

This Instrument was Prepared by:
Taylor D. Ward, Esquire
whose address is:
Womble Carlyle Sandridge & Rice, PLLC *BK*
Post Office Drawer 84
Winston-Salem, North Carolina 27102

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K1883 2053

PRESENTED FOR
RECORDING
AND RECORDED

STATE OF NORTH CAROLINA)

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MODIFICATION OF PURCHASE MONEY

COUNTY OF FORSYTH)

DEED OF TRUST

Register of Deeds
Forsyth Co. NC

This Modification of Purchase Money Deed of Trust is dated November 9, 1995 but made effective as of the 12th day of November, 1994, by and between RALPH M. HOOVER and wife, NANCY D. HOOVER, of Forsyth County, North Carolina (the "Grantors"), CLIVE I. GOODSON, of Forsyth County, North Carolina (the "Substitute Trustee") and L & S LEASING, INC., a North Carolina corporation organized under the laws of North Carolina (the "Beneficiary").

WITNESSETH:

WHEREAS, on or about August 12, 1991, Grantors executed a Purchase Money Deed of Trust ("Deed of Trust") to Norman L. Nifong, Trustee in favor of the Beneficiary to secure payment of that certain purchase money note for the original principal amount of \$150,000 (the "Note") which was recorded with the Register of Deeds of Forsyth County in Book 1722, at Page 1621; and

WHEREAS, CLIVE I. GOODSON was duly appointed Substitute Trustee by instrument recorded in Book 1872, at Page 2071, Forsyth County Registry.

WHEREAS, in connection with the bankruptcy of the Grantors and the confirmation of the Amended Plan described in the Order Confirming Plan as Modified (the "Order") of the United States Bankruptcy Court for the Middle District of North Carolina dated September 13, 1994, the parties hereto agreed to modify, amend and restate the terms and conditions of the Note through the execution of that certain Amended and Restated Purchase Money Note, dated the date hereof (the "Amended Note") to extend the term of such Note and to modify the interest provisions and certain other terms thereof; and

WHEREAS, the terms and conditions of the Order, including, without limitation, the confirmation that the priority of the pre-petition lien of this Deed of Trust remains in effect, are incorporated herein by this reference.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements contained herein and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Grantors and Beneficiary covenant and agree as follows:

1. The Deed of Trust is hereby modified and amended to provide that any reference therein to the Note shall be deemed to mean the Amended Note.

2. The Deed of Trust is hereby modified and amended by deleting the reference in the WHEREAS clause thereof to the final due date of the Note of "August 12, 1994." and placing in lieu thereof the phrase "December 1, 1999, or as may be further extended from time to time."

3. The Deed of Trust is hereby modified and amended to provide that, so long as there is no default by the Grantors in any agreement, covenant or condition of the Amended Plan, the Order, the

Amended Note or this Deed of Trust, upon a prepayment by the Grantors to the Beneficiary, the Grantors may, on one occasion only, require that the Beneficiary instruct the Substitute Trustee to release from the lien on the premises secured by this Deed of Trust a parcel (the "Parcel") which Parcel shall not exceed two (2) contiguous acres and no portion of such Parcel shall include any of the property secured by the second lien in favor of the Beneficiary (the "Partial Release"). To effect the Partial Release, the Grantors must give the Beneficiary a written request therefor, together with a prepayment under the Amended Note specifically designated as the Partial Release prepayment. The size of the Parcel shall be equal to the acreage, up to a maximum two (2) acres, calculated by dividing the number equal to the total dollar amount of such prepayment under the Amended Note by 15,000. The Grantors shall pay all the costs and expenses incurred in connection with the Partial Release.

4. It is mutually agreed by and between the parties hereto that this Agreement shall become a part of the Deed of Trust by reference and that nothing herein contained shall impair the security now held for the indebtedness, nor shall waive, annul, vary or affect any provision, condition, covenant or agreement contained in the Deed of Trust, except as herein amended, nor affect or impair any rights, powers or remedies under the Deed of Trust, as hereby amended. Furthermore, L & S Leasing, Inc. does hereby reserve all rights and remedies it may have as against all parties who may be or may hereafter become secondarily liable for the repayment of the indebtedness evidenced by the Amended Note.

5. Until the Amended Note has been paid and satisfied in full, the Grantors agree, unless the Beneficiary otherwise consents in writing, to furnish or cause to be furnished to the Beneficiary financial statements of the Grantors and of Hoover Enterprises, Inc. for each fiscal year in a form satisfactory to the Beneficiary within one hundred-twenty (120) days after the close of each fiscal year. Such annual financial statements will be prepared in conformity with generally accepted accounting principles and certified as to conformity, fairness of presentation and consistency by the Grantors. The Grantors will also furnish or cause to be furnished the Beneficiary within a reasonable period of time, such additional information and financial statements regarding the Grantors or Hoover Enterprises, Inc. as the Beneficiary may from time to time request.

6. The Grantors promise and agree to pay the indebtedness evidenced by the Amended Note in accordance with the terms thereof and agrees to perform all of the requirements, conditions and obligations under the terms of the Deed of Trust, as hereby modified and amended, said documents being hereby ratified and affirmed. The execution and delivery hereof shall not constitute a novation or modification of the lien, encumbrance or security title of the Deed of Trust, which Deed of Trust shall retain its priority as originally filed for record. Grantors expressly agree that the Amended Note is in full force and effect and that Grantors have no right to set off, counterclaim or defense to the payment thereof. Except as specifically set forth herein, each of the terms and conditions under the Deed of Trust shall remain unmodified and in full force and effect and are hereby reaffirmed.

7. In the event that Trustee commences a foreclosure proceeding at the request of Beneficiary, as a result of Grantors' failure to comply with the terms of the payment of indebtedness in accordance with the Amended Note, and, thereafter, Grantors shall have (i) cured such payment default and (ii) reimbursed Beneficiary and Trustee for their respective reasonable costs incurred in connection with such foreclosure proceeding, prior to a sale by public auction as described in the Deed of Trust, Beneficiary shall require that Trustee cancel such foreclosure proceeding.

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8. The Substitute Trustee joins in the execution of this Agreement as evidence of his knowledge of the provisions hereof and his consent to the modifications herein made.

9. This Agreement shall be binding upon and shall inure to the benefit of the parties and their heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF, the parties hereto, have executed this Agreement as of the day and year first above written.

GRANTORS:

Ralph M. Hoover (SEAL)
RALPH M. HOOVER

Nancy D. Hoover (SEAL)
NANCY D. HOOVER

SUBSTITUTE TRUSTEE:

Clive I. Goodson (SEAL)
CLIVE I. GOODSON

BENEFICIARY:

L & S LEASING, INC.

By: [Signature] (SEAL)
President

ATTEST:

By: [Signature]
Secretary

[CORPORATE SEAL]

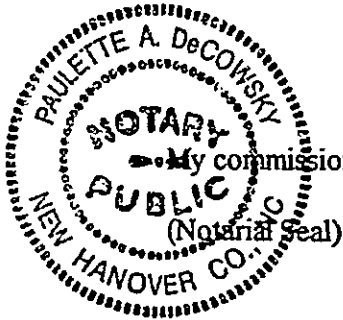


K1883 2056

STATE OF NORTH CAROLINA)
COUNTY OF FORSYTH)

I, Paulette A. DeCowsky, a Notary Public, of ^{New Hanover} ~~the aforesaid~~ county and state, do hereby certify that RALPH M. HOOVER, personally appeared before me this day and acknowledged the due execution of the foregoing Modification of Deed of Trust.

Witness my hand and official seal, this the 9 day of ^{November} ~~October~~, 1995.



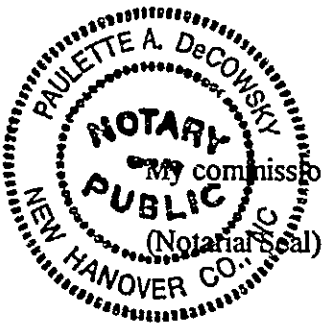
Paulette A. DeCowsky
Notary Public

My Commission Expires 8-18-97

STATE OF NORTH CAROLINA)
COUNTY OF FORSYTH)

I, Paulette A. DeCowsky, a Notary Public, of ^{New Hanover} ~~the aforesaid~~ county and state, do hereby certify that NANCY D. HOOVER, personally appeared before me this day and acknowledged the due execution of the foregoing Modification of Deed of Trust.

Witness my hand and official seal, this the 9 day of ^{November} ~~October~~, 1995.



Paulette A. DeCowsky
Notary Public

My Commission Expires 8-18-97

K1883 2057

STATE OF NORTH CAROLINA)
COUNTY OF FORSYTH)

I, Shirley J. Grady, ^{Substitute Trustee} a Notary Public, of the aforesaid county and state, do hereby certify that CLIVE I. GOODSON, personally appeared before me this day and acknowledged the due execution of the foregoing Modification of Deed of Trust.

Witness my hand and official seal, this the 9 day of ^{November} October, 1995.

Shirley J. Grady
Notary Public

My commission expires: March 13, 1998



K1883 - 2058

STATE OF NORTH CAROLINA)
COUNTY OF ROWAN)

I, Deborah W. Bernhard, a Notary Public for said County and State, certify that D. L. Jensen personally came before me this day and acknowledged that he/she is Secretary of L & S LEASING, INC., a corporation, and that, by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested to by himself/herself as its Secretary.

Witness my hand and official seal, this the 8th day of Dec. October, 1995.

Deborah W. Bernhard
Notary Public



STATE OF NORTH CAROLINA-Forsyth County

The foregoing (or annexed) certificate of Paulette A. DeGowsky NP New Hanover Co NC;
Shirley S. Grady NP Forsyth Co NC; Deborah W. Bernhard NP Rowan Co NC
(there give name and official title of the officer signing the certificate passed upon)
is (are) certified to be correct. This the 29th day of Dec 19 95.

John Holleman, Register of Deeds

By Hilda Holleman Deputy Assistant

Probate and Filing Fee \$ _____ paid