

Drafted by: George E. Hollodick  
Return to: House & Blanco, P.A. Box

BK1763 P2961  
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## DEED OF TRUST AND SECURITY AGREEMENT

THIS DEED OF TRUST AND SECURITY AGREEMENT (The "Deed of Trust") is made and entered into this the

20 day of November, 19 92, by and between  
P & A PARTNERS, A NORTH CAROLINA GENERAL PARTNERSHIP

whether one or more persons (hereinafter "Debtor"), whose address is 4680-D Brownsboro Rd., Winston-Salem, NC and Nicholas A. Daves, Trustee (hereinafter "Trustee"), and ENTERPRISE NATIONAL BANK OF THE PIEDMONT and any subsequent holder of the note(s) hereafter mentioned, as his, her or its interest may appear, (hereinafter "Lender").

WITNESSETH, that whereas Debtor is indebted to Lender in the principal sum of TWO HUNDRED FIVE THOUSAND AND NO/100----- (\$ 205,000.00 ) Dollars, together with interest thereon at the Interest Rate specified in the Note evidencing said indebtedness, all terms of which are incorporated herein by reference; payable at the office of Lender as specified in said Note, or at such other place as the holder may designate in writing. The due date for final payment of said Note, if not sooner paid and if payment thereof is not extended, is November 20, 2007.

**FUTURE ADVANCES:** Pursuant to provisions of Article 7 of Chapter 45 of the North Carolina General Statutes, this Deed of Trust is being given to secure, in addition to the obligation evidenced by the Note first above referred to, any future loans or advances made by Lender to Debtor hereunder, or any successors in title, prior to cancellation of this Deed of Trust, provided that this Deed of Trust shall not secure more than the principal amount of TWO HUNDRED FIVE THOUSAND AND NO/100----- (\$ 205,000.00 ) Dollars, including present and future obligations hereunder, at any one time, plus any advances necessary for the protection or preservation of the collateral and/or security, interest due on obligations secured hereby, and costs. It is further understood and agreed by and between the parties hereto that this Deed of Trust shall secure the original present obligation first above shown, together with any and all loans or advances hereunder to Debtor, subject to the maximum amount stated above which may be secured hereunder at any one time, provided that the period within which such future obligations may be incurred and secured hereby shall not extend for more than fifteen (15) years from the date of this Deed of Trust. It is further understood and agreed that Lender is authorized to make future advances from time to time to be secured by this Deed of Trust without any other written instrument or notation signed by Debtor.

NOW THEREFORE, in consideration of the aforesaid indebtedness, to additionally secure payment of said debt and all other obligations of Debtor to Lender secured hereby, and in consideration of the sum of One Dollar (\$1.00) cash in hand paid, the receipt and sufficiency of which is hereby acknowledged, Debtor hereby grants and conveys to Trustee, his successors and assigns, the following described premises located in Winston Township, Forsyth County, State of North Carolina, the street address being: 4680-D Brownsboro Road Winston-Salem, N. C., and more particularly described, as follows:

See Exhibit A attached hereto and incorporated herein by this reference.

together with improvements and fixtures now or hereafter attached to or used in connection with said premises (collectively the "Property").

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**TO HAVE AND TO HOLD** the Property, with all the rights, privileges and appurtenances thereto belonging, to **Trustee**, his successors and assigns, forever. **Debtor** covenants with said **Trustee** that he is seized of the Property in fee and has the right to grant and convey the same in fee; that the Property is free and clear of all encumbrances unless contrary information is hereunder stated, and that he will warrant and forever defend the Property unto said **Trustee** from and against all claims of all persons whomsoever.

**IN TRUST, HOWEVER**, for the uses and purposes following:

If **Debtor** shall well and truly perform all the terms and conditions of this Deed of Trust and of the Note(s) and other evidences of debt or obligations secured hereby, then this conveyance shall be null and void, and shall be properly cancelled of record. If, however, there shall be a default under this Deed of Trust, or under any of the evidences of debt or obligation secured hereby, then all sums owing by **Debtor** to **Lender** under this Deed of Trust, or under the Note(s) or other evidences of debt or obligation secured hereby shall immediately become due and payable without notice, and, on application of said **Lender**, it shall be lawful for and the duty of **Trustee** to sell the Property 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 after giving such notice and advertising the time and place of such sale in such manner as may then be provided by law; and upon such sale and any resales and upon full and complete compliance with the then law relating to foreclosure proceedings, to convey title to the purchaser in fee simple; and upon such foreclosure sale, said **Trustee** shall collect the proceeds of sale and convey title to the purchaser in fee simple. The proceeds of any such sale shall be applied in the manner and in the order prescribed by applicable North Carolina laws, it being agreed that the expenses of any such sale shall include a commission of five per centum (5%) of the gross sales price to **Trustee** for conducting such sale and for all services performed by him hereunder. **Lender** may bid and become the purchaser at any foreclosure sale under this Deed of Trust. Further, at any such sale, **Trustee** may, at his election, require the successful bidder immediately to deposit with him cash or a certified check in an amount equal to all or any part of the successful bid; provided notice of any such requirement is included in the advertisement of the notice of such foreclosure sale.

**Debtor** does hereby covenant and agree as follows:

1. **Payments.** **Debtor** shall make timely payments of principal, interest and any other charges due on the aforementioned Note(s) and/or other evidences of debt or obligation secured hereby in the amounts, in the manner and at the place set forth therein.

2. **Limitation on Transfers—Encumbrances.** **Debtor** agrees not to and will not attempt to transfer, sell, or further encumber said Property, or any interest therein, so long as any amount secured hereby is unpaid without prior, written approval of **Lender**.

3. **Insurance.** **Debtor** will keep all improvements now existing or hereafter erected on the Property insured, as may be required from time to time by **Lender**, against loss by fire and other hazards, casualties and contingencies in such amounts and for such periods as may be required by **Lender**, and will pay promptly, when due, any premiums on such insurance. All insurance shall be carried with companies approved by **Lender**, and the policies and renewals thereof shall be held by said **Lender** and have attached thereto loss payable clauses in favor of and in form acceptable to **Lender**. In the event of loss, **Debtor** will give immediate notice by mail to **Lender**, who may make proof of loss (the **Lender** is hereby granted an irrevocable durable power of attorney - coupled with an interest - for purposes of filing any proof of loss) if such is not made promptly by **Debtor**, and each insurance company concerned is hereby expressly authorized and directed to make payment for such loss directly to **Lender** instead of to **Debtor** and **Lender** jointly. Further, **Lender** may apply the insurance proceeds, or any part thereof, in its sole discretion and at its option, either to the reduction of the indebtedness hereby secured or to the restoration or repair of the Property, or portion thereof, damaged. In the event of foreclosure of this Deed of Trust or other transfer of title to the Property in extinguishment of the indebtedness secured hereby, all right, title and interest of **Debtor** in and to any insurance policies then in effect shall pass to the purchaser or grantee.

4. **Taxes—Assessments—Liens.** **Debtor** will pay all taxes, assessments, water charges, and other governmental or municipal charges, fines or impositions before any penalty or interest accrues thereon, and he will promptly deliver the official receipts therefor to **Lender**; that he further will pay all other charges and/or encumbrances which shall hereafter be or appear to be a lien upon the Property or any portion thereof. Upon default thereof, **Lender** shall have the right (but not the obligation) to pay the same under the terms and conditions stated hereinafter.

5. **Repairs.** **Debtor** will keep the Property in as good order and repair as they are now (reasonable wear and tear excepted) and will neither commit nor permit any waste or any other thing whereby the value of the Property conveyed might be impaired.

6. **Compliance with Laws.** **Debtor** shall regularly and promptly comply with any applicable legal requirements of 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 power of eminent domain shall be payable to **Lender**, who may apply said sums so received to any debt(s) hereby secured in such manner as said **Lender** may deem appropriate, in its sole discretion.

8. **Payments by Lender.** If **Debtor** shall be in default in the timely payment or performance of any obligation under this Deed of Trust or the Note(s) or other evidences of debt or obligation hereby secured, **Lender** may, but is not obligated to, expend for the account of **Debtor** such sums as may be necessary to cure any such default. Further, **Lender** may, but is not obligated to, expend for the account of **Debtor** such sums, expenses and fees as may become necessary or be incurred 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 at twelve percent (12%) per annum or such lesser rate as shall not exceed the maximum rate permitted by law until paid and shall be due and payable on demand. **Lender** shall be under no obligation to do any of the foregoing, and its failure to do so shall not be construed as a waiver of any default hereunder.

9. **Escrow Deposits.** Upon demand of **Lender**, **Debtor** will add to each monthly or other periodic payment required under the Note(s) and other evidences of debt or obligation secured hereby the amount estimated by **Lender** to be sufficient to enable **Lender** to pay, as they become due, all taxes, charges, assessments, and insurance premiums which **Debtor** is required to pay hereunder. Further, any deficiency occasioned by an insufficiency of such additional payments shall be forthwith deposited by **Debtor** with **Lender** upon demand.

10. **Assignment of Leases and Rents and Profits.** **Debtor** hereby absolutely and unconditionally assigns to **Lender** all existing and future leases, rents and profits from the Property as additional security for the payment of all indebtedness and obligations hereby secured and full performance of all his undertakings hereunder. **Lender** is herewith given a prior and continuing lien thereon, and **Debtor** hereby appoints **Lender** his attorney in fact to collect such rents and profits, with or without suit, and to apply the same (less expenses of collection) to said indebtedness and the performance of said undertaking in such manner as **Lender** may desire. However, until default hereunder or under the Note(s) and other evidences of debt or obligation secured hereby, **Debtor** may continue to collect and enjoy such rents and profits, without any accountability to **Lender**, but no more than one (1) month in advance. This assignment shall be irrevocable and shall be in addition to other remedies herein provided for in event of default and may be put into effect independently of or concurrently with any of said other remedies.

11. **Debtor's Continuing Obligation.** **Debtor** shall remain liable for full payment of the principal and interest on the Note(s) or any other evidences of debt or obligation secured hereby, notwithstanding any of the following. (a) the sale of all or any part of the Property, (b) the assumption by another party of his obligations hereunder, (c) the forbearance or extension of time for payment or performance of any obligations hereunder or of any obligations secured hereby, whether granted to **Debtor** or to a subsequent owner of the Property, or (d) the release of all or any part of the Property securing said obligations or the release of any party who assumes payment of the same. None of the foregoing shall, in any way, affect the full force and effect of the lien of this Deed of Trust or impair **Lender's** right to a deficiency judgement (in the event of foreclosure) against **Debtor** or any party assuming the obligations hereunder.

12. **Substitution of Trustee.** Lender shall have the unqualified right to remove the Trustee named above and to appoint one or more substitute or successor Trustees by instruments filed for registration in the Public Registry where this Deed of Trust is recorded. Any such removal or appointment may be made at any 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 Trustee herein named, in the same manner and to the same effect as though he were named herein as the original Trustee.

13. **Default and Foreclosure.** If Debtor shall sell or convey said real estate while any sum secured hereby is due and unpaid hereunder, without the prior written approval of the then holder of the Note(s) or other evidences of debt or obligation secured hereby, or if Lender should deem itself, its security interest hereunder or the obligations secured hereby unsafe or insecure, or if Debtor should default in the payment or performance of any of the obligations herein or in any Note(s) and/or evidences of debt or obligation secured hereby; or if the Debtor should default under the terms of any instrument secured by a lien to which this Deed of Trust is subordinate; then all of the obligations secured hereby shall immediately become due and payable, without notice. If there is a foreclosure sale of the Property herein conveyed, as herein provided, Debtor does hereby release and relinquish all rights, title, and interest in and to the Property, or the possession thereof, and assigns to the purchaser at said foreclosure sale all the rents or profits accruing therefrom, together with the right to collect the same. Further, if foreclosure proceedings are instituted under this Deed of Trust, Trustee is hereby authorized to take possession of the Property above described, and collect any rental, accrued or to accrue; or Trustee may lease the Property or any part thereof, receive the rents, income and profits therefrom, and hold the proceeds subject to the order of the court for the benefit of Lender, pending the final decree in said foreclosure proceedings, and during any period allowed by applicable law for the redemption from any foreclosure sale ordered in such proceedings; and said Trustee may act irrespective of the value of the Property described or its adequacy to secure or discharge the indebtedness now owing.

14. **Indemnification in Event of Suits—Miscellaneous.** In case Lender or Trustee voluntarily or otherwise shall become parties to any suit or legal proceeding to protect the Property herein conveyed or to protect the lien of this Deed of Trust, said parties shall be saved harmless and shall be reimbursed by Debtor for any amounts paid, including all costs, charges and attorneys' fees incurred in any such suit or proceeding, and the same shall be secured by this Deed of Trust and payable upon demand. 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 the provisions hereof. 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 hereto. Wherever used, the singular number shall include the plural, 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.

15. **Uniform Commercial Code Security Agreement.** This Deed of Trust is intended to be a security agreement with respect to items referred to herein which may be subject to a security interest pursuant to the Uniform Commercial Code, and Debtor hereby grants Lender a security interest in said items. Debtor agrees that Lender may file this Deed of Trust as a financing statement, or Debtor agrees to execute such financing statements, extensions or amendments as Lender may require to perfect a security interest with respect to said items. In the event of default, Lender shall have, in addition to its other remedies, all rights and remedies provided for in the Uniform Commercial Code as enacted in North Carolina.

16. **Releases and Anti-Marshalling Provisions.** The right is hereby given by Debtor to Trustee and Lender to make a partial release or releases of security hereunder (whether or not such releases are required by agreement among the parties) agreeable to Trustee and Lender without notice to, or the consent, approval or agreement of other parties and interests, including junior lienholders and purchasers subject to this Deed of Trust, which partial release or releases shall not impair in any manner the validity of or priority of this Deed of Trust on the Property remaining hereunder, nor release Debtor from personal liability for indebtedness hereby secured. Notwithstanding the existence of any other security interests in the Property held by Lender or by any other party, Lender shall have the right to determine the order in which any or all of the Property shall be subjected to the remedies provided herein. Lender shall have the right to determine the order in which any or all portions of the indebtedness secured hereby are satisfied from the proceeds realized upon the exercise of the remedies provided herein. Debtor, any party who consents to this or who has actual or constructive notice hereof, hereby waives any and all right to require the marshalling of assets in connection with the exercise of any of the remedies permitted by applicable law or provided herein.

17. **Notice to Debtor.** All notices required to be given to Debtor including the notice required to be served by North Carolina General Statute 45-21.16 shall be mailed to Debtor at the address set forth above.

18. **Notice to Lender.** All notices required to be given to Lender by Debtor or an intervening lienholder or encumbrancer pursuant to the North Carolina General Statutes shall be mailed to: Enterprise National Bank of the Piedmont, Post Office Box 5068, Winston-Salem, NC 27103.

19. **Acceleration in Case of Debtor's Bankruptcy or Insolvency.** If Debtor shall voluntarily file a petition under the Federal Bankruptcy Code, as the same may from time to time be amended, or under any similar or successor Federal statute relating to bankruptcy, insolvency, arrangements or reorganizations, or under any state bankruptcy or insolvency act, or file an answer in an involuntary proceeding admitting insolvency or inability to pay debts, or if Debtor shall fail to obtain a vacation or stay of involuntary proceedings brought for the reorganization, dissolution or liquidation of Debtor, or if Debtor shall be adjudged a bankrupt, or if a trustee or receiver shall be appointed for Debtor or Debtor's property, or if the property shall become subject to the jurisdiction of a Federal bankruptcy court or similar State court, or if Debtor shall make an assignment for the benefit of Debtor's creditors, or if there is an attachment, execution or other judicial seizure of any portion of Debtor's assets and such seizure is not discharged within ten days, then Lender may, at Lender's option, declare all of the sums secured by this instrument to be immediately due and payable without prior notice to Debtor, or if Debtor is generally not paying its debts as they become due. Any attorneys' fees and other expenses incurred by Lender in connection with Debtor's bankruptcy or any of the other aforesaid events shall be additional indebtedness of Debtor secured by this Deed of Trust.

20. **Inspection.** Lender may make or cause to be made reasonable entries upon and inspection of the Property, provided that Lender shall give Debtor notice prior to any such inspection specifying reasonable cause therefor related to Lender's interest in the Property.

IN WITNESS WHEREOF, the Debtor(s) have hereunto set their hand(s) and seal(s) and delivered this instrument the day and year first above written. Each of the undersigned herewith expressly adopts as his seal the "SEAL" appearing beside or near his signature below:  
P & A PARTNERS, A NORTH CAROLINA GENERAL PARTNERSHIP (SEAL)

By: J. Scott Anders (SEAL)  
J. Scott Anders, General Partner

By: Joe L. Puckett, III (SEAL)  
Joe L. Puckett, III, General Partner

(SEAL)

(SEAL)

STATE OF NORTH CAROLINA, COUNTY OF Forsyth

I, George E. Helledick, a Notary Public of said State and County, certify that J. SCOTT ANDERS, General Partner of P & A PARTNERS, 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 20 day of November, 1992.

My Commission Expires: 9/20/94 Notary Public

NOTARIAL SEAL/STAMP:

STATE OF NORTH CAROLINA, COUNTY OF Forsyth

I, George E. Helledick, a Notary Public of said State and County, certify that JOE L. PUCKETT, III, General Partner of P & A PARTNERS, 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 20 day of November, 1992.

My Commission Expires: 9/20/94 Notary Public

NOTARIAL SEAL/STAMP:

NORTH CAROLINA, FORSYTH COUNTY

The foregoing or annexed certificate(s) of George E. Helledick, Notary(ies) Public of FORSYTH County is certified to be correct. This instrument was

presented for registration and recorded in this office in book \_\_\_\_\_, page \_\_\_\_\_  
This 20 day of NOV, 1992 o'clock \_\_\_\_\_ M

L.E. SPEAS, REGISTER OF DEEDS

(Register of Deeds)

(Deputy Register of Deeds)

STATE OF NORTH CAROLINA  
County of \_\_\_\_\_

To  
ENTERPRISE NATIONAL BANK  
OF THE PIEDMONT

DEED OF TRUST

PRESENTED FOR  
REGISTRATION  
AND RECORDING

NOV 20 PM 4:05

REGISTERED FOR  
FORSYTH COUNTY

\$18.00 pd.  
Jeri Stagger

Book \_\_\_\_\_ at Page \_\_\_\_\_  
o'clock \_\_\_\_\_ M Recorded in  
this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_  
Verified and properly indexed same date

Register of Deeds

County, N.C.

ENB 0140

EXHIBIT "A"

BEGINNING at a nail in the pavement, said nail being at the Southeastern corner of the property owned, now or formerly, by Uni-Brown Group recorded at Deed Book 1311, Page 779, said nail also being on a new line with Samuel J. Williard, III and Merwyn A. Hayes (see Deed Book 1732, Page 1823); thence from said point and place of BEGINNING and then on a new line with said Williard and Hayes South 03° 42' 47" West 87.09 feet to an iron pin; thence South 86° 12' 00" East 100.17 feet to an iron pin; the new Southeast corner of Williard and Hayes, and being in the Western line of the property owned, now or formerly, by Eastern Federal Corp. (Deed Book 1598, Page 652); thence with the Western line of Eastern Federal Corp. and continuing with the Western line of Wake Forest University (Tax Block 3442, Lot 123B) South 03° 48' 25" West 54.34 feet to an iron pin; thence with the Northern line of Willie Lee Matthews, now or formerly (Deed Book 1301, Page 77), North 89° 42' 23" West 225.48 feet to an iron pin located in the Eastern right-of-way margin of University Parkway; thence with the Eastern right of way margin of University Parkway North 03° 46' 22" East 153.69 feet to an iron pin, the Southwest corner of Uni-Brown Group; thence with the Southern line of Uni-Brown Group South 86° 54' 06" East 124.85 feet to the point and place of BEGINNING, and being designated as Lot 122F, Tax Block 3442, of the Forsyth County Tax Records as presently constituted, and being more particularly shown on the survey for Scott Anders prepared by Brady Surveying Company, P.A., dated July 17, 1992, Job No. 92B42, reference to which is hereby made for a more particular description.

SAVING AND EXCEPTING from the foregoing conveyance is a non-exclusive 25-foot easement reserved for the purpose of ingress and egress for the use and benefit of the land adjacent to it and presently belonging to the grantors and is to run with said land appurtenant thereto for the benefit of them and their heirs and assigns, more particularly described as follows:

BEGINNING at a nail in the pavement, said nail, the Southeastern corner of the property owned by Uni-Brown Group, Deed Book 1311, Page 779; thence from said point and place of Beginning and running with the Southern line of Uni-Brown Group North 86° 54' 06" West 25.00 feet to a point; thence South 03° 42' 47" West 87.09 feet to a point; thence South 86° 54' 06" East 25.00 feet to an iron pin; thence North 03° 42' 47" East 87.09 feet to a nail, the place and point of Beginning.

SAVING AND EXCEPTING from the foregoing conveyance is a non-exclusive easement reserved for the purpose of ingress and egress for the use and benefit of the land adjacent to it and presently belonging to the grantors and is to run with said land appurtenant thereto for the benefit of them and their heirs and assigns, more particularly described as follows:

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BEGINNING at an iron, said iron being located South 03° 42' 47" West 87.09 feet from a nail in the pavement, the beginning point of the above described tract; thence South 10° 11' 41" West 29.08 feet to a point; thence South 83° 17' 59" East 82.35 feet to a point; thence North 06° 24' 43" East 33.10 feet to a point; thence North 86° 12' 00" West 80.52 feet to the point and place of beginning as shown on the above described survey.

TOGETHER WITH a non-exclusive 25-foot access easement described as follows: BEGINNING at a nail in the pavement, Southeastern corner of the property owned now or formerly by Uni-Brown Group, Deed Book 1311, Page 779; thence from said point and place of BEGINNING South 03° 42' 47" West 87.09 feet to an iron pin placed; thence South 86° 12' 00" East 80.52 feet to a point; thence North 03° 30' 49" East 31.76 feet to a point; thence North 88° 43' 56" West 55.42 feet to a point; thence North 03° 46' 54" East 217.97 feet to a point in the Southern line of Brownsboro Road; thence with the Southern line of Brownsboro Road, North 86° 56' 00" West, 25 feet to an iron pin, Northeast corner of the property of said Uni-Brown Group; thence with the Eastern line of said Uni-Brown Group, South 03° 48' 47" West 148.91 feet to an iron pin; thence continuing with the Eastern line of said Uni-Brown Group, South 03° 53' 57" West 10.96 feet to the point and place of Beginning.

Said easement is for the purposes of ingress and egress and shall be appurtenant to and run with the above-described tract.



## RIDER TO SECURITY INSTRUMENT

THIS RIDER is made this 20 day of November, 1992 and is incorporated into and shall be deemed to amend and supplement the Deed of Trust and Security Agreement (hereinafter "Security Instrument") of the same date given by the undersigned (hereinafter "Grantor") to secure Grantor's Note to Enterprise National Bank of the Piedmont, the Grantee and Beneficiary (hereinafter "Lender") of even date and covering the Property described in the Security Instrument located at: 4680-D Brownsboro Road, Winston-Salem, NC

("Property").

Additional Covenant. In addition to the other covenants and agreements made in this Security Instrument, Grantor further covenants to Lender and agrees as follows:

**Environmental Condition of Property; Indemnification.**

Grantor warrants and represents to Lender after appropriate inquiry and investigation that: (a) while Lender has any interest in or lien on the Property, the property described herein is, and at all times hereafter will continue to be, in full compliance with all federal, state and local environmental laws and regulations, including, but not limited to, the Comprehensive Environmental Response Compensation and Liability Act of 1980 ("CERCLA"), Public Law No. 96-510, 94 Stat. 2767, 42 USC 9601 et seq, and the Superfund Amendments and Reauthorization Act of 1986 (SARA), Public Law No. 99-499, 100 Stat. 1613, and (b) (i) as of the date hereof there are no hazardous materials, substances, wastes or other environmentally-regulated substances (including, without limitation, any materials containing asbestos) located on, in or under the Property or used in connection therewith, or (ii) Grantor has fully disclosed to Lender in writing the existence, extent and nature of any such hazardous materials, substances, wastes or other environmentally-regulated substances, which Grantor is legally authorized and empowered to maintain on, in or under the Property or use in connection therewith, and Grantor has obtained and will maintain all licenses, permits and approvals required with respect thereto, and is in full compliance with all of the terms, conditions and requirements of such licenses, permits and approvals. Grantor further warrants and represents that it will promptly notify Lender of any change in the nature or extent of any hazardous materials, substances or wastes maintained on, in or under the Property or used in connection therewith, and will transmit to Lender copies of any citations, orders, notices or other material governmental or other communication received with respect to any other hazardous materials, substances, wastes or other environmentally-regulated substances affecting the Property.

Grantor shall indemnify and hold Lender harmless from and against any and all costs (including clean-up costs), damages, penalties, fines, claims, liens, suits, liabilities, judgments and expenses (including attorneys' consultants' or experts' fees and expenses) of every kind and nature suffered by or asserted against Lender as a direct or indirect result of any warranty or representation made by Grantor in the preceding paragraph being false or untrue in any material respect or any requirement under any law, regulation or ordinance, whether local, state or federal, which requires the elimination or removal of any hazardous materials, substances, wastes or other environmentally-regulated substances.

Grantor's obligations hereunder to Lender shall not be limited to any extent by the term of the Note secured hereby, and, as to any act or occurrence prior to payment in full and satisfaction of said Note which gives rise to liability hereunder, shall continue, survive and remain in full force and effect notwithstanding payment in full and satisfaction of said Note and this Security Instrument or foreclosure under this Security Instrument, or delivery of a deed in lieu of foreclosure.

BY SIGNING BELOW, Grantor accepts and agrees to the terms and covenants contained in this Rider.

P & A PARTNERS

J. Scott Anders (SEAL)  
Grantor J. Scott Anders, General Partner

P & A PARTNERS

Joe L. Puckett, III (SEAL)  
Grantor Joe L. Puckett, III, General Partner