or hereafter placed on or attached to this real property, all proceeds thereof and all other appurtenant rights and privileges. The term "the Property" shall include this real property, any such improvements, fixtures, and also all appurtenant rights and privileges.

TO HAVE AND TO HOLD the Property, to Trustee, its successors and assigns, but upon the trust, and under the terms and conditions of this Deed of Trust, to which Grantor, Trustee and Beneficiary hereby agree:

1. PERFORMANCE BY GRANTOR. Grantor shall fulfill all of Grantor's obligations set forth in this Deed of Trust and the Note or other Document.

2. TAXES, DEEDS OF TRUST, OTHER ENCUMBRANCES. Grantor shall make timely payment of all ad valorem taxes, assessments or other charges or encumbrances which may constitute a lien upon the Property. Grantor shall timely pay and perform any obligation, covenant or warranty contained in any other deed of trust or writing (herein Other Deed of Trust) which gives rise to any or which may constitute a lien upon any of the Property. Grantor shall upon request of Beneficiary promptly furnish satisfactory evidence of such payment or performance. Grantor shall not enter into, terminate, cancel or amend any lease affecting the Property or any part thereof without the prior written consent of Beneficiary. Grantor shall timely pay and perform all terms of any lease or sublease of the Property or any part thereof.

3. INSURANCE. Grantor shall keep insured all improvements which are now existing and which might hereafter become part of the Property, against loss by fire and other hazards, casualties and contingencies in such amounts and for such periods as may be required from time to time by Beneficiary; and Grantor shall pay promptly, when due, any premiums on the insurance. All insurance shall be carried with companies approved by Beneficiary, and Grantor shall cause all policies and renewals thereof to be delivered to Beneficiary; and the policies shall contain loss payable clauses in favor of and in form acceptable to Beneficiary. In the event of loss, Grantor shall give immediate notice to Beneficiary, and Beneficiary may make proof of loss if such is not made promptly by Grantor. Any insurer is hereby expressly authorized and directed to make payment for the loss directly and solely to Beneficiary. Further, Beneficiary may apply the insurance proceeds, or any part thereof, in its sole discretion and at its option, either to the reduction of the Debt or to the restoration or repair of any portion of the Property damaged.

4. ESCROW DEPOSITS. Upon demand of Beneficiary, Grantor shall deposit with or add to each payment required under the Note or other Document the amount estimated by Beneficiary to be sufficient to enable Beneficiary to pay as they become due all taxes, charges, assessments, and insurance premiums which Grantor is required to pay. Further, any deficiency occasioned by an insufficiency of such additional payments shall be deposited by Grantor with Beneficiary upon demand.

5. **PRESERVATION AND MAINTENANCE OF THE PROPERTY.** Grantor shall keep the Property in as good order and repair as it now is (reasonable wear and tear excepted) and shall neither commit nor permit any waste or any other occurrence or use which might impair the value of the Property. Grantor shall not initiate or acquiesce in a change in the zoning classification of the Property or make or permit any structural alteration thereof without Beneficiary's prior written consent.

6. **COMPLIANCE WITH LAWS.** Grantor shall regularly and promptly comply with any applicable legal requirements of the United States, the State of North Carolina or other governmental entity, agency or instrumentality relating to the use or condition of the Property.

7. **CONDEMNATION AWARD.** 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 the power of eminent domain shall be payable solely to Beneficiary, which may apply the sums so received to payment of the Debt.

8. **PAYMENTS BY BENEFICIARY.** If Grantor or Borrower shall be in default in the timely payment or performance of any of Grantor's or Borrower's obligations, the Note or other Document, under this Deed of Trust or Other Deed of Trust, Beneficiary may, but it is not obligated to, expend for the account of Grantor any sums, expenses and fees which Beneficiary believes appropriate for the protection of the Property and the maintenance and 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 until paid at the rate of interest accruing on the Debt, and shall be due and payable on demand.

9. **RENTS AND PROFITS.** Grantor hereby assigns to Beneficiary all future rents and profits from the Property as additional security for the payment of the Debt and for the performance of all obligations secured by this Deed of Trust. Grantor hereby appoints Beneficiary as Grantor's attorney-in-fact to collect any rents and profits, with or without suit, and to apply the same, less expenses of collection, to the Debt or to any obligations secured by this Deed of Trust in any manner as Beneficiary may desire. Such appointment of Beneficiary shall be a power coupled with an interest and shall remain in full force and effect as long as any portion of the Debt remains outstanding. However, until default under the Note or other Document or under this Deed of Trust, Grantor may continue to collect and retain the rents and profits without any accountability to Beneficiary. Beneficiary's election to pursue the collection of the rents or profits shall be in addition to all other remedies which Beneficiary might have and may be put into effect independently of or concurrently with any other remedy.

10. **SECURITY INTEREST.** All the fixtures and equipment which comprise a part of the Property shall, as far as permitted by law, be deemed to be affixed to the aforesaid land and conveyed therewith. As to the balance of the fixtures, this Deed of Trust shall be considered to be a security agreement which creates a security interest in such fixtures for the benefit of Beneficiary. In that regard, Grantor grants to Beneficiary all of the rights and remedies of a secured party under the North Carolina Uniform Commercial Code. Grantor agrees to execute and deliver to Beneficiary, concurrently with the execution of this Deed of Trust and upon the request of Beneficiary from time to time hereafter, all financing statements and other documents reasonably required to perfect and maintain the security interest created hereby. Grantor hereby irrevocably (as long as the Debt remains unpaid) makes, constitutes and appoints Beneficiary as the true and lawful attorney of Borrower to sign the name of Grantor on any financing statement, continuation of financing statement or similar document required to perfect or continue such security interests. However to the extent allowed by law, this Deed of Trust shall be a financing statement sufficient to perfect and maintain any security interest created hereby in the Property and its Proceeds.

11. **GRANTOR'S CONTINUING OBLIGATION.** This Deed of Trust shall remain as security for full payment of the Debt and for performance of any obligation evidenced by the Note or other Document, notwithstanding any of the following: (a) the sale or release of all or any part of the Property; (b) the assumption by another party of Grantor's obligations under this Deed of Trust, the Note or other Document; (c) the forbearance or extension of time for payment of the Debt or for performance of any obligations under this Deed of Trust, the Note or other Document, whether granted to Grantor or to a subsequent owner of the Property; or (d) the release of any party who has assumed payment of the Debt or who assumed any other obligations under this Deed of Trust, the Note or other Document. None of the foregoing shall, in any way, affect the full force and effect of the lien of this Deed of Trust or impair Beneficiary's right to a deficiency judgment in the event of foreclosure against Grantor or any party who had assumed payment of the Debt or who assumed any other obligations the performance of which is secured by this Deed of Trust.

12. **SUBSTITUTION OF TRUSTEE.** Beneficiary shall have the unqualified right to remove the individual designated as Trustee on the first page of this Deed of Trust, and to appoint one or more substitute or successor Trustees by instruments filed for registration in the County Registry where this Deed of Trust is recorded. Any such removal or appointment may be made at any time and from time to time without notice, without specifying any reason therefor and without any court approval. Any such appointee shall become fully vested with title to the Property and with all rights, powers and duties conferred upon the individual originally designated as Trustee, in the same manner and to the same effect as though that party were named herein as the original Trustee.

13. **INDEMNIFICATION IN EVENT OF ADVERSE CLAIMS.** In the event that Beneficiary or Trustee voluntarily or otherwise shall become parties to any suit or legal proceeding involving the Property, they shall be saved harmless and shall be reimbursed by Grantor for any amounts paid, including all costs, charges and attorney's fees incurred in any such suit or proceeding, and the same shall be secured by this Deed of Trust and payable upon demand.

14. **INSPECTION.** Beneficiary may at any reasonable time and from time to time make or cause to be made reasonable entries upon, investigations, and inspections of the Property, including without limitation any inspections or investigations such as sampling and testing which may be necessary or desirable to review compliance with Environmental Laws.

15. **WARRANTIES.** Grantor covenants with Trustee and Beneficiary that Grantor is seized of the Property in fee simple, has the right to convey the same in fee simple, that title to the Property is marketable and free and clear of all encumbrances, and that Grantor will warrant and defend the title against the lawful claims of all persons whomsoever, subject only to any declarations, easements, restrictions or encumbrances listed in the title opinion or title insurance policy which Beneficiary obtained in the transaction in which Beneficiary obtained this Deed of Trust.

16. **ATTORNEYS' FEES.** In the event that Grantor or Borrower shall default in its obligations under this Deed of Trust, the Note or other Document, and Beneficiary employs an attorney to assist in the collection of the Debt or to enforce compliance of Grantor with any of the provisions of this Deed of Trust, the Note or other Documents or in the event Beneficiary or Trustee shall become parties to any suit or legal proceeding (including any proceeding conducted before any United States Bankruptcy Court) concerning the Property, concerning the lien of this Deed of Trust, concerning collection of the Debt or concerning compliance by Grantor with any of the provisions of this Deed of Trust, the Note or other Document, Grantor shall pay Beneficiary's reasonable attorneys' fees and all of the costs that may be incurred, and such fees and costs shall be secured by this Deed of Trust and its payment enforced as if it were a part of the Debt. Grantor shall be liable for such attorneys' fees and costs whether or not any suit or proceeding is commenced.

17. **ANTI-MARSHALLING PROVISIONS.** Trustee and Beneficiary may grant releases at any time and from time to time of all or any portion of the Property (whether or not such releases are required by agreement among the parties) agreeable to Trustee and Beneficiary without notice to or the consent, approval or agreement of other parties and interests, including junior lienors and purchasers subject to the lien of this Deed of Trust, and such releases shall not impair in any manner the validity of or priority of this Deed of Trust on that portion of the Property remaining subject to this Deed of Trust, nor release Grantor from personal liability for the Debt. Notwithstanding the existence of any other security interests in the Property held by Beneficiary or by any other party, Beneficiary shall have the right to determine the order in which any or all of the Property shall be subjected to the remedies available to Beneficiary, and Beneficiary shall further have the right to determine the order in which any or all portions of the Debt are satisfied from the proceeds realized upon the exercise of any remedy it has. Grantor, or any party who consents to this, or any party who has actual or constructive notice hereof, hereby waives any and all rights to require the marshalling of assets in connection with the exercise of any of the remedies permitted by applicable law or provided herein.

18. **ENVIRONMENTAL WARRANTIES, INDEMNITIES AND AGREEMENTS.** Grantor for itself, its successors and assigns represents, warrants and agrees that (a) neither Grantor nor any other person has generated, manufactured, stored, treated, processed, released, discharged or disposed of any Hazardous Materials on the Property or received any notice from any Governmental Authority (hereinafter defined) or other person with regard to a release of Hazardous Materials on, from or otherwise affecting the Property; (b) neither Grantor nor any other person has violated any applicable Environmental Laws (hereinafter defined) relating to or affecting the Property; (c) the Property is presently being operated in compliance with all Environmental Laws; there are no circumstances presently existing upon or under the Property, or relating to the Property which may violate any applicable Environmental Laws, and there is not now pending, or threatened, any action, suit, investigation or proceeding against Grantor relating to the Property (or against any other party relating to the Property) seeking to enforce any right or remedy under any of the Environmental Laws; (d) except in strict compliance with Environmental Laws, the Property shall be kept free of Hazardous Materials and shall not be used to generate, manufacture, transport, treat, store, handle, dispose, process or release Hazard Materials; (e) Grantor shall at all times comply with and ensure compliance by all other parties with all applicable Environmental Laws and shall keep the Property free and clear of any liens imposed pursuant to any applicable Environmental Laws; (f) Grantor has obtained and will at all times continue to obtain and/or maintain all licenses, permits and other directives from any Governmental Authority necessary to comply with Environmental Laws; Grantor is in full compliance with the terms and provisions of the Environmental Requirements (hereinafter defined) and will continue to comply with the terms and provisions of the Environmental Requirements; (g) Grantor shall immediately give Beneficiary oral and written notice in the event that Grantor receives any notice from any Governmental Authority or any other party with regard to any release or storage of Hazardous Materials on, from or affecting the Property and shall conduct and complete all investigations, sampling, and testing, and all remedial, removal, and other actions necessary or required to clean up and remove all Hazardous Materials on, from or affecting the Property in accordance with all applicable Environmental Laws. Grantor hereby agrees to indemnify Beneficiary and hold Beneficiary harmless from and against any and all losses, liabilities, damages, injuries (including, without limitation, reasonable attorneys' fees) and claims of any and every kind whatsoever paid, incurred or suffered by, or asserted against Beneficiary for, with respect to, or as a direct or indirect result of (i) the presence on, or under, or the escape, spillage, emission or release on or from the Property of any Hazardous Material regardless of whether or not caused by or within the control of Grantor, (ii) the violation of any Environmental Laws or Environmental Requirements relating to or affecting the Property, whether or not caused by or within the control of Grantor, (iii) the failure by Grantor to comply fully with the terms and provisions of this paragraph, or (iv) any warranty or representation made by Grantor in this paragraph being false or untrue in any material respect. The obligations and liabilities of Grantor under this paragraph shall survive the foreclosure of the Deed of Trust, the delivery of a deed in lieu of foreclosure, the cancellation of the Note; or if otherwise expressly permitted in writing by the Bank, the sale or alienation of any part of the Property.

In the event that any of the Grantor's representations or warranties shall prove to be materially false or Grantor fails to satisfy any Environmental Requirement, Beneficiary, in its sole discretion, may (i) choose to assume compliance with governmental directives and the Grantor agrees to reimburse Beneficiary for all costs, expenses (including all reasonable attorneys' fees, whether in-house or independent), fines, penalties, judgments, suits, or liabilities whatsoever associated with such compliance; or (ii) seek all legal and equitable remedies available to it including, but not limited to, injunctive relief compelling Grantor to comply with all Environmental Requirements relating to the Property. Beneficiary's rights hereunder shall be in addition to all rights granted under the Note or other Document and payments by Grantor under this provision shall not reduce Grantor's obligations and liabilities thereunder. In the event Beneficiary undertakes compliance with Environmental Requirements which Grantor failed to perform or which Beneficiary determines is necessary to sell all or any part of the Property, Grantor authorizes Beneficiary and/or Beneficiary's agents to prepare and execute on Grantor's behalf, any manifest or other documentation relating to the removal and/or disposal of any Hazardous Materials, from, at or on the Property. Grantor acknowledges that Beneficiary does not own, or have a security interest in, any Hazardous Materials which exist on, originate from or affect the Property. All amounts expended by the Beneficiary in connection with the exercise of its rights hereunder (including reasonable attorneys' fees and the fees of any environmental consultants) shall become part of the indebtedness secured by this Deed of Trust.

For purposes of this Deed of Trust: "Environmental Laws" means the Comprehensive Environmental Response, Compensation and Liability Act, the Hazardous Materials Transportation Act, the Resource Conservation and Recovery Act, and any "Super Fund" or Super Lien" law, or any other federal, state or local law, regulation or decree regulating, relating to or imposing liability or standards of conduct concerning any Hazardous Materials. "Environmental Requirement" means any administrative orders, directives, judgments, consent orders, permits, licenses, authorizations, consents, settlements, agreements or other formal or informal directions or guidance issued by or entered into with any Governmental Authority or private party, including the provisions of any Environmental Law, which obligate or commit Grantor to investigate, remediate, treat, monitor, dispose or remove Hazardous Materials. "Governmental Authority" means any federal, state or local agency, department, court or other administrative, legislative or regulatory federal, state or local governmental body, or any private individual or entity acting in place of such entities. "Hazardous Materials" means and includes petroleum products, any flammable explosives, radioactive materials, asbestos or any material containing asbestos, and/or any hazardous, toxic or dangerous waste, substance or material defined as such in the Environmental Laws.

19. EVENTS OF DEFAULT. Grantor shall be in default under this Deed of Trust upon the occurrence of any of the following:

- (a) Default in the payment or performance of any of the Debt, or of any covenant or warranty in this Deed of Trust, in the Note or other Document, or in any other note of Grantor or Borrower to Beneficiary or any contract between Grantor and Beneficiary; or in any contract between any third party and Beneficiary made for the benefit of Grantor; or
- (b) Any warranty, representation or statement made or furnished to Beneficiary by or on behalf of Grantor or Borrower in connection with this transaction proving to have been false in any material respect when made or furnished; or
- (c) Loss, theft, substantial damage, destruction to or of the Property, or the assertion or making of any levy, seizure, mechanic's or materialman's lien or attachment thereof or thereon; or
- (d) Death, dissolution, termination of existence, insolvency, business failure, appointment of a Receiver for any part of the property of, assignment for the benefit of creditors by, or the inability to pay debts in the ordinary course of business of the Grantor or Borrower or any co-maker, endorser, guarantor or surety therefor; or
- (e) Failure of a corporate Grantor, Borrower or co-maker, endorser, guarantor or surety for Grantor to maintain its corporate existence in good standing; or
- (f) Upon the entry of any monetary judgment or the assessment of filing of any tax lien against Grantor or Borrower; or upon the issuance of any writ of garnishment or attachment against any property of debts due or rights of Grantor or Borrower; or
- (g) The sale (including sale by land contract upon delivery of possession), transfer or encumbrance of all or any part of the Property or any interest therein, or any change in the ownership or control of any corporate or partnership Grantor or Borrower, without Beneficiary's prior written consent; or
- (h) If Beneficiary should otherwise deem itself, its security interests, the Property or the Debt unsafe or insecure; or should Beneficiary otherwise believe that the prospect of payment or other performance is impaired.

20. REMEDIES OF BENEFICIARY UPON DEFAULT. Upon the occurrence of any event of default, Beneficiary may, at its option, without prior notice to Grantor, declare the Debt to be immediately due and payable in full; and, on application of Beneficiary, Trustee shall foreclose this Deed of Trust in any manner permitted by North Carolina law, including selling the Property or any part thereof at public sale to the last and highest bidder for cash, free of any equity of redemption, homestead, dower, curtesy or other state or federal exemption, all of which are expressly waived by Grantor, after compliance with applicable North Carolina laws relating to foreclosure sales under power of sale; and Trustee shall execute and deliver to the purchaser a 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. The proceeds of any such sale shall be applied in the manner and in the order prescribed by applicable North Carolina law, it being agreed that the expenses of any such sale shall include a commission of five per cent of the gross sales price to Trustee for holding such sale and for all services performed by him hereunder excluding expenses incurred in making sale. In the event a foreclosure suit or special proceeding is commenced, and no sale is held, then the Grantor shall pay to the Trustee: 1) all expenses incurred by Trustee and 2) a partial commission computed on five per cent of the balance of the unpaid Debt. Beneficiary may bid and become the purchaser at any sale under this Deed of Trust. At any such sale Trustee may at his election require the successful bidder immediately to deposit with Trustee cash in an amount equal to all or any part of the successful bid, and notice of any such requirement need not be included in the advertisement of the notice of such sale. Beneficiary may request the appointment of a Receiver for the Property and the Grantor hereby consents thereto. If foreclosure proceedings are instituted under this Deed of Trust, Trustee is hereby authorized to take possession of the Property and collect any rental, accrued or to accrue; or Trustee may lease the Property or any part thereof, receive the rents and profits therefrom, and hold the proceeds remaining after payment of the expenses of managing and operating the Property subject to the order of the court for the benefit of Beneficiary, pending final disposition of the foreclosure proceedings; and during any period allowed by applicable law for the redemption from any foreclosure sale ordered in such proceedings; and Trustee may act irrespective of the value of the Property or its adequacy or inadequacy to secure or discharge the indebtedness then owing.

21. RELEASE AND CANCELLATION. Upon fulfillment of all of obligations, the performance of which is secured by this Deed of Trust, and upon payment of the Debt, this Deed of Trust and the Note or other Document shall be marked "Satisfied" and returned to Grantor, and this conveyance shall be null and void and may be cancelled of record at the request and cost of Grantor, and title to the Property shall revert as provided by law.

22. MISCELLANEOUS. 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 any provisions. 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 to this Deed of Trust, and the designations "Grantor", "Trustee" and "Beneficiary" include the parties, their heirs, executors, administrators, successors and assigns. The designations "Corporate", "Corporation", and "Partnership" include limited liability companies and limited liability partnerships. Whenever used, the singular number shall include the plural, and 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. Any forbearance by Beneficiary in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by Beneficiary shall not be a waiver of Beneficiary's right to accelerate the maturity of the Debt. Time is of the essence in the payment or performance of any of the obligations, or of any covenant or warranty contained in this Deed of Trust or in the Note, or other Document.

IN TESTIMONY WHEREOF, each individual Grantor 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 date first above written.

Grantor: \_\_\_\_\_ (SEAL)

Grantor: \_\_\_\_\_ (SEAL)

Grantor: \_\_\_\_\_ (SEAL)

Grantor: \_\_\_\_\_ (SEAL)

IN TESTIMONY WHEREOF, the above corporate Grantor has caused this instrument to be executed under seal in its corporate name by its duly authorized \_\_\_\_\_, with this sealed instrument being delivered on the date first above written.

\_\_\_\_\_  
V SALEM DEVELOPMENT CORPORATION  
NAME OF CORPORATION  
By: \_\_\_\_\_ (SEAL)  
Title: President  
By: \_\_\_\_\_ (SEAL)  
\_\_\_\_\_  
Title: \_\_\_\_\_

IN TESTIMONY WHEREOF, the above partnership Grantor, Limited Liability Company, Limited Liability Partnership or Limited Liability Limited Partnership has caused this instrument to be executed in the appropriate company or partnership name by its duly authorized general partner(s), manager(s) or managing member(s), and has adopted as its seal the word "SEAL" appearing beside its name, this sealed instrument being executed and delivered on the date first above written.

\_\_\_\_\_  
NAME OF PARTNERSHIP, LLC, LLP, OR LLLP  
By: \_\_\_\_\_ (SEAL)  
Title: \_\_\_\_\_  
By: \_\_\_\_\_ (SEAL)  
Title: \_\_\_\_\_  
By: \_\_\_\_\_ (SEAL)  
Title: \_\_\_\_\_

For Individual:

STATE OF NORTH CAROLINA, COUNTY OF \_\_\_\_\_

I, \_\_\_\_\_, a Notary Public, do hereby certify that  
 \_\_\_\_\_, an individual, Grantor, personally appeared  
 before me this day and acknowledged that (s)he voluntarily signed this Deed of Trust for the purposes stated therein.

Witness my hand and official stamp or notarial seal, this \_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

[SEAL]

\_\_\_\_\_  
 Notary Public  
 My Commission Expires: \_\_\_\_\_

For Individual:

STATE OF NORTH CAROLINA, COUNTY OF \_\_\_\_\_

I, \_\_\_\_\_, a Notary Public, do hereby certify that  
 \_\_\_\_\_, an individual, Grantor, personally appeared  
 before me this day and acknowledged that (s)he voluntarily signed this Deed of Trust for the purposes stated therein.

Witness my hand and official stamp or notarial seal, this \_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

[SEAL]

\_\_\_\_\_  
 Notary Public  
 My Commission Expires: \_\_\_\_\_

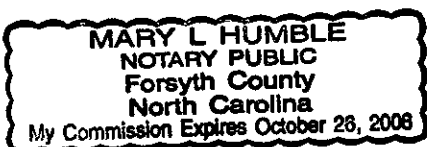
For a Corporation:

STATE OF NORTH CAROLINA, COUNTY OF FORSYTH

I, MARY L. HUMBLE, a Notary Public, do hereby certify that  
VAHID SALEM, personally came before me this day and  
 acknowledged that (s)he is the PRESIDENT of V. SALEM DEVELOPMENT CORPORATION a  
NC (state or formation) corporation, Grantor, and that (s)he in such representative capacity  
 voluntarily signed this Deed of Trust for the purposes stated therein.

Witness my hand and official stamp or notarial seal this 7 day of March, 20 07.

[SEAL]



Mary L. Humble (SEAL)  
 Notary Public  
 My Commission Expires: Oct 26, 2008

For a Partnership/LLC/LLP:

STATE OF NORTH CAROLINA, COUNTY OF \_\_\_\_\_

I, \_\_\_\_\_, a Notary Public, do hereby certify that  
\_\_\_\_\_, personally came before me this day and  
acknowledged that (s)he is the \_\_\_\_\_ (indicate whether general partner, manager or managing member) of  
\_\_\_\_\_, a \_\_\_\_\_, Grantor,  
(state of formation and type of entity)  
and that (s)he in such representative capacity voluntarily signed this Deed of Trust for the purposes stated therein.  
Witness my hand and official stamp or notarial seal this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

[SEAL]

\_\_\_\_\_  
Notary Public  
My Commission Expires: \_\_\_\_\_ (SEAL)

The foregoing or annexed certificate(s) of \_\_\_\_\_, Notary(ies) Public, has(have) been verified to have  
the signature, commission expiration date, and official seal, if required. 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.



EXHIBIT A

BEING KNOWN AND DESIGNATED AS LOT NO. 4 AS SHOWN ON THE MAP ENTITLED "RECORD PLAT SHOWING REDIVISION OF LOTS 28 AND 29 OF THE PLAT ENTITLED J. H. PHILLIPS PROPERTY, PLAT BOOK 22, PAGE 115, AND BEING TAX LOTS 028 AND 029 OF TAX BLOCK 4030, WINSTON TOWNSHIP, FORSYTH COUNTY, NORTH CAROLINA", AS RECORDED IN PLAT BOOK 49, PAGE 124, IN THE OFFICE OF THE REGISTER OF DEEDS OF FORSYTH COUNTY, NORTH CAROLINA, REFERENCE TO WHICH IS HEREBY MADE FOR A MORE PARTICULAR DESCRIPTION.