

Drafted by: Randolph M. Jones
633 W. 4th St
Winston-Salem NC 27101

RK1690 P1242 ✓

Prepared by:

Mail after recording to:

Housing Services Department
City of Winston-Salem
225 West Fifth Street, Suite 320
City Plaza Building
Winston-Salem, NC 27101

Attention: Martha Young

RENTAL-REHABILITATION PROGRAM

DEED OF TRUST

This DEED OF TRUST is made this 6th day of April, 1990, by and among

R & J Messick, Inc.

the grantor(s) (hereafter the BORROWER), and Ronald G. Seeber, Trustee, of Forsyth County, North Carolina (hereafter the Trustee); and the beneficiary, City of Winston-Salem, a North Carolina municipal corporation (hereafter the LENDER);

W I T N E S S E T H:

THAT WHEREAS the BORROWER is indebted to the LENDER in the principal sum of Three Thousand and 00/100----- Dollars (\$3,000.00), as evidenced by a terms of which are incorporated herein by reference;

NOW, THEREFORE, as security for the said debt and a valuable consideration, the BORROWER has bargained, sold, given, granted, and conveyed and does by these presents bargain, sell, give, grant, and convey to the Trustee, his heirs, successors and assigns, the real property situated in the City of Winston-Salem, Forsyth County, North Carolina and more particularly described in Exhibit A attached hereto and made a part hereof (hereafter the PROJECT);

TOGETHER with all appurtenances thereto and all the estate and rights of the BORROWER in and to the PROJECT or anywise appertaining thereto, all buildings and other structures now or hereafter thereon erected on installed, and all fixtures and articles of personal property now or hereafter attached to, or used in, or in the operation of, any such land, buildings or structures which are necessary to the complete use and occupancy of such buildings or structures for the purposes for which they were or are to be erected or installed, including, but not limited to, all heating, plumbing, lighting, cooking, laundry, ventilating, refrigerating, incinerating and air-conditioning equipment and fixtures, and all replacements thereof and additions thereto, whether or not the same are or shall be attached to such land, buildings or structures in any manner.

This conveyance of the PROJECT is made IN TRUST to secure: (1) the reasonable costs and expenses incident to this trust; (2) the payment of the Promissory Note; and (3) the BORROWER'S compliance with the terms and the conditions of the Promissory Note and with the following covenants, violation of any of which is expressly understood to be an instance of default both under the Promissory Note and under this Deed of Trust, that the BORROWER and his successors and assigns will:

- (a) keep dwelling units in the PROJECT in good condition and repair, fully tenantable and not to remove or demolish any dwelling unit thereon; to complete or restore promptly and in good and workmanlike manner any dwelling unit which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished to the PROJECT; to comply with all laws affecting the PROJECT or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act thereon in violation of law;

- (b) provide, maintain and deliver to the LENDER evidence of fire- and-extended-coverage insurance satisfactory to and with loss payable to the LENDER in the order and the amount of the balance outstanding on the Promissory Note; assigns to the LENDER any award of damages, or portion thereof, in connection with any condemnation for public use of or injury to the PROJECT in the same manner and with the same effect as provided for payment of proceeds of fire or other insurance;
- (c) pay all taxes, assessments, utilities and other expenses of the PROJECT when due and without delinquency, and not permit any liens to be imposed on the PROJECT by reason of any delinquency;
- (d) not convert the dwelling units in the PROJECT to condominium ownership or to any form of cooperative ownership;
- (e) not discriminate against or deny occupancy to any tenant or prospective tenant by reason of their receipt of or eligibility for housing assistance, under any federal, state or local housing-assistance program; and not discriminate against or deny occupancy to any tenant or prospective tenant by reasons that the tenant has a minor child or children who will be residing with the tenant, unless the PROJECT be one reserved for elderly tenants;
- (f) grant the LENDER right of access and inspection of the PROJECT at reasonable times and with reasonable notice to the BORROWER;
- (g) not hereafter create, permit or suffer to be created or to exist on or against the PROJECT or any part thereof, without the prior written consent of the LENDER, any lien superior to the lien of this DEED of Trust and keep and maintain the same free from the claims of all parties supplying labor or materials which will enter into the construction or installation of the improvements of the PROJECT; agree and warrant that no liens now exist on the subject property except the following described liens;
- (h) not permit to become in default for nonpayment or for any other reason any promissory note or any other obligation the repayment of which is secured by a deed of trust or any other security instrument on the PROJECT superior or inferior in lien to that of this Deed of Trust and that, in case the LENDER or its successors or its assigns should be required, because of such default in such superior note or other obligations, to make payments on or in connection with such superior note or obligation, including, without limitation, attorneys' and accountants' fees, in order to protect the status of the lien of this Deed of Trust, the amounts so expended shall become debts due, shall bear interest at the highest rate permitted by law, and their payment will be secured by this Deed of Trust.
- (i) not permit to become in default, for nonpayment or for any other reason, any promissory note or other obligation secured by a deed of trust or other security instrument on the PROJECT, and a default under any promissory note or other obligation secured by a deed of trust or other security instrument on the PROJECT, whether superior or inferior in lien to that of this Deed of Trust, shall be a default hereunder.

The BORROWER covenants with the Trustee and the LENDER that he is seized of the premises in fee simple and has the right to convey the same in fee simple; that the title to the PROJECT is marketable and free and clear of all encumbrances except those, if any, specified hereinabove, in subparagraph (g); and that he will warrant and defend the title to the PROJECT against the lawful claims of all persons whomsoever, except for the exceptions hereinafter stated. Title to the PROJECT is subject to the following exceptions:

The BORROWER hereby appoints the Trustee a true and lawful attorney-in-fact to manage the PROJECT and collect the rents, with full power to bring suit for collection of the said rents and possession of the PROJECT, giving and granting unto the Trustee and unto his agent or attorney full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done, in the discretion of the Trustee; provided, however, that this power of attorney and assignment of rents shall not be construed as an obligation upon the Trustee to make or cause to be made any repairs that may be necessary. The Trustee is empowered to receive the proceeds of the rents and the profits of the PROJECT, out of which he shall pay: FIRST: reasonable charges for collection of the said rents, including attorney's fees; NEXT: general and special taxes and local improvement assessments; if any; NEXT: accrued principal and interest under any prior deed of trust due and remaining unpaid; and FINALLY, the remainder, if any, toward the payment of the Promissory Note as it falls due. This power of attorney and assignment of rents shall be irrevocable until this Deed of Trust shall have been satisfied and released of record, and the releasing of this Deed of Trust shall act as a revocation of this power of attorney and assignment of rents. This power of attorney to collect rents shall not take effect until and unless default is made in the payment or conditions of the Note secured hereby or any extension thereof, or default in performance of any covenant in this Deed of Trust contained, and shall continue only during such default or any subsequent default. It shall be within the sole discretion of the Trustee whether to exercise this power of attorney; PROVIDED HOWEVER, that nothing in this Deed of Trust shall be so construed as to prevent the legal holder of the Promissory Note to have and to take every legal step and means to enforce the Promissory Note, without having first caused the execution of the trust herein created.

If the BORROWER shall pay the Promissory Note secured hereby in accordance with its terms, together with interest thereon, and shall comply with all of the covenants, terms and conditions of the Promissory Note and this Deed of Trust, then this conveyance shall be null and void and may be cancelled of record at the request of the BORROWER. If, however, there shall be any default in any of the covenants, terms or conditions contained herein or in the Promissory Note or in any subsequent instruments executed between or among the parties hereto, and such default is not cured within 15 days, the Promissory Note shall, at the option of the LENDER, at once become due and payable without notice. In that event the remedies provided herein, in the Promissory Note, and in each of the subsequent instruments, if any, shall be available to the Trustee and the LENDER. These include, by way of illustration and not limitation, in the discretion of the Trustee and the LENDER, the assignment and the collection of the rents and profits of the PROJECT, and that the Trustee is authorized and empowered, upon request of the LENDER, to see the PROJECT at public auction for cash, after having first given notice of hearing as to commencement of foreclosure proceedings and after having obtained such findings or leave of court as may be then required by law, and giving such notice and advertising of the time and the place of sale in such manner as may be then required by law, and upon such sale and any resales and upon compliance with the law at that time relating to foreclosure proceedings, to convey title to the purchaser at the foreclosure sale in fee simple. In case of a foreclosure, the PROJECT may be sold as a whole or in separate portions thereof, at the election of the LENDER. The proceeds of the foreclosure sale shall be applied to the payment of the Trustee's commissions, the costs of sale, the amount due on the Promissory Note and then as required by the then existing law relating to foreclosures.

In the event that the Trustee is named as a party to any civil action as Trustee in this Deed of Trust, or institutes foreclosure proceedings against the BORROWER in the event of any default by the BORROWER as hereinabove provided, the Trustee shall be entitled to employ an attorney-at-law, including himself if he is a licensed attorney, to represent him in such action or proceedings, and the reasonable attorney's fees of the Trustee in such action shall be paid by the LENDER and charged to the Promissory Note as secured by this Deed of Trust.

The irrevocable power to appoint a substitute Trustee or Trustees is hereby expressly granted to the LENDER, its successors and assigns, to be exercised at any time hereafter without notice and without specifying any reason therefor. Each such appointment shall be made by a written instrument and shall be duly recorded in the office of the Register of Deeds of Forsyth County. Upon such appointment, the successor Trustee shall be vested with all title, power, and duties conferred upon any Trustee herein named or acting hereunder.

The LENDER reserves and shall have the exclusive right to waive, at its sole discretion and to the extent permitted by law, any covenant or provision under this instrument or the Promissory Note. No act or failure to act by or on behalf of the LENDER shall be or be deemed or construed to be a waiver of such covenant or provision unless made in writing, signed by the LENDER, and expressly stated to constitute a waiver.

The covenants herein contained shall bind, and the benefits and advantages shall inure to, the respective successors and assigns of the parties hereto and shall inure to the successors in office of the Trustee.

Whenever used, the singular, and the use of any gender, shall be applicable to the plural and to all genders, as appropriate.

IN WITNESS WHEREOF, the BORROWER 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, all as of the day and the year first hereinabove written.

R & J Messick, Inc.
(Corporate Name)

_____(Seal)

By: *Russell Smith*
President

_____(Seal)

ATTEST:

Janet J. Messick
Secretary
(Affirm Corporate Seal)

_____(Seal)



STATE OF North Carolina

BK1690 P1246
COUNTY OF Forsyth

I, _____, Notary Public in and for the above named County and State, do hereby certify that due execution of the foregoing instrument was this day acknowledged before me by _____, for the purposes therein expressed.

Witness my hand and my notarial seal, this _____ day of _____, 19____.

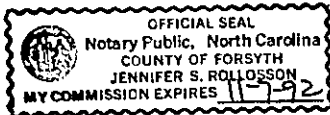
Notary Public

My commission expires: _____

STATE OF North Carolina COUNTY OF Forsyth

I, Jennifer S. Rollosan, Notary Public in and for the above named County and State, do hereby certify that on this day personally appeared before me Janet J. Messick, with whom I am personally acquainted, who, being by me duly sworn, says that he/she is _____ Secretary and that Randall S. Messick is _____ President of REJ Messick Inc., the corporation which is named within and which executed the foregoing instrument; that he/she knows the common seal of the said corporation; that the seal affixed to the said instrument is the said common seal; that the name of the corporation was subscribed thereto by the said _____ President; and that the said _____ President and _____ Secretary, subscribed their names thereto, and the said common seal was affixed, all by order of its Board of Directors duly given; and the said instrument is the act and deed of said corporation.

Witness my hand and my notary seal, this 10th day of April, 1990.



Jennifer S. Rollosan
Notary Public

My commission expires: 11-7-92

STATE OF NORTH CAROLINA—Forsyth County

The foregoing (or annexed) certificate of Jennifer S. Rollosan NP
(Here give name and official title of the officer signing the certificate passed upon)

204,45 Co. NC PRESENTED FOR
REGISTRATION
AND RECORDING
is (and) certified to be correct. This the 10 day of April, 1990.

APR 10 5 10 PM '90 Register of Deeds

Probate and Filing Fee \$ 16.00 paid. By A Hunter Deputy Assistant
REGISTER OF DEEDS
FORSYTH COUNTY, NC

AA

Exhibit A

(Description Of Property)

Tract 23 (327 14th Street)

BEGINNING at an iron stake in the North line of 14th Street (formerly called Lenoir Street), said stake being located 330 feet Eastwardly from the East line of Patterson Avenue, formerly called Depot Street; running thence Northwardly on a line parallel with the East line of Patterson Avenue 140 feet to an iron stake in the South line of an alley; thence with the South line of the alley Eastwardly 50 feet to an iron stake; thence Southwardly on a line parallel with the East line of Patterson Avenue 140 feet to an iron stake in the North line of 14th Street; thence with said line Westwardly 50 feet to the Beginning; Being sometimes designated as Lot No. 118 in Block 230 on the Forsyth County Tax Map; and being the same property as that described in Deed Book 507, Page 345, Public Registry of Forsyth County, North Carolina.