

MAIL TO: CITIZENS NATIONAL BANK P.O. Box 5039 WINSTON-SALEM, N.C. 27103  
CITIZENS NATIONAL BANK



NOTE MODIFICATION AGREEMENT

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Original Amount of Note 65,992.80

Original Date of Execution and Delivery MARCH 13, 1981

Note Number 010000584714

L & L CORPORATION  
4061 GREENMEADE ROAD  
W-5, N.C. 27106

THIS AGREEMENT, made and entered into on APRIL 22, 1983, by and between L & L CORPORATION

DANIEL D. AND JUNE E. (WIFE) LAYCOCK, hereinafter called "Maker(s)" CITIZENS NATIONAL BANK, a North Carolina banking corporation, hereinafter called "Bank" and  
(P.O. BAL. #32,730.47) hereinafter called "Guarantor", whether one or more and whether surely, guarantor, or endorser

WITNESSETH:

WHEREAS, Maker(s) heretofore executed a promissory note in favor of Bank which note is more particularly identified above and WHEREAS, Maker(s) has requested that said promissory note be modified to the limited extent as is hereinafter set forth, and WHEREAS, Bank has agreed to such modification and, WHEREAS, Guarantor, if any, has also agreed to said modification and enters into this Agreement for the purpose of specifically assenting to the terms hereof, NOW THEREFORE, by mutual agreement of the parties and in mutual consideration of the premises and the additional sum of One Dollar (\$1) and other good and valuable considerations, each to the other parties paid, the receipt of which is hereby acknowledged, the parties hereto agree that said promissory note is amended to read as indicated hereinafter.

INTEREST RATE (One of the following must be selected. Terms not checked are deleted.)

(☒) At the rate of 15.0 percent per annum.

( ) At the rate \_\_\_\_\_ percent per annum above the Prime Rate established by Citizens National Bank which is currently \_\_\_\_\_ percent per annum, not to exceed a maximum total rate of \_\_\_\_\_ percent per annum nor fall below a minimum total rate of \_\_\_\_\_ percent per annum, and

( ) Increases or decreases in the total rate due to changes in the Prime Rate shall be effective on the first day of the month following the month in which such change of the Prime Rate takes place. In the event of multiple changes in the Prime Rate during any one calendar month period, the Prime Rate established by the change next preceding the first day of the month following such change shall be applicable.

( ) Increases or decreases in the total rate due to changes in the Prime Rate shall become effective on the calendar day such change in the Prime Rate takes place.

( ) At the rate of \_\_\_\_\_ percent per annum until \_\_\_\_\_, 19\_\_\_\_ and after such date Citizens National Bank has the right upon thirty days' notice to establish the interest rate in its discretion.

PRINCIPAL PAYMENT TERMS (One of the following must be selected. Payment terms not checked are deleted.)

( ) Payable on demand, or on \_\_\_\_\_, 19\_\_\_\_ (hereinafter referred to as "Maturity") provided demand is not sooner made.

( ) Payable in one single payment on \_\_\_\_\_, 19\_\_\_\_ (hereinafter referred to as "Maturity").

(☒) Payable in 059 equal consecutive MONTHLY payments of \$ 782.04 each commencing on JUNE 1, 1983

and on the same day of each such calendar period thereafter and one final payment of \$ BAL. DUE on MAY 1, 1988

( ) Payable on the \_\_\_\_\_ day of each of the months listed below and on the same basis each year thereafter until paid in full.

\$ \_\_\_\_\_ due \_\_\_\_\_, 19\_\_\_\_ \$ \_\_\_\_\_ due \_\_\_\_\_, 19\_\_\_\_ \$ \_\_\_\_\_ due \_\_\_\_\_, 19\_\_\_\_

\$ \_\_\_\_\_ due \_\_\_\_\_, 19\_\_\_\_ \$ \_\_\_\_\_ due \_\_\_\_\_, 19\_\_\_\_ \$ \_\_\_\_\_ due \_\_\_\_\_, 19\_\_\_\_

INTEREST PAYMENT TERMS AND INSURANCE PREMIUM PAYMENT TERMS, IF APPLICABLE (One of the following must be selected. Payment terms not checked are deleted.) In addition to the following interest and insurance premiums, if applicable, shall be due at such times as principal is due in accordance with the above schedule of "PRINCIPAL PAYMENT TERMS"

( ) Payable in full at maturity.

(☒) Payable MONTHLY beginning JUNE 1, 1983 and consecutively on the same calendar day of each such calendar period thereafter (monthly, quarterly, semi-annually, etc.)

IF EITHER OF THE PRINCIPAL PAYMENT TERMS ADJACENT TO A 1 IS SELECTED ABOVE ONE OF THE FOLLOWING MUST ALSO BE SELECTED:

(☒) The payment amount selected above under "PRINCIPAL PAYMENT TERMS" IS to include interest and insurance premium due, if applicable.

( ) The payment amount selected above under "PRINCIPAL PAYMENT TERMS" IS NOT to include interest or insurance premium due, if applicable.

COLLATERAL

Further, all parties hereto agree that all collateral given as security for the aforesaid promissory note shall remain as collateral for said promissory note as modified hereby.

(☒) If marked, the aforesaid promissory note hereby modified is secured by a deed of trust or deeds of trust recorded in Book 1329 at Page 0068; Book \_\_\_\_\_ at Page \_\_\_\_\_ and Book \_\_\_\_\_ at Page \_\_\_\_\_ FORSYTH County Registry, which deed(s) of trust are modified to comply with the modifications made by this Note Modification Agreement.

( ) If marked, the aforesaid promissory note hereby modified is additionally secured by the collateral hereinafter described as follows: \_\_\_\_\_

If the note being modified by this Agreement is signed by more than one person the modified note shall be the JOINT and SEVERAL obligation of all signers and each provision of the note as modified shall apply to each and all of the signers and the property and liability of each and all of them.

The agreement herein contained shall bind and inure to the benefit of the successors in interest hereto and it is expressly understood and agreed that this Agreement is a modification only and not a novation. It is also expressly understood and agreed that except for the above quoted modification(s) said promissory note, the deed(s) of trust and/or other security agreements and all singular the terms and conditions thereof, shall be and remain in full force and effect and that this Note Modification Agreement shall not release or affect the liability of any guarantors, sureties, or endorser on said promissory note.

IN TESTIMONY WHEREOF, the corporate Maker or Guarantor has caused this instrument to be executed in its corporate name by it \_\_\_\_\_ President, attested by its \_\_\_\_\_ Secretary, and its

corporate seal to be hereto affixed by order of its Board of Directors first duly given, this the day and year first above written.

IN TESTIMONY WHEREOF, each individual Maker or Guarantor has hereunto set his hand and adopted as his seal the word "SEAL" appearing beside his name, this the day and year first above written.

Daniel D. Laycock (SEAL) DDL

June E. Laycock (SEAL) JFL

\_\_\_\_\_  
(SEAL)

\_\_\_\_\_  
(SEAL)

IN TESTIMONY WHEREOF, Citizens National Bank has caused this instrument to be executed in its corporate name by the undersigned officer

CITIZENS NATIONAL BANK By: Shawn L. Hansen Officer No. 015

Branch No. 0001396P0009

DISCLOSURES	If credit insurance is provided unless the person(s) to be insured under such credit insurance policy signs the appropriate statement below. The total premium cost appears below for the insurance purchased covering the term of the original credit when payments are made according to the schedule of PRINCIPAL PAYMENT TERMS above.		I desire Credit Life Insurance purchased through Bank.	
	CREDIT LIFE Insurance Premium -	Single Life \$ _____ Joint Life \$ _____	Date of Birth _____	Borrower/Person to be insured _____
	CREDIT LIFE AND ACCIDENT & HEALTH Insurance Premium	\$ _____	Date of Birth _____	Borrower/Person to be insured _____ (applicable only if Joint Life Premium shown above)
	Any Credit Life or Credit Life and Accident & Health Insurance obtained in connection with this credit extension shall be procured subject to the terms and conditions of the policy issued thereon on the person(s) listed below and such insurance may be cancelled at any time by such person(s) upon written notification to Bank of such desire. The person(s) signing below warrants that he/she has not attained age 65 on this date and is now in good health and free from physical disorder and does hereby authorize every physician and/or hospital to disclose all of his/her medical history prior to the date of this credit extension and has written his age beside his signature.		I desire Credit Life and Accident & Health Insurance purchased through Bank.	
			Date of Birth _____	Borrower/Person to be insured _____
			I desire neither CREDIT LIFE NOR CREDIT LIFE AND ACCIDENT & HEALTH INSURANCE and in the event credit insurance was in force on my loan prior to Modification, in consideration of refund of unearned premium I hereby cancel such insurance and release the insurance company except for any liability arising prior to the date of this Modification Agreement.	
				Borrower _____

Continue the U.C.C. filings.

UNCONDITIONAL GUARANTY AND ENDORSEMENT

In order to induce Citizens National Bank to make the loan and extend the credit to the maker(s) of the note on the reverse side hereof, the undersigned GUARANTOR(S), hereinafter collectively termed GUARANTOR, in consideration of the premises and other good and valuable considerations, and in addition to all warranties and obligations imposed by unqualified endorsements do hereby unconditionally endorse and guarantee to the holder of the said note which guaranty and endorsement is JOINT and SEVERAL if more than one guarantor, the due and punctual payment of all liabilities and obligations of maker(s) under said note and under the security instruments given pursuant thereto as and when the same shall become due whether by acceleration, extension, or modification or otherwise and waive all notice, presentment for payment, demand, protest, notice of protest, nonpayment and dishonor and any requirement that any action be brought against the maker(s) or any other person(s) or to require that resort be had to any security or to any balance(s) of any deposit or other account(s) or debt(s) or credit(s) on the books of Bank or holder in favor of maker or any other person(s) before enforcing this endorsement and guaranty. Guarantor further agrees that all endorsers and guarantors shall be jointly and severally bound and that the release of any one or more of said guarantors sureties or endorsers or the securing or release of any other guarantors sureties or endorsers or the taking or release of any other collateral as security for this instrument or the extension modification or amendment of any terms of said note shall not release or affect the liability of the said guarantors in any manner whatsoever and said endorsers and guarantors waive notice of acceptance of this guaranty and any such extension modification or amendment. Further the said guarantor(s) agree that in the event the holder of this instrument shall institute or initiate any legal proceedings or incur any legal expense or attorneys' fees in exercising any of the holder's rights or remedies upon default, such expense for attorneys fees up to the maximum amount allowable by law may be added to the balance due and the undersigned shall be liable for the payment thereof as an additional obligation under this guaranty. Guarantors further stipulate and agree that fifteen percent (15%) of the total amount(s) due hereunder and remaining unpaid at the time suit is instituted by Bank or holder hereof shall be deemed to be reasonable attorneys fees.

Additional Provisions of Unconditional Guaranty and Endorsement

- If any process is issued or ordered to be served upon the Bank seeking to seize maker's or guarantor's rights and/or interest in any bank account maintained with Bank, the balance(s) in any such account(s) shall immediately be deemed to have been and shall be SET OFF against any and all amounts due by maker and any and all obligations and liabilities of guarantor hereunder, as of the time of the issuance of any such writ or process whether or not maker, guarantor and/or Bank shall then have been served therewith.
- All monies available to and/or received by Bank or holder hereof for application toward payment of or reduction of the amount due by maker(s) may be applied by Bank to such individual debt in such manner and apportioned in such a manner and at such times as Bank, at its sole discretion may deem suitable or desirable.
- Guarantor specifically recognizes and agrees that Bank has a security interest in any and all property of guarantors which Bank may hold, owe or have in its possession whether by account or by reason of any certificate of deposit, bond note or otherwise and that all such funds are subject to Bank's right of SET OFF.
- Guarantor shall be in default under this guaranty agreement upon the happening of any of the following events, circumstances or conditions.
  - Default in payment or performance of any of the obligation or of any covenant, warranty or liability contained or referred to herein or contained in any other security instrument or agreement of maker or guarantor with Bank whether now existing or hereafter arising with regard to the indebtedness evidenced by the note hereby guaranteed, or
  - Any warranty representation or statement made or furnished to Bank by or on behalf of the maker or guarantor in connection with this guaranty agreement or to induce Bank to extend credit or otherwise deal with either maker or guarantor proving to have been false in any material respect when made or furnished; or
  - Death, dissolution, termination of existence, insolvency, business failure, appointment of a receiver of any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceedings under any state or federal bankruptcy or insolvency laws by or against maker or guarantor; or
  - Failure of a corporate maker or guarantor to maintain his corporate existence in good standing; or
  - The assertion or making of any seizure, vesting or intervention by or under authority of any government by which the management of maker or guarantor is displaced of their authority in the conduct of their business or their business is curtailed, or
  - Upon the entry of any monetary judgment of the assessment and/or filing of any tax lien against either maker or guarantor or upon the issuance of any writ of garnishment or attachment against any property of debts due or rights of maker or guarantor to specifically include the commencement of any action or proceeding to seize monies of either maker or guarantor on deposit in any bank account with Bank, or
  - If Bank should otherwise deem itself, any security interest, its collateral or security property, or the debts and obligations of maker guaranteed hereby and hereunder and/or the liabilities of guarantor hereunder unsafe or in secure, or
  - Should Bank in good faith, believe that the prospect of payment or other performance by maker and/or guarantor is impaired.
- Upon the occurrence of any of the foregoing events, circumstances or conditions or default, and all of the obligation evidenced herein and secured or guaranteed hereby shall immediately be due and payable without notice.
- To the end that this guaranty shall be carried out in full and without limiting the generality of the foregoing guarantors herewith expressly waive any rights any one or more of said guarantors otherwise might have had under provisions of NCGS Section 26-7 et seq. and/or other North Carolina laws to require Bank to attempt to recover against maker and/or to realize upon any securities or collateral security which Bank holds for the obligations evidenced or secured hereby.

STATE OF NORTH CAROLINA—Forsyth County

I, \_\_\_\_\_, a Notary Public of Forsyth County, North Carolina, do certify that \_\_\_\_\_ and his wife, \_\_\_\_\_ each personally appeared before me this day and acknowledged the due execution of the foregoing Deed of Trust.

Witness my hand and official seal, this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.



My commission expires: \_\_\_\_\_

STATE OF NORTH CAROLINA—Forsyth County

I, Timothy J. Lowe, a Notary Public of Davidson County, North Carolina, do certify that Daniel D. Laycock and his wife, June F. Laycock

each personally appeared before me and acknowledged the due execution of the foregoing Deed of Trust. Witness my hand and official seal, this 22nd day of April, 1983 County of Davidson



Timothy J. Lowe

My commission expires: 5-21-85

STATE OF NORTH CAROLINA—Forsyth County

This 22nd day of April, A.D., 1983, personally came before me, Timothy J. Lowe, a notary public, June F. Laycock who, being by me

duly sworn, says that he knows the Common Seal of L. L. Corporation and is acquainted with Daniel D. Laycock who is the President of said Corporation, and that he, the said June F. Laycock is the Secretary of said Corporation, and saw the said President sign the foregoing instrument, and saw the said Common Seal of said Corporation affixed to said instrument by said President, and that he, the said June F. Laycock

Laycock, signed his name in attestation of the execution of said instrument in the presence of said President of said Corporation.

Witness my hand and official seal, this 22nd day of April, A.D., 1983 County of Davidson



Timothy J. Lowe

My commission expires: 5-21-85

STATE OF NORTH CAROLINA—Forsyth County

The foregoing (or annexed) AND RECORDED Timothy J. Lowe N.P. Davidson Co. N.C.

(are) certified to be correct. May 5 1983 5:50 PM A.D. 1983

\$1.00 Probate fee paid. Eunice Ayers, Register of Deeds, Deputy

REGISTER OF DEEDS FORSYTH CTY. N.C.

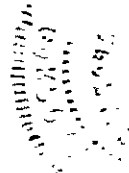
5.50 pd SC

Drawn By WALTER L. HANNEN

REIN BY REFERENCE

Individual Guarantor has hereunto set his hand and adopted as his seal his name, this the day and year first above written.

(SEAL)  
(SEAL)  
(SEAL)  
(SEAL)



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