106

PRESENTED FOR REGISTRATION AND RECORDED
DEC 31 1 23 PM '85
L.E. SPEAS
REGISTER OF DEEDS
FORSYTH CTY. N.C.
$14.50 pd

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: _____

Recording: Time, Book and Page

Tax Lot No. _____ Parcel Identifier No. _____
Verified by _____ County on the _____ day of _____, 19____
by _____
Mail after recording to HOUSE, BLANCO & OSBORN BOX
This instrument prepared by RONALD A. MATAMOROS
Brief description for the index

NORTH CAROLINA DEED OF TRUST

THIS DEED of TRUST made this 31 day of December, 19 85, by and between:

GRANTOR	TRUSTEE	BENEFICIARY
KERNERSVILLE INVESTORS	HOUSE, BLANCO & OSBORN, P. A.	AMERICAN BANK & TRUST CO.

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, That whereas the Grantor is indebted to the Beneficiary in the principal sum of THREE HUNDRED THOUSAND AND NO/100* Dollars ($300,000.00), as evidenced by a Promissory Note of even date herewith, the terms of which are incorporated herein by reference. The final due date for payment of said Promissory Note, if not sooner paid, is January 10, 1989

NOW, THEREFORE, as security for said indebtedness, advancements and other sums expended by Beneficiary pursuant to this Deed of Trust and costs of collection (including attorneys fees as provided in the Promissory Note) and other valuable consideration, the receipt of which is hereby acknowledged, the Grantor has bargained, sold, given, granted and conveyed and does by these presents bargain, sell, give, grant and convey to said Trustee, his heirs, or successors, and assigns, the parcel(s) of land situated in the City of ----, Kernersville Township, Forsyth County, North Carolina, (the "Premises") and more particularly described as follows:

SEE "EXHIBIT A" ATTACHED HERETO AND MADE A PART HEREOF.

TO HAVE AND TO HOLD said Premises with all privileges and appurtenances thereunto belonging, to said Trustee, his heirs, successors, and assigns forever, upon the trusts, terms and conditions, and for the uses hereinafter set forth,

If the Grantor shall pay the Note secured hereby in accordance with its terms, together with interest thereon, and any renewals or extensions thereof in whole or in part, all other sums secured hereby and shall comply with all of the covenants, terms and conditions of this Deed of Trust, then this conveyance shall be null and void and may be cancelled of record at the request and the expense of the Grantor. If, however, there shall be any default (a) in the payment of any sums due under the Note, this Deed of Trust or any other instrument securing the Note and such default is not cured within ten (10) days from the due date, or (b) if there shall be default in any of the other covenants, terms or conditions of the Note secured hereby, or any failure or neglect to comply with the covenants, terms or conditions contained in this Deed of Trust or any other instrument securing the Note and such default is not cured within fifteen (15) days after written notice, then and in any of such events, without further notice, 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 obtained such findings or leave of court as may then be required by law and giveing such notice and advertising the time and place of such sale in such manner as may then be provided by law, and upon such and any resales and upon compliance with the law then relating to foreclosure proceedings under power of sale to convey title to the purchaser in as full and ample manner as the Trustee is empowered. The Trustee shall be authorized to retain an attorney to represent him in such proceedings.

The proceeds of the Sale shall after the Trustee retains his commission, together with reasonable attorneys fees incurred by the Trustee in such proceeding, be applied to the costs of sale, including, but not limited to, costs of collection, taxes, assessments, costs of recording, service fees and incidental expenditures, the amount due on the Note hereby secured and advancements and other sums expended by the Beneficiary according to the provisions hereof and otherwise as required by the then existing law relating to foreclosures. The Trustee's commission shall be five percent (5%) of the gross proceeds of the sale or the minimum sum of $ _____ 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, including reasonable attorneys fees and a partial commission computed on five percent (5%) of the outstanding indebtedness or the above stated minimum sum, whichever is greater, in accordance with the following schedule to-wit: one-fourth (¼) thereof before the Trustee issues a notice of hearing on the right to foreclosure; one-half (½) thereof after issuance of said notice; three-fourths (¾) thereof after such hearing; and the greater of the full commission or minimum sum after the initial sale.

And the said Grantor does hereby convenant and agree with the Trustee 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, not less than that amount necessary to pay the sum secured by this Deed of Trust, and as may be satisfactory to 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 secured hereby remains unpaid. If Grantor fails to purchase such insurance, pay premiums therefor or deliver said policies 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 principal of the Note secured by this Deed of Trust, and shall be due and payable upon demand of Beneficiary. All proceeds from any insurance so maintained shall at the option of Beneficiary be applied to the debt secured hereby and if payable in installments, applied in the inverse order of maturity of such installments or to the repair or reconstruction of any improvements located upon the Property.

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 principal of the Note secured by this Deed of Trust, and shall be due and payable upon demand of Beneficiary.

3. ASSIGNMENTS OF RENTS AND PROFITS. Grantor assigns to Beneficiary, in the event of default, all rents and profits from the land and any improvements thereon, and authorizes Beneficiary to enter upon and take possession of such land and improvements, to rent same, at any reasonable rate of rent determined by Beneficiary, and after deducting from any such rents the cost of reletting and collection, to apply the remainder to the debt secured hereby.

4. 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, this Deed of Trust, and any other instrument that may be securing said Note.

5. 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 will comply with all governmental requirements respecting the Premises or their use, and that he will not commit or permit any waste.

6. CONDEMNATION. In the event that any or all of the Premises shall be condemned and taken under the power of eminent domain, Grantor shall give immediate written notice to Beneficiary and Beneficiary shall have the right to receive and collect all damages awarded by reason of such taking, and the right to such damages hereby is assigned to Beneficiary who shall have the discretion to apply the amount so received, or any part thereof, to the indebtedness due hereunder and if payable in installments, applied in the inverse order of maturity of such installments, or to any alteration, repair or restoration of the Premises by Grantor.

7. 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) All easements and restrictions of record, if any.

8. 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 any reason the holder of the Note desires to replace said Trustee, then the holder 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 rights, powers and duties of the Trustee.

[X] **THE FOLLOWING PARAGRAPH, 9. SALE OF PREMISES, SHALL NOT APPLY UNLESS THE BLOCK TO THE LEFT MARGIN OF THIS SENTENCE IS MARKED AND/OR INITIALED.**

9. SALE OF PREMISES. Grantor agrees that if the Premises or any part thereof or interest therein is sold, assigned, transferred, conveyed or otherwise alienated by Grantor, whether voluntarily or involuntarily or by operation of law [other than: (i) the creation of a lien or other encumbrance subordinate to this Deed of Trust which does not relate to a transfer of rights of occupancy in the Premises, (ii) the creation of a purchase money security interest for household appliances; (iii) a transfer by devise, decent, or operation of law on the death of a joint tenant or tenant by the entirety; (iv) the grant of a leasehold interest of three (3) years or less not containing an option to purchase, (v) a transfer to a relative resulting from the death of a Grantor; (vi) a transfer where the spouse or children of the Grantor become the owner of the Premises, (vii) a transfer resulting from a decree of a dissolution of marriage, legal separation agreement, or from an incidental property settlement agreement, by which the spouse of the Grantor becomes an owner of the Premises, (viii) a transfer into an inter vivos trust in which the Grantor is and remains a beneficiary and which does not relate to a transfer of rights of occupancy in the Premises), without the prior written consent of Beneficiary, Beneficiary, at his own option, may declare the Note secured hereby and all other obligations hereunder to be forthwith due and payable. Any change in the legal or equitable title of the Premises or in the beneficial ownership of the Premises, including the sale, conveyance or disposition of a majority interest in the Grantor if a corporation or partnership, whether or not of record and whether or not for consideration, shall be deemed to be the transfer of an interest in the Premises.

10. ADVANCEMENTS. If Grantor shall fail to perform any of the covenants or obligations contained herein or in any other instrument given as additional security for the Note secured hereby, the Beneficiary may, but without obligation, make advances to perform such covenants or obligations, and all such sums so advanced shall be added to the principal sum, shall bear interest at the rate provided in the Note secured hereby for sums due after default and shall be due from Grantor on demand of the Beneficiary. No advancement or anything contained in this paragraph shall constitute a waiver by Beneficiary or prevent such failure to perform from constituting an event of default.

11. INDEMNITY. If any suit or proceeding be brought against the Trustee or Beneficiary or if any suit or proceeding be brought which may effect the value or title of the Premises, Grantor shall defend, indemnify and hold harmless and on demand reimburse Trustee or Beneficiary from any loss, cost, damage or expense and any sums expended by Trustee or Beneficiary shall bear interest as provided in the Note secured hereby for sums due after default and shall be due and payable on demand.

12. WAIVERS. Grantor waives all rights to require marshalling of assets by the Trustee or Beneficiary. No delay or omission of the Trustee or Beneficiary in the exercise of any right, power or remedy arising under the Note or this Deed of Trust shall be deemed a wavier of any default or aquiescence therein or shall impair or waive the exercise of such right, power or remedy by Trustee or Beneficiary at any other time.

13. 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 fee of the Trustee in such action shall be paid by the Beneficiary and added to the principal of the Note secured by this Deed of Trust and bear interest at the rate provided in the Note for sums due after default.

14. 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.

15. OTHER TERMS.

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) KERNERSVILLE INVESTORS

_____ (SEAL)

By: _____

_____ President SEE ATTACHED SCHEDULE FOR ~~SIGNATURES TO THIS DEED OF TRUST~~ (SEAL)

ATTEST:

_____ (SEAL)

_____ Secretary (Corporate Seal) _____ (SEAL)

SEAL-STAMP NORTH CAROLINA, _____ *County.*

I, a Notary Public of the County and state aforesaid, 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 NORTH CAROLINA, _____ *County.*

I, a Notary public of the County and state aforesaid, certify that _____

_____ Grantor,

personally appeared before me this day and acknowledged that he is _____ Secretary of _____ a North Carolina corporation, and that by authority duly given and as an 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 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

N.C. Bar Assn. Form No. 5 © 1976, Revised © 1985 Printed by Agreement with the N.C. Bar Assn. Poole Printing Co., Inc., P.O. Box 1372, Raleigh, N.C. 27619

BOOK 1521 1206

SIGNATURE PAGE TO
THAT CERTAIN DEED OF TRUST
FROM KERNERSVILLE INVESTORS
TO AMERICAN BANK & TRUST CO.
DATED DECEMBER 31, 1985

KERNERSVILLE INVESTORS, a North Carolina General Partnership

BY: S & A PARTNERSHIP, Partner

By: _____ (SEAL)

BY: _____ (SEAL)
Grover Shugart, Jr. Partner

BY: _____ (SEAL)
Claude R. Horn, Jr. - Partner

BY: _____ (SEAL)
Claude M. Horn - Partner
By: Claude R. Horn, Jr.,
Attorney-in-Fact

BY: _____ (SEAL)
Henry C. Horn - Partner
By: Claude R. Horn, Jr.,
Attorney-in-Fact

BY: _____ (SEAL)
Stephen H. Homer - Partner

BY: _____ (SEAL)
William Elesha - Partner

BY: _____ (SEAL)
John E. Faulk - Partner

BY: _____ (SEAL)
Michael H. Rubin - Partner

BY: _____ (SEAL)
Thomas J. Koontz - Partner

BY: _____ (SEAL)
Richard R. Guidetti - Partner

BY: _____ (SEAL)
Paul Beerman - Partner

BY: _____ (SEAL)
John E. Phillips - Partner

(SIGNATURES CONTINUED ON PAGE 2)

BY: _____ (SEAL)
Billy J. Shoaf - Partner

BY: _____ (SEAL)
Paul P. Gwyn - Partner

K'VILL4A.RAM/lo

BOOK 152 PAGE 208

STATE OF NORTH CAROLINA

COUNTY OF Forsyth

I, Ronald A Matamoros, a Notary Public of said State and County, certify that Larry Alexander, Partner of S & A PARTNERSHIP, a North Carolina General Partnership, personally appeared before me this day and acknowledged the due execution of the foregoing instrument for and on behalf of said Partnership.

WITNESS my hand and Notarial Seal or Stamp, this the 30 day of December, 1985.

Notary Public

My Commission Expires:

OFFICIAL SEAL
Notary Public, North Carolina
County of Forsyth
RONALD A. MATAMOROS
My commission expires Nov. 16, 1988

NOTARIAL SEAL/STAMP:

STATE OF NORTH CAROLINA

COUNTY OF Forsyth

I, Ronald A. Matamoros, a Notary Public of said State and County, certify that GROVER SHUGART, JR., CLAUDE R. HORN, JR., STEPHEN H. HOMER, WILLIAM ELESHA, JOHN E. FAULK, MICHAEL H. RUBIN, THOMAS J. KOONTZ, RICHARD R. GUIDETTI, PAUL BEERMAN, JOHN E. PHILLIPS, BILLY J. SHOAF, and PAUL P. GWYN, Partners of KERNERSVILLE INVESTORS, a North Carolina General Partnership, personally appeared before me this day and acknowledged the due execution of the foregoing instrument for and on behalf of said Partnership.

WITNESS my hand and Notarial Seal or Stamp, this the 30 day of December, 1985.

Notary Public

My Commission Expires:

OFFICIAL SEAL
Notary Public, North Carolina
County of Forsyth
RONALD A. MATAMOROS
My commission expires Nov. 16, 1988

NOTARIAL SEAL/STAMP:

STATE OF NORTH CAROLINA

COUNTY OF Forsyth

I, Ronald A. Matamoros, a Notary Public of said County and State, do hereby certify that CLAUDE R. HORN, JR., Attorney-in-Fact for CLAUDE M. HORN, Partner of KERNERSVILLE INVESTORS, a North Carolina General Partnership, personally appeared before me this day and being by me duly sworn, says that he executed the foregoing and annexed instrument for and on behalf of CLAUDE M. HORN, and that his authority to execute and acknowledge said instrument is contained in an instrument duly executed, acknowledged and recorded in the office of the Register of Deeds of Forsyth County, North Carolina, on the 31 day of December, 1985, and that this instrument was executed under and by virtue of the authority given by said instrument granting him Power of Attorney; that the said CLAUDE R. HORN, JR., Attorney-in-Fact, acknowledged the due execution of the foregoing and annexed instrument for the purposes therein expressed for and in behalf of the said CLAUDE M. HORN.

I do further certify that I am not a party to the attached instrument.

WITNESS my hand and Notarial or Stamp, this the 30 day of December, 1985.

Notary Public

My Commission Expires:

OFFICIAL SEAL
Notary Public, North Carolina
County of Forsyth
RONALD A. MATAMOROS
My Commission expires Nov. 16, 1988

NOTARIAL SEAL/STAMP:

STATE OF NORTH CAROLINA

COUNTY OF Forsyth

I, Ronald A. Matamoros, a Notary Public of said County and State, do hereby certify that CLAUDE R. HORN, JR., Attorney-in-Fact for HENRY C. HORN, Partner of KERNERSVILLE INVESTORS, a North Carolina General Partnership, personally appeared before me this day and being by me duly sworn, says that he executed the foregoing and annexed instrument for and on behalf of HENRY C. HORN, and that his authority to execute and acknowledge said instrument is contained in an instrument duly executed, acknowledged and recorded in the office of the Register of Deeds of Forsyth County, North Carolina, on the 31 day of December, 1985, and that this instrument was executed under and by virtue of the authority given by said instrument granting him Power of Attorney; that the said CLAUDE R. HORN, JR., Attorney-in-Fact, acknowledged the due execution of the foregoing and annexed instrument for the purposes therein expressed for and in behalf of the said HENRY C. HORN.

I do further certify that I am not a party to the attached instrument.

WITNESS my hand and Notarial or Stamp, this the 30 day of Decamb, 1985.

Notary Public

My Commission Expires:

OFFICIAL SEAL
Notary Public, North Carolina
County of Forsyth
RONALD A. MATAMOROS
My commission expires Nov. 16, 1988

NOTARIAL SEAL/STAMP:

STATE OF NORTH CAROLINA--Forsyth County

The foregoing (or annexed) certificate 5 of Ronald A. Matamoros N.P. Forsyth Co NC
(here give name and official title of the officer signing the certificate passed upon)

~~is~~ (are) certified to be correct. This the 31 day of Dec 1985.

L. E. Speas, Register of Deeds

By _____ ~~Deputy~~-Assistant

Probate ~~and Filing~~ Fee $ 1.00 paid.

BOOK 1521 PAGE 211

EXHIBIT A

Lots 4, 5, 6, 11, 12, 15 and 16, Springbrook, Sec. 2, Phase Two, as recorded in Plat Book 30, Page 100, and Lots 7, 8, 9, 10 and 17, Springbrook, Sec. 2, Phase Three, recorded in Plat Book 30, Page 101.

kv2.ram/lo

BOOK 152 PAGE 212