

~~no site plan~~

03-5-7325 done

Harnett County Central Permitting
PO Box 65 Lillington, NC 27546
Telephone Number 910-893-4759

Application for Environmental Health Improvement Permit in Areas Zoned by Municipalities

Landowner Information:

Name: Thomas Lloyd

Address: Wordsworth Rd

Phone: 910 574 2711

Applicant Information:

Name: Thomas Lloyd

Address: 536 Yellowberry Run
Wendell NC 27591

Phone: 919 366 0655

Property Location:

E911 Address: _____

PIN or Parcel #: 1515-86-9725.000

State Road #: _____ Lot/Tract Size: W 108 D 190

Subdivision: Oak Grove Est Lot #: 19

Give Specific directions to the property from Lillington: 421 south to Dunn take
95 south to exit 72 (Popc Rd) go 2.5 miles east on
popc road to wordsworth go right on wordsworth
4th lot on right (only vacant lot)

Proposed Use:

- Single Family Dwelling (Size 20 X 71) # of Bedrooms 3
Basement _____ Basement w/plumbing _____ Deck 22x20
- Multi-Family Dwelling - # of Units _____ # of Bedrooms/Units _____
- Manufactured Home (Size _____ X _____) # of Bedrooms _____ Garage _____
Deck _____
- Number of Persons per Household 2
- Business - Square Footage Retail Space _____ Type _____
- Industry - Square Ft. _____ Type _____
- Home Occupation - # of Rooms/Size _____ Use _____
- Addition to Existing Building - Size _____ Use _____
- Other 2 stall separate garage 28 x 28

Water Supply: County Well Other

Sewer: New Septic Tank Existing Septic Tank Revision Sewer

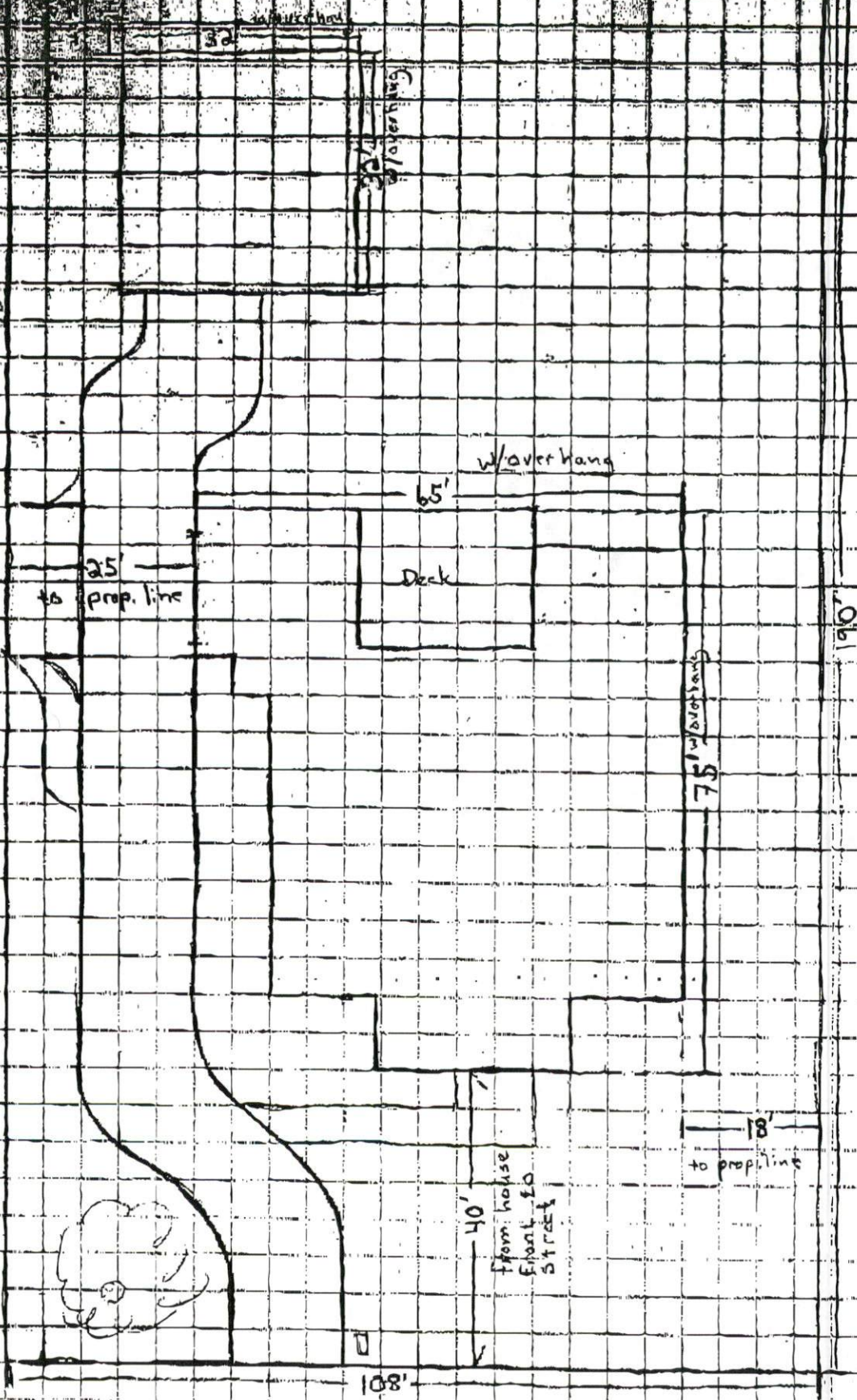
Applicant's Signature [Signature]

02/01

407 6/24 N

73

- Surveyor: Libby N. Thomas
- Survey address: 500 Brookwood Ave, Dunn, NC 28330
- Subdivision: Oak Grove Est.
- County Pin: 1515-86-9725,000
- Lot #: 19
- Acreage: .49
- Phone #
work (910) 396-1179
cell (910) 574-2711
- scale
each = 5'



Harnett County Planning Department
Central Permitting
PO Box 65, Lillington, NC 27546
910-893-4759

In order to provide the best customer service, Central Permitting staff compiled a list of procedures that helps to ensure successful permitting processes. Please follow steps necessary to expedite your plans.

Environmental Health New Septic Systems Test

- Place "property flags" in each corner of lot. All property lines must be clearly flagged approximately every 50 feet between corners.
- Place "house corner flags" at each corner of where the house/manufactured home will sit. Use additional flagging to outline driveways, garages, decks, out buildings, swimming pools, etc.
- Place flags at locations as developed on site plan by Customer Service Technician and you.
- Place Environmental Health "orange" card in location that is easily viewed from road.
- If property is thickly wooded, Environmental Health requires that you clean out the undergrowth to allow the soil evaluation to be performed. Inspectors should be able to walk freely around site. *No grading of property should be done.*
- After preparing proposed site telephone Environmental Health @ 893-7547 for questions on soil evaluation and confirmation number. Environmental Health will not begin soil evaluations until you call for confirmation number. Environmental Health is the source for all matters concerning testing and scheduling once application is completed at Central Permitting.

Environmental Health Existing Tank Inspections

- Place Environmental Health "orange" card in location that is easily viewed from road.
- Prepare for inspection by removing soil over door as diagram indicates. Loosen trap door cover.
- After preparing trapdoor call Environmental Health @ 893-7547 for confirmation number. Please be prepared to answer the following - The applicant's name, physical property location and the last four digits of your application number.

Fire Marshal Inspections

- Call Fire Marshal's office @ 893-7580 for all inspections.
- Prior to requesting final Building Inspection call Fire Marshal's office @ 893-7580 for inspection.
- Pick up Fire Marshal's letter and place on job site until work is completed.

Public Utilities

- Please stake with "orange" tape/name thirty feet (30) from the center of the road at the location you wish to have water tap installed.
- Allow four to six weeks after application for water/sewer taps. Call Utilities at 893-7575 for technical assistance.

Building Inspections

- Call Building Inspections @ 893-7527 to request any inspection.
- For new housing/setup permits ensure you meet E 911 / Addressing prior to calling for final inspection.

E911 Addressing

- Address numbers must be mounted on the house, 3 inches high (5" for commercial).
- Numbers must be a contrasting color from house, must be clearly visible night and day.
- At entrance of driveway if home is 100 ft or more from road, or if mailbox is on opposite side of road.
- Call E911 Addressing @ 814-2038 for any questions.

Applicant Name: (Please Print) Thomas Lloyd

Applicant Signatures: [Signature] Date 20 Jun 03

Prepared by: Reginald B. Kelly
STATE OF NORTH CAROLINA
COUNTY OF Harnett

Mail To: _____
Account Number 113-150-047332

**DEED OF TRUST AND SECURITY AGREEMENT
(PERMANENT LOAN)**

(COLLATERAL IS OR INCLUDES FIXTURES)

THIS DEED OF TRUST AND SECURITY AGREEMENT (the "Deed of Trust") is made and entered into as of April 7, 2003, by and between
Thomas J. Lloyd and Leigh Anna Davis

whose address is 536 Yellowberry Run, Windell, NC 27591

(hereinafter called the "Grantor" whether one or more in number, a corporation, partnership, limited liability company, or an individual), and CB Services Corp., as Trustee, whose address is 134 N. Church Street, P.O. Box 1220, Rocky Mount, NC 27802. (hereinafter called the "Trustee"), and RBC CENTURA BANK, a North Carolina banking corporation, whose principal address is Post Office Box 500, Rocky Mount, North Carolina, 27802 (hereinafter called the "Beneficiary");

WITNESSETH, WHEREAS, the Grantor is indebted to the Beneficiary in the sum of:
Nine Thousand Ninety and 00/100 *****

Dollars (\$ 9,090.00).

as evidenced by its note dated as of _____, (hereinafter called the "Note"), which Note may contain provisions for the adjustment of the interest rate, adjustments in the payments and extension or renewal of the term, among other things, the terms of which are incorporated herein by reference and which Note may be, upon the request of Grantor and at the option and sole discretion of Beneficiary, from time to time extended, renewed, modified or amended, or substituted for or replaced by another note or notes;

AND WHEREAS, the Grantor desires to secure the payment of the Note with interest, and any extensions, renewals, modifications or amendments thereof, or substitutions or replacements therefor, in whole or in part, the payment of all other sums, with interest thereon, advanced in accordance with the Note or herewith to protect the security of this Deed of Trust or to protect the rights of the Beneficiary under the Note or hereunder and to secure the performance of the covenants and agreements of the Grantor contained in the Note and herein by a conveyance of the lands and a grant of the security interests hereinafter described;

NOW, THEREFORE, in consideration of the premises and for the purposes aforesaid, and in further consideration of the sum of One Dollar paid to the Grantor by the Trustee, receipt of which is hereby acknowledged the Grantor has given granted bargained, sold and conveyed, and by these presents does

And the Grantor covenants with the Trustee that it is seized of the Property and Collateral in fee and has the right to convey the same in fee simple; that title is marketable and free and clear of all encumbrances; and that it will warrant and defend the title to the Property and Collateral against the lawful claims of all persons whomsoever except for the exceptions hereinafter stated:

THIS CONVEYANCE IS MADE UPON THIS SPECIAL TRUST, that if the Grantor shall pay the Note in accordance with its terms, together with interest thereon, and any renewals, extensions, modifications, amendments, substitutions or replacements thereof in whole or in part, shall pay all sums advanced under the Note or hereunder to protect the security of this Deed of Trust or the rights of the Beneficiary, together with interest thereon, and shall comply with all the covenants, terms and conditions of the Note and this Deed of Trust, then this conveyance shall be null and void and may be cancelled of record at the request and at the cost of the Grantor.

Section 1. EVENTS OF DEFAULT. The occurrence of any one or more of the following events shall constitute an Event of Default hereunder:

- (a) The Grantor's failure to pay when due the principal of and interest on the Note or any other sum due under the Note;
- (b) The Grantor's breach of any of the terms, conditions or covenants contained in this Deed of Trust;
- (c) The actual or threatened demolition, injury or waste to the Property or Collateral which may impair its value;
- (d) The appointment of a receiver for, or the filing of a petition of bankruptcy by or against, the Grantor;
- (e) The Grantor's default in or breach of any of the terms, conditions, covenants or agreements contained in any separate assignment of leases given as additional security for the loan;
- (f) The Grantor's default under the terms of any instrument to which this Deed of Trust is subordinate or which is subordinate to this Deed of Trust;
- (g) Default by the Grantor in keeping, performing or observing any term, covenant, agreement or condition of the Commitment, if any, upon which the loan hereby secured was predicated, or default by the Grantor under any separate loan agreement or other agreement executed concurrently with the execution and delivery of this Deed of Trust, including, without limitation, any agreement containing provisions relating to the rights of the Grantor to receive future advances from the Beneficiary, the repayment of which is intended to be secured by this Deed of Trust; and
- (h) False statement, misrepresentation or withholding facts by Grantor in any loan application or other instrument provided by Grantor to Beneficiary or its agents as to any matter relied upon by Beneficiary in evaluating whether to extend financing to the Grantor.

Section 2. REMEDIES UPON DEFAULT. Upon the occurrence of an Event of Default, the Beneficiary and Trustee shall have the following rights and remedies:

(a) The Beneficiary shall have the right, at its option, to declare all amounts payable under the Note to be immediately due and payable, whereupon the same shall become immediately due and payable, regardless of the maturity date thereof.

(b) On the application of the Beneficiary, if the Beneficiary shall have declared the outstanding principal balance of the Note to be immediately due and payable, the Trustee shall be obligated, and is hereby authorized and empowered, to expose at one or more sales and sell the Property at public auction(s) for cash and the Collateral, if any, at public or private sale(s) for cash, after first having complied with all then applicable requirements of North Carolina law.

Upon such sale(s), the Trustee shall convey title to the purchaser in fee simple. The Beneficiary shall have the right to bid at any sale thereunder. The Trustee may require the successful bidder at any sale to deposit immediately with the Trustee cash or certified check in an amount not to exceed twenty-five (25%) of the bid, provided notice of such requirement is contained in the advertisement of the sale. The Trustee may reject the bid if the deposit is not immediately made, and thereupon the Trustee may declare the next highest bidder to be the Purchaser. Such deposit shall be refunded in case a resale is had; otherwise, it shall be applied to the purchase price. If Collateral is sold hereunder, it need not be at the place of sale. The published

The foregoing shall in no way be construed to limit the powers of sale or restrict the discretion the Trustee may have under the provisions of Article 2A of Chapter 45 of the General Statutes of North Carolina, as the same may be from time to time amended, or such other laws as the Beneficiary or Trustee may be proceeding under, including the laws relating to judicial foreclosure if such is determined to be either the necessary or appropriate process to follow in foreclosing on the lien of this Deed of Trust. Each legal, equitable or contractual right, power or remedy of the Beneficiary or Trustee now or hereafter provided herein or by statute or otherwise shall be cumulative and concurrent and shall be in addition to every other right, power and remedy. The exercise or beginning of the exercise of any one or more of such rights, powers and remedies shall not preclude the simultaneous or later exercise of any or all such other rights, powers and remedies and without limiting the foregoing, the Trustee may sell the Property and Collateral separately or together, as a whole or in parts or parcels, at one or more sales conducted at different times and places.

(c) The Beneficiary shall have the right to collect rents, issues, profits and revenues according to the terms of Section 8 hereof.

(d) If the Grantor and the Beneficiary have contemporaneously entered into a building loan agreement or any other agreement by any other designation containing remedies exercisable by the Beneficiary upon the occurrence of an Event of Default thereunder, then the Beneficiary shall be entitled to exercise such rights and remedies as are contained in such separate agreement. The Beneficiary shall have the right to the appointment of a receiver to collect the rents and profits from the Property and Collateral without consideration of the value thereof or the solvency of any person liable for the payment of the amounts then owing. The Beneficiary at its option, in lieu of an appointment of a receiver, shall have the right to do all those things the receiver could have done. If such receiver should be appointed, or if there should be a sale of the Property and Collateral by foreclosure, as provided above, the Grantor or any person in possession of the Property and Collateral, as tenant or otherwise, shall become a tenant at will of the receiver or of the purchaser and may be removed by a writ of ejectment, summary ejectment or other lawful remedy.

(e) The exercise by the Beneficiary of any right or remedy granted to the Beneficiary or Trustee in law or equity or by this or any other document shall not be deemed an irrevocable election of remedies thereby precluding the Beneficiary or the Trustee from exercising or pursuing any other right remedy granted to the Trustee or the Beneficiary under this or any other document or at law or in equity. All remedies contained herein or in any other separate agreement executed contemporaneously with the execution of this Deed of Trust are intended to be cumulative.

Section 3. APPLICATION OF PROCEEDS. Proceeds derived from the exercise of either the power of sale or the collection of rents and profits shall be applied to pay, first, costs and expenses, including the Trustee's commission in the amount of five percent (5%) in the event of sale, reasonable attorney's fees for legal services actually performed, and reasonable auctioneer's fees if such expenses have been incurred and any other expenses or advances made or incurred in the protection of the rights of the Trustee or in the pursuit of any remedy hereunder; second, to taxes and assessments due and unpaid, if the Trustee deems it appropriate to do so; third, to the payment of any indebtedness (including principal and interest on the Note) secured by this Deed of Trust; and fourth, the balance, if any, to the person or persons entitled thereto.

Section 4. PAYMENT OF AMOUNTS DUE UNDER THE NOTE. The Grantor covenants and agrees that it will pay when due the principal and interest on the Note or any other sum due under the Note.

Section 5. PAYMENT OF TAXES, ASSESSMENTS AND OTHER AMOUNTS; MAINTENANCE OF INSURANCE.

(a) The Grantor covenants and agrees that it will pay when due, all taxes, assessments, levies and charges upon or against the Property and Collateral, of every character which are now due or which may hereafter become liens thereon, including all taxes assessed in North Carolina against the Trustee or the Beneficiary on this instrument or the sum hereby secured or evidenced by the Note, provided the amount of such latter taxes with the interest on the sum hereby secured does not exceed the maximum contract rate permitted by law, but if it does, the excess to be paid by the Beneficiary; and immediately deliver to the Beneficiary official receipts therefor. The Beneficiary may, at its option, pay any such taxes, assessments, levies, or charges against the Property or Collateral, and the official receipts therefor shall be conclusive evidence of payment, the amount due and validity thereof. Any amounts so expended shall immediately become debts due by the Grantor payable on demand, shall bear interest at the rate specified in the Note, and their payment shall be secured by this Deed of Trust.

(b) The Grantor covenants and agrees that it will keep the improvements and Collateral now or hereafter on the Property insured against loss and damage by fire, tornado and windstorm, and against such other

The proceeds of any insurance, or any part thereof, may be applied by the Beneficiary, at its option, either to the reduction of the Guaranty Obligations secured hereby in such order as it may elect, or to the restoration or repair of the property damaged. If the Grantor fails or refuses to keep such property so insured, the Beneficiary may obtain such insurance without prejudice to its right to foreclose hereunder by reason of such default. The Beneficiary may, at its option, pay any such insurance premiums. The official receipt for such payment shall be conclusive evidence of the payment, the amount due and the validity thereof. Any amounts so expended shall immediately become debts due by the Grantor payable on demand, shall bear interest at the rate specified in the Note secured hereby, and their payment shall be secured by this Deed of Trust.

(c) If required by the Beneficiary, the Grantor agrees that in addition to payments of principal and interest called for by the Note, the Grantor shall pay on the first day of each month, or on the due date of monthly payments of principal, to the Beneficiary or to its duly authorized agent a sum equal to one-twelfth of the known or estimated (by the Beneficiary) yearly taxes, assessments and insurance premiums on or against the Property and the Collateral. The Beneficiary shall be under no obligation to pay interest on such payments. The Beneficiary shall hold and apply such payments to the payment of taxes, assessments and insurance premiums as and when due. If the total of such monthly payments shall exceed the amount needed, the excess shall be held for future needs; but, should such monthly payments at any time fail to provide sufficient funds to pay taxes, assessments and insurance premiums when due, then the Grantor shall, upon written demand, pay to the Beneficiary within ten (10) days of receipt of such demand the amount necessary to cover the deficiency. When the Grantor shall have paid the Note, the Beneficiary shall refund to the Grantor any excess funds accumulated hereunder. In the event of a foreclosure sale, the Beneficiary may apply any balance remaining of the funds accumulated for the above purposes to the payment of the Note.

Section 6. MAINTENANCE OF THE PROPERTY. The Grantor covenants and agrees that it will not commit or permit any waste to the Property or Collateral, and will keep the Property and Collateral in as good order, repair, and condition as it is now, reasonable wear and tear excepted. The Beneficiary shall have the right to inspect the Property and Collateral at all reasonable times, and access thereto shall be permitted for that purpose to it or its authorized agents. Such inspection may include, but not be limited to, such investigation as Beneficiary in its sole discretion believes necessary to determine the nature and extent of any actual or potential environmental risks, damages, liabilities or contamination relating to the Property. In the event that such investigation reveals any matter constituting a breach of representation or warranty made by Grantor to Beneficiary, then the costs of such investigation shall be reimbursed to Beneficiary by Grantor.

Section 7. ANNUAL STATEMENTS. The Grantor covenants and agrees that it will furnish to the Beneficiary when required as a condition of the loan or otherwise requested by Beneficiary and without cost to the Beneficiary: (a) an annual statement, in form and certified in a manner satisfactory to the Beneficiary, setting forth all income and expenses derived or incurred from the operation of the Grantor's business conducted on the Property and the operation of any Improvements or Collateral situate thereon within ninety (90) days from the end of the calendar or fiscal year of such operations, and (b) within (90) days of the end of each fiscal year the financial statements (in form and certified in a manner satisfactory to the Beneficiary) of the Grantor and each of the guarantors or endorsers, if any, of the indebtedness hereby secured.

Section 8. ASSIGNMENT OF RENTS, LEASES AND PROFITS.

(a) As further security for the payment of the Note and for the faithful performance of all the covenants, agreements, terms and provisions of this Deed of Trust, the Grantor hereby sells, transfers and assigns unto the Beneficiary all the Grantor's right, title and interest in and to the rents, issues, profits, revenues, royalties, rights and benefits from the Property. To that end, the Grantor hereby assigns and sets over unto the Beneficiary all leases of all or a part of the Property now made, executed or delivered, whether written or verbal, or to be hereafter made, whether written or verbal (hereinafter referred to individually and collectively as "Tenants' Leases"). The Grantor hereby authorizes and empowers the Beneficiary to collect these rents, issues, profits, revenues, royalties, rights and benefits as they shall become due and hereby directs each and all of the tenants of the Property to pay such rents, as may now be due or shall hereafter become due, to the Beneficiary, upon demand for payment thereof by the Beneficiary. No such demand shall be made unless and until there has been a default under the Note or the occurrence of an Event of Default under this Deed of Trust. Until such demand is made, the Grantor is authorized by the Beneficiary to collect or continue collecting such rents, issues, profits, revenues, royalties, rights and benefits; provided, however, the Grantor shall not collect any rents more than two months in advance without the prior written consent of the Beneficiary.

(b) The Grantor covenants and agrees: (i) that it will promptly and fully keep, perform and comply with all the terms, provisions, covenants, conditions and agreements imposed upon or assumed by it as landlord

All sums so expended by the Beneficiary, and the interest thereon, shall be secured by this Deed of Trust. The Grantor will give the Beneficiary immediate notice by certified mail of any notice of default or notice of cancellation received from any tenant.

Section 9. CONDEMNATION. Upon the condemnation of the Property or any part thereof, the entire unpaid balance of the Note shall, at the option of the Beneficiary, at once become due and payable. Any award paid for such taking is hereby assigned to the Beneficiary to further secure the payments due under the Note. The Beneficiary is hereby authorized and empowered (but not required) to collect and receive such award and is authorized to apply it in whole or in part in reduction of the then outstanding debt secured by this Deed of Trust, notwithstanding the fact that the debt may not then be due and payable. Any amounts so applied to principal shall be applied to the principal last maturing hereon. The Grantor agrees to execute such further assignments of any such awards as the Beneficiary may require.

Section 10. SALE OR TRANSFER OF PROPERTY; JUNIOR LIENS. Except for a production-money security interest as that term is defined under Article 9 of North Carolina's Uniform Commercial Code, if all or any part of the Property, or any interest or estate therein, is sold, further encumbered or otherwise transferred by Grantor (including without limitation by way of mortgage, deed of trust, or declaration of trust) without the Beneficiary's prior written consent, the Beneficiary at its option may declare the whole sum secured by this Deed of Trust with interest thereon to be immediately due and payable without regard to the date of maturity of the obligation to pay any such sum; provided, however, that the Beneficiary may waive this right of acceleration and permit the assumption of the obligations secured hereby on such terms and conditions, specifically including, without limitation, an increase in the interest rate charged under the Note, and the payment of fees, as it may deem appropriate. If the Grantor is a corporation with thirty-five (35) or fewer shareholders, the aggregate transfer(s) of voting shares in the Grantor whereby persons or entities not owning on the date hereof, singly or in the aggregate, 50% or more of the voting shares of such Grantor, become the owner(s), singly or in the aggregate, of 50% or more of such voting shares shall be deemed a sale of the Property for the purposes of this Section; if the Grantor is a limited or general partnership or a limited liability company, any change in general partnership interest(s) - if a limited or general partnership - or any change in a member's interest(s) - if a limited liability company - in the Grantor shall be deemed a sale of the Property for the purposes of this Section; provided, however, no change in partnership or member's interest(s) or transfer of voting shares occasioned by devise, descent or operation of law upon the death of a shareholder or a general partner or a member, as the case may be, shall constitute a sale of the Property for the purposes of this Section. The Grantor hereby covenants to give the Beneficiary notice by certified mail of any sale, further encumbrance or transfer of the Property, as contemplated by this Section, within ten (10) days after the occurrence of such sale, further encumbrance or transfer.

Section 11. SECURITY AGREEMENT. (a) This Deed of Trust shall constitute a security agreement with respect to all Collateral of the Grantor now owned or hereafter acquired and located upon the Property and used in the operation and maintenance of the Improvements. The Grantor hereby grants to the Beneficiary a security interest in the Collateral including, without limitation, all boilers, all heating, air conditioning and ventilating components and systems, all lighting, electrical power, plumbing, sprinkler and water components and systems, all carpets, wall coverings, screens and drapes, all mechanical and hydraulic components and systems and all appliances (including stoves, ranges, refrigerators, disposals, dishwashers, washers and dryers, trash compactors and similar appliances) located on and used in connection with the operation or maintenance of the Improvements.

(b) With respect to those items of the Collateral which are or are to become fixtures related to the Property, this Deed of Trust shall constitute a financing statement filed as a fixture filing. The lien upon fixtures granted herein and perfected hereby shall be in addition to and not in lieu of any lien upon fixtures acquired under real property law.

Section 12. HAZARDOUS MATERIALS. (a) Grantor represents and warrants that, to the best of Grantor's knowledge, after due inquiry and investigation, (i) there are no Hazardous Materials (hereinafter defined) on the Property, except those in compliance with all applicable federal, state and local laws, ordinances, rules and regulations, and (ii) no owner or occupant nor any prior owner or occupant of the Property has received any notice or advice from any governmental agency or any source whatsoever with respect to Hazardous Materials on, from or affecting the Property. Grantor covenants that the Property shall be kept free of Hazardous Materials, and neither Grantor nor any occupant of the Property shall use, transport, store, dispose of or in any manner deal with Hazardous Materials on the Property, except to the extent that such use, transport, storage or disposal shall be necessary and proper for the Grantor to use the Property and carry out the activities set forth in the loan application, commitment letter, if any, or any

In the event that Grantor receives any notice or advice from any governmental agency or any source whatsoever with respect to Hazardous Materials on, from or affecting the Property, Grantor shall immediately notify Beneficiary. Grantor shall promptly conduct and complete all investigations, studies, sampling, and testing, and all remedial actions necessary to clean up and remove all Hazardous Materials from the Property in accordance with all applicable federal, state, and local laws, ordinances, rules and regulations. Grantor further covenants that it will promptly notify Beneficiary of any discharge or release of hazardous materials, substances or wastes maintained on, in or under the Property or used in connection therewith, and will transmit to Beneficiary copies of any citations, orders, notices or other governmental or other communication received with respect to any other Hazardous Materials, substances, wastes or other environmentally regulated substances affecting the Property. The term "Hazardous Materials" as used in this Deed of Trust shall include, without limitation, gasoline, petroleum products, explosives, radioactive materials, polychlorinated biphenyls or related or similar materials, asbestos or asbestos-containing materials or any other substance or material defined as hazardous or toxic substance or material by any federal, state or local law, ordinance, rule, or regulation. Grantor's violation of any covenant, representation, or warranty within this Section shall be an Event of Default, and Beneficiary may pursue all rights and remedies to which it is entitled as set forth in this Deed of Trust.

(b) Grantor shall protect, defend, indemnify and save harmless Beneficiary and the Trustee from and against all liabilities, obligations, claims, damages, penalties, cause of action, response and cleanup costs, and other costs and expenses (including without limitation reasonable attorneys' fees and expenses), imposed upon or incurred by or asserted against Trustee or Beneficiary by reason of (i) the presence, disposal, escape, seepage, leakage, spillage, discharge, emission, release or threatened release of any Hazardous Materials (as defined above in this Section) on, from, or affecting the Property or any other property; (ii) any personal injury (including wrongful death) or property damage (real or personal) arising out of related to such Hazardous Materials; (iii) any lawsuit brought or threatened, settlement reached, or government order relating to such Hazardous Materials; or (iv) any violation of laws, orders, regulations, requirements, or demands of government authorities which are based upon or in any way related to such Hazardous Materials, including, but not limited to, the following laws: the Comprehensive Environmental Response, Compensation, and Liability Act; the Resource Conservation and Recovery Act; the Clean Water Act; the Toxic Substances Control Act; Coastal Area Management Act, N.C.G.S. 113A-113 e t. seq.; Solid Waste Management Act, N.C.G.S. 130A-290 e t. seq.; Inactive Hazardous Sites Act, N.C.G.S. 138-310 e t. seq.; Water and Air Resources Act, N.C.G.S. Chapter 143, Article 21; Oil Pollution and Hazardous Substances Control Act, N.C.G.S. Chapter 143, Article 21A; Air Pollution Control Act, N.C.G.S. Chapter 143, Article 21B; and the Sedimentation Pollution Control Act of 1973, N.C.G.S. Chapter 113A, Article 4, including, without limitation, the costs and expenses of any remedial action, attorney and consultant fees, investigation and laboratory fees, court costs, and litigation expenses. Any amounts payable to Trustee or Beneficiary by reason of the application of this paragraph shall be secured by this Deed of Trust and shall become immediately due and payable and shall bear interest at the rate of interest specified in the Note secured hereby from the date loss or damage is sustained by Beneficiary or Trustee until paid. The obligations and liabilities of Grantor under this indemnification paragraph of this Deed of Trust shall survive any termination, satisfaction, assignment, entry of a judgment of foreclosure or delivery of a deed in lieu of foreclosure of this Deed of Trust.

(c) Notwithstanding the description of Collateral contained in this Deed of Trust, all Hazardous Materials (as defined in this Section) are specifically excluded from Collateral subject to this Deed of Trust. In addition, any and all underground storage tanks and piping located on the Property described above are specifically

[check one]:

_____ included as part of the Collateral. X excluded as part of the Collateral.

Section 13. NOTICES. All notices, certificates and other communications hereunder shall be deemed given when mailed by registered or certified mail, postage prepaid return receipt requested, addressed to the parties at their respective addresses set forth on the first page of this Deed of Trust. The Grantor, the Trustee and the Beneficiary may, by written notice given hereunder, designate a different address where communication; should be sent.

Section 14. MISCELLANEOUS. (a) In the event of the subsequent passage of any law of the State of North Carolina deducting from the value of the land for the purposes of taxation any lien thereon, or amending in any way the laws now in force for the taxation of deeds of trust or debts secured thereby, for state or local purposes or the manner of the collection of any such taxes so as to affect the interest of the

(c) It is specifically agreed that the parties hereto shall in no event be deemed to have contracted for a greater rate of interest than the maximum rate permitted by law. Should a greater amount be collected, it shall be construed as a mutual mistake of the parties and the excess shall be returned to the party making such a payment.

(d) The Beneficiary shall at any time have the irrevocable right to remove the Trustee herein named without notice or cause and to appoint his successor by an instrument in writing duly acknowledged, in such form as to entitle such written instrument to record in North Carolina. In the event of the death or resignation of the Trustee herein named, the Beneficiary shall have the right to appoint his successor by such written instrument. Any Trustee so appointed shall be vested with the title to the Property and shall possess all the powers, duties and obligations herein conferred on the Trustee in the same manner and to the same extent as though he were named herein as Trustee.

(e) All the terms and conditions of the Commitment, if any, upon which the loan hereby secured is predicated, and a loan agreement, if any, pursuant to which the obligations secured hereby are incurred, are incorporated by this reference and made a part hereof, but if the terms and conditions of this Deed of Trust or any loan agreement conflict with the terms of the Commitment, this Deed of Trust and the loan agreement, if any, shall control.

(f) The covenants, terms and conditions herein contained shall bind, and the benefits and powers shall inure to, the respective heirs, executors, administrators, successors and assigns of the parties hereto. Whenever used herein, the singular number shall include the plural and the plural, the singular. If two or more parties have joined as Grantor, each of the parties shall be jointly and severally obligated to perform the conditions and covenants herein contained. Notwithstanding the foregoing, any Grantor who executes this Deed of Trust but who does not execute the Note hereby secured has executed the Deed of Trust only to subject whatever interest such Grantor has or may hereafter have in the Property and Improvements and Collateral to the lien and security interest created by this Deed of Trust. The term "Beneficiary" shall include any payee of the indebtedness hereby secured and any transferee or assignee thereof, whether by operation of law or otherwise.

(g) Grantor irrevocably authorizes Beneficiary to file such financing statements as may be necessary to protect, in Beneficiary's opinion, Beneficiary's security interest and lien in the Collateral and, to the extent Beneficiary deems necessary or appropriate, to sign Grantor's name with the same force and effect as if signed by Grantor; agrees that all financing statements filed by Beneficiary shall be binding on Grantor; agrees to pay the cost and expenses associated with the filing of all financing statements filed by Beneficiary in connection with the security interest and lien in the Collateral granted herein; and agrees that all references to financing statement or financing statements shall include original (or initial), continuation, amendment, release, termination and other forms or types of statements permitted to be filed or recorded pursuant to the Uniform Commercial Code as enacted from time to time in the State of North Carolina.

(h) Grantor represents to Beneficiary the information contained in this Deed of Trust is true and correct; agrees to promptly inform Beneficiary in writing of any changes therein or any inaccuracies thereto, such notices to be addressed to Beneficiary and mailed, postage prepaid, to Post Office Box 500, Rocky Mount, NC 27802, or such other address as Beneficiary may direct notices to be sent; and acknowledges that Beneficiary is relying upon the information being complete, accurate and correct and that Beneficiary is under no obligation to make an independent investigation with respect to the accuracy and correctness thereof and has not made an independent investigation regarding same. In furtherance of the foregoing, but without limiting the foregoing, Grantor represents its name as shown in this Deed of Trust is correct, and, if Grantor is not a natural person, its name as used in this Deed of Trust is identical to and exactly as the same is stated on its organizational documents currently on file in its jurisdiction of organization; its tax identification number or other identification number provided to Beneficiary is correct; its mailing addresses and places of business/residence (if more than one place of business/residence, its chief executive office or primary residence) as set forth in this Deed of Trust or otherwise provided to Beneficiary, are correct, as well as information provided to Beneficiary on its jurisdiction of organization if it is not a natural person; and the location of the Collateral and all books and records relative thereto as stated in this Deed of Trust is correct, the same is in Grantor's possession and control as noted in this Deed of Trust and if any of said Collateral is affixed to or growing on real property, the identity of the record owner thereof, if not Grantor, is as stated in this Deed of Trust.

IN WITNESS WHEREOF, this Deed of Trust is executed (i) if by individuals, by hereunto setting their hands under seal by adoption of the word "SEAL" appearing next to the individuals' names, (ii) if by a corporation, by the duly authorized officer(s) of the corporation on its behalf under seal by adoption of the facsimile seal printed hereon for such purpose or, if an impression seal appears hereon, by affixing such impression seal, or (iii) if by a partnership or limited liability company, by the duly authorized partner(s) or manager(s) of the partnership or company, as the case may be, on its behalf under seal by adoption of the word "SEAL" appearing next to the name of the partnership or limited liability company and/or the signatures of the partner(s) or manager(s), as of the date first above written.

 (NAME OF CORPORATION, PARTNERSHIP OR LLC) Thomas J. Lloyd (SEAL)

By: _____ (SEAL) Leigh Anna Davis (SEAL)

 Title

Attest: _____ (SEAL)

 Secretary (SEAL)

_____ (SEAL)

_____ (SEAL)



NORTH CAROLINA, County of Harnett

I, April M. McLamb, a Notary Public, do hereby certify that Thomas J. Lloyd and Leigh Anna Davis personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and official seal or stamp, as of April 8, 2003
My Commission expires: 7-29-06
April M. McLamb
Notary Public

NORTH CAROLINA, County of _____
I, _____, a Notary Public, do hereby certify that _____ personally appeared before me this day and acknowledged the due execution of the foregoing instrument.



APRIL M. McLAMB
NOTARY PUBLIC
HARNETT COUNTY, N.C.
My Commission Expires _____

WITNESS my hand and official seal or stamp, as of _____
My Commission expires: _____

Notary Public

NORTH CAROLINA, County of _____
I, _____, a Notary Public, do certify that _____ personally appeared before me

and acknowledged that he is the _____ Secretary of _____ 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 by himself as its _____ Secretary.

WITNESS my hand and official seal or stamp as of _____
My commission expires: _____

Notary Public

NORTH CAROLINA, County of _____
I, _____, a Notary Public, do certify that _____ personally appeared before me

and acknowledged that he is the General (Partner) (Manager) of _____ a (Partnership) (Limited Liability Company), and that by authority duly given and as the act of the (Partnership) (Limited Liability Company), the foregoing instrument was signed and sealed in its name by him as its General (Partner) (Manager).

WITNESS my hand and official seal or stamp as of _____
My commission expires: _____

Notary Public

NORTH CAROLINA, County of _____
The foregoing or annexed certificate of _____
Notary(ies) Public is (are) certified to be correct. This instrument was presented for registration and

SCHEDULE A

To Deed of Trust From

Thomas J. Lloyd and Leigh Anna Davis, Grantor

Dated April 8, 2003

BEING ALL of that certain parcel of land and all improvements now or hereafter located thereon, lying and being in Harnett County, North Carolina, and more particularly described as follows:

Being all of Lot#19, as shown on map entitled, "Oak Grove Estates", developed by J. H. Pope, which map was made by W. R. Lambert, RLS, dated October 14, 1971, which is recorded in map book 17, Page 27, Harnett County Registry, reference to which map is hereby made for a more particular description of said lot.