



Borrower Name: A & G RESIDENTIAL, LLC
Borrower Address: 916 Arsenal Avenue, Suite B, Fayetteville, North Carolina 28305
Loan Amount: \$10,000,000
Date: February 22, 2023
Obligor Number: 9700772799
Obligation Number: 00001/00002

MODIFICATION TO PROMISSORY NOTE

THIS MODIFICATION TO PROMISSORY NOTE ("Modification") is made and entered into as of the 22nd day of February, 2023, by **A & G RESIDENTIAL, LLC**, a North Carolina limited liability company, as maker(s) and co-maker(s), if any, (whether one or more "Borrower"), jointly and severally, of the Promissory Note described below, in favor of **TRUIST BANK**, a North Carolina banking corporation ("Bank").

Borrower previously executed an Amended and Restated Promissory Note payable to Bank on February 15, 2022 in the principal amount of \$10,000,000 (including all previous renewals, extensions and modifications thereof, collectively the "Promissory Note" or "Note"). Borrower and Bank hereby agree that the Promissory Note shall be modified only to the limited extent as is hereinafter set forth; that all other terms, conditions, and covenants of such Promissory Note shall remain in full force and effect; and that this Modification shall constitute a renewal, extension and modification of the Promissory Note and not a novation. All references to Promissory Note or Note shall include any modifications or amendments contained in this Modification.

NOW, THEREFORE, in mutual consideration of the promises, and other good and valuable consideration, each to the other parties paid, the parties hereto agree that the Promissory Note is hereby amended as follows and that all references to Promissory Note or Note shall be to the Promissory Note as amended:

COLLATERAL. Borrower acknowledges and agrees that the following agreements are entered in connection with this Note and that this Note is secured by the real and personal property as described in said agreements ("Collateral"):

Future Advance Construction Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing of even date herewith from Borrower to a trustee for the benefit of Bank to be recorded in Harnett County, North Carolina in connection herewith, as the same is amended, modified and/or supplemented from time to time.

MISCELLANEOUS. Except as expressly modified herein, all other terms and conditions of the Note remain in full force and effect. Any terms not defined herein shall have the meaning set forth in the Note. All obligations of Borrower shall bind Borrower's heirs, executors, administrators, successors, and/or assigns; provided however, Borrower is not permitted to assign its duties or obligations hereunder. If more than one party shall execute the Note and/or this Modification, each Borrower agrees that it shall be jointly and severally obligated hereunder and absolutely and unconditionally guarantees to Bank the prompt payment and performance of all indebtedness and related obligations. Wherever possible each provision of this Modification shall be interpreted in such a manner to be effective and valid under applicable law. If any provision of this Modification shall be prohibited by or invalid under such law, such provision shall be ineffective but only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Modification. All representations, warranties, covenants and agreements contained herein or made in writing by Borrower in connection herewith shall survive the execution and delivery of this Modification and any other agreement, document or writing relating to or arising out of any of the foregoing. In case of a conflict between the terms of this Modification, the Note and any Loan Agreement executed in connection herewith, the priority of controlling terms shall be first this Modification, then the Note, then the Loan Agreement. The proceeds of the loan evidenced by the Note may be paid to any Borrower. If the Interest Rate is tied to an external index that becomes unavailable



during the term of the loan evidenced by the Note and the Note or any Addendum thereto does not otherwise provide for a replacement of said Index, Bank may, in its sole and absolute discretion, designate a substitute index with notice to Borrower. This Modification may be executed in any number of counterparts, each of which shall be an original but all of which taken together shall constitute one and the same instrument. All pronouns and any variations thereof used herein shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the person or persons referred to may require. The headings in this Modification are included for convenience only and shall neither affect the construction or interpretation of any provision in this Modification nor affect any of the rights or obligations of the parties to the Note. Time is of the essence in the payment and performance of the Note.

WAIVER OF JURY TRIAL. UNLESS EXPRESSLY PROHIBITED BY APPLICABLE LAW, BORROWER KNOWINGLY, VOLUNTARILY, INTENTIONALLY AND IRREVOCABLY WAIVES, UNLESS EXPRESSLY PROHIBITED BY APPLICABLE LAW, THE RIGHT TO A TRIAL BY JURY IN RESPECT ANY MATTERS OR CLAIMS ARISING OUT OF THE NOTE, ANY LOAN DOCUMENT EXECUTED IN CONNECTION HERewith, OR OUT OF THE CONDUCT OF THE RELATIONSHIP BETWEEN BORROWER AND BANK, WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE. BORROWER AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY, AND THAT BANK MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS PROVISION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF BORROWER TO THE WAIVER OF ITS RIGHT TO TRIAL BY JURY. BORROWER ACKNOWLEDGES THAT BORROWER HAS HAD THE OPPORTUNITY TO CONSULT WITH COUNSEL REGARDING THIS PROVISION, FULLY UNDERSTANDS ITS TERMS, CONTENT AND EFFECT, AND VOLUNTARILY AND KNOWINGLY AGREES TO THE TERMS OF THIS PROVISION. THIS PROVISION IS A MATERIAL INDUCEMENT FOR BANK TO MAKE THE LOAN(S) OR OTHER FINANCIAL ACCOMMODATIONS EVIDENCED BY THE NOTE. FURTHER, BORROWER HEREBY CERTIFIES THAT NEITHER ANY REPRESENTATIVE OR AGENT OF BANK, NOR BANK'S COUNSEL, HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT BANK WOULD NOT SEEK TO ENFORCE THIS WAIVER OF RIGHT TO JURY TRIAL PROVISION IN THE EVENT OF LITIGATION. FURTHER, NO REPRESENTATIVE OR AGENT OF BANK, NOR BANK'S COUNSEL, HAS THE AUTHORITY TO WAIVE, CONDITION OR MODIFY THIS PROVISION.

IN WITNESS WHEREOF, Borrower has caused this Modification to be duly executed as of the date first written above. This Modification is and shall constitute and have the effect of a sealed instrument according to law. Borrower acknowledges receipt of a completed copy of this Modification.

WITNESSES:

A & G RESIDENTIAL, LLC,
a North Carolina limited liability company [SEAL]

Katie Jones *Katie Jones*
Name: _____

By: _____ (SEAL)
David Wells Alderman IV, Member/Manager

Katie Jones
Name: *Katie Jones*

By: _____ (SEAL)
Jamie Chadburn Godwin, Member/Manager

Prepared by and return to:

Mark S. Hartman and L. Holden Reaves, Esq.
DAVIS HARTMAN WRIGHT LLP
209 Pollock Street
New Bern, North Carolina 28560

Reaves Law, PLLC
PO Box 53187
Fayetteville, NC 28305

STATE OF NORTH CAROLINA
COUNTY OF HARNETT

**FUTURE ADVANCE CONSTRUCTION DEED OF TRUST,
ASSIGNMENT OF LEASES AND RENTS, SECURITY
AGREEMENT AND FIXTURE FILING**

Collateral is or includes fixtures.

*This instrument secures an obligation incurred
for the construction of an improvement on land.*

*This instrument constitutes a "Fixture Filing"
under Section 25-9-502 of the North Carolina General Statutes.*

*This instrument constitutes a "Construction Mortgage"
under Section 25-9-334(h) of the North Carolina General Statutes.*

*This instrument constitutes a "Collateral Assignment of Leases,
Rents, Issues and Profits" under Section 47-20(b) of the North Carolina General Statutes.*

*This instrument secures "Future Advances" and "Future Obligations"
under Sections 45-67 et seq. of the North Carolina General Statutes.*

Grantor's Organizational Identification Number: 1735397.

MAXIMUM PRINCIPAL AMOUNT: The maximum principal amount of the Indebtedness, including present and future advances, and/or present and future obligations secured by this Deed of Trust is **TEN MILLION AND NO/100 DOLLARS (\$10,000,000.00)**.

THIS FUTURE ADVANCE CONSTRUCTION DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING (including any exhibits and/or riders attached hereto, and any modifications and amendments hereof, the "Deed of Trust"), and is hereby made this 22 day of February, 2023 by **A & G RESIDENTIAL, LLC**, a North Carolina limited liability company whose mailing address is 916 Arsenal Avenue, Suite B, Fayetteville, North Carolina 28305 ("Grantor"), and is hereby granted and conveyed with power of sale to **BB&T COLLATERAL SERVICE CORPORATION**, a North Carolina corporation whose mailing address is Post Office Box 1290, Whiteville, North Carolina 28472 ("Trustee") for the benefit of **TRUIST BANK**, a North Carolina banking corporation whose mailing address is Post Office Box 1290, Whiteville, North Carolina 28472-1290 ("Beneficiary").

A & G RESIDENTIAL, LLC, a North Carolina limited liability company (if not Grantor, each individually and collectively "Borrower") is indebted to Beneficiary, as evidenced by a certain promissory note dated February 15, 2022, executed in favor of Beneficiary in the principal sum of **TEN MILLION AND NO/100 DOLLARS (\$10,000,000.00)**, plus interest thereon at the rate specified therein (together with any renewals, extensions, modifications, restatements, amendments, consolidations, substitutions or refinancings thereof collectively, the "Note"). In addition to and in connection with the Note and this Deed of Trust, the parties have entered, and from time to time may enter, certain other promissory notes, advance agreements, other evidences of indebtedness, loan agreements, credit agreements, security agreements, financing statements, guaranty agreements, applications and agreements for commercial or standby letters of credit, certificates, instruments and other documents executed in connection therewith or related thereto, whether executed contemporaneously with the Note or any time thereafter, and all renewals, extensions, modifications, restatements, amendments, substitutions, consolidations, and refinancings thereof and therefor (collectively with the Note and this Deed of Trust the "Loan Documents").

For the purposes and under the conditions described in this Deed of Trust, and in consideration of the Indebtedness (as hereinafter defined) and mutual promises, Grantor does by these presents grant, bargain, sell, convey and warrant unto Trustee, its successors and assigns for the benefit of Beneficiary, its successors and assigns, all of Grantor's right, title and interest in, to and under the real property described on **Exhibit A**, attached hereto and incorporated herein by reference (the "Real Property"), together with (i) all buildings, structures, roads, walkways, parking areas, recreation facilities and other improvements now or hereafter located on the Real Property or on any part or parcel of the Real Property (the "Improvements"); (ii) all tenements, hereditaments, easements and appurtenances belonging to the Real Property or in any way appertaining to the Real Property, now or hereafter belonging to or to be used in connection with the Real Property or on any part or parcel of the Real Property; (iii) the Collateral (as hereinafter defined); (iv) all equipment, machinery, apparatus, fittings, fixtures, furniture, furnishings and personal property of every kind or description whatsoever now or hereafter located on the Real Property or on any part or parcel of the Real Property or in or on any of the Improvements, and used in connection with the operation or maintenance of the Real Property or any of the Improvements, including, without limitation, all plumbing, lighting, ventilating, refrigerating, water-heating, incinerating, air-conditioning and heating, and sprinkling equipment and systems, all screens, awnings and signs, and all accessions and additions to and replacements of the foregoing and all proceeds (direct and remote) of the foregoing; (v) all rights in now existing and hereafter arising easements, rights of way, rights of access, water rights and courses, sewer rights, air rights, development rights and other rights relating to the Real Property or on any part or parcel of the Real Property or any of the Improvements; (vi) all as-extracted property of any type and form including without limitation all gas, oil and mineral rights of every nature and kind, all timber-to-be-cut and all other rights now or hereafter located on the Real Property or under the Real Property or on or under any part or parcel of the Real Property, and all of Grantor's rights to or arising directly or indirectly out of all as-extracted collateral; (vii) all of Grantor's rights as a declarant or developer under any declaration of condominium, homeowners' association declaration, bill of assurances, restrictive covenants, protective covenants, commercial property owner's association or similar organization or association or development documentation now or hereafter in effect with respect to the Real Property; (viii) all authorizations, licenses, permits, contracts, management agreements, franchise agreements, and occupancy and other certificates concerning the ownership, use and operation of the Real Property; (ix) all plans and specifications prepared for construction of the Improvements on the Real Property and all studies, data and drawings related thereto, together with all contracts and agreements of Grantor relating to the aforesaid plans and specifications or to the aforesaid studies, data and drawings, or to the construction of the Improvements on the Real Property; (x) all leases, undertakings to lease, contracts to rent, and other agreements for use, occupancy or possession now or hereafter in force with respect to the Real Property or any part or parcel of the Real Property or any of the Improvements, any and all guaranties of the foregoing, and any and all other leases, occupancy agreements, contracts, licenses, permits and arrangements now or hereafter affecting the Real Property or any part or parcel of the Real Property or any of the Improvements, whether written or oral and whether now or hereafter existing; (xi) all rents, issues, income, revenues and profits now or hereafter accruing from, and all accounts and contract rights now or hereafter arising in connection with, the Real Property or any part or parcel of the Real Property or any of the Improvements, including, without limitation, all rents, issues, income, revenues and profits accruing from, and all accounts and contract rights arising in connection with, the leases, together with all monies and proceeds

now or hereafter due or payable with respect thereto or on account thereof, and all security deposits, damage deposits and other funds paid by any lessee, sublessee, tenant, subtenant, licensee, permittee or other obligee under any leases, subleases, licenses or permits, whether paid in a lump sum or installments; (xii) all building materials, supplies, goods, machinery and equipment delivered to the Real Property and placed on the Real Property for the purpose of being affixed to or installed or incorporated or otherwise used in or on the Real Property or any part or parcel of the Real Property or any of the Improvements, and all accessions and additions to and replacements of the foregoing and all proceeds (direct or remote) of the foregoing; (xiii) all payments, awards, judgments and settlements (including interest thereon) to which Grantor may be or become entitled as a result of the exercise of the right of eminent domain with respect to the Real Property or any part or parcel of the Real Property or any of the Improvements; (xiv) all policies of insurance whether currently in existence or hereafter coming into existence which insure against loss or damage to any property described above, including, without limitation, the Real Property and the Improvements and all proceeds from and payments under such policies; (xv) all franchises, names, tradenames, signs, marks and trademarks under which any business located on the Real Property is operated or known; and (xvi) all substitutions, accessions, additions and replacements to any of the foregoing and all products and proceeds of any of the foregoing, or with respect to the Real Property (collectively the "Property").

TO HAVE AND TO HOLD the Property and all parts, rights, members and appurtenances thereof, unto and to the use and benefit of Trustee, in trust, with power of sale, for the benefit of Beneficiary, and under the terms and conditions of this Deed of Trust and to secure payment and performance of the following indebtedness and obligations to Beneficiary (collectively the "Indebtedness"):

A. All principal, interest, and other amounts, costs, fees, charges, and expenses payable to Beneficiary under the Note or any Loan Document, including without limitation any advances to pay any draft or drawing on any commercial or standby letter of credit issued on the account of Grantor or Borrower, and any obligations of Grantor or Borrower under interest rate swap transactions, interest rate cap and/or floor transactions, interest rate collar transactions, swap agreements or other similar transaction or agreement;

B. Pursuant to the provisions of Sections 45-67, et seq., of the North Carolina General Statutes, this Deed of Trust secures the payment of present and future advances and/or future obligations. No execution of a written instrument or notation shall be necessary to evidence or secure any future advances made and/or future obligations incurred hereunder. The period within which future advances and/or future obligations are to be made shall be the thirty (30) year period beginning on the date of this Deed of Trust. All readvances that may subsequently be made to Grantor or Borrower evidenced by the Note and by all renewals, extensions, modifications, restatements, amendments, consolidations, substitutions and refinancings thereof;

C. All other obligations, debts and other liabilities, plus interest thereon, of Grantor or Borrower to Beneficiary and any affiliate of Beneficiary, whether now or hereafter existing, direct or indirect, absolute or contingent, liquidated or unliquidated, related or unrelated to the purposes of the Note, voluntary or otherwise, determined or undetermined, due or not due, made individually or jointly, and whether incurred or given as maker, endorser, guarantor, surety, accommodation party or otherwise, and whether the same be evidenced by a note, open account, assignment, endorsement, guaranty, pledge or otherwise and all interest thereon, and whether recovery upon such amounts may be or hereafter may become barred by any statute of limitations, and whether the obligation to repay such amounts may be or hereafter may become otherwise unenforceable; and all obligations of Grantor or Borrower to Beneficiary or any affiliate of Beneficiary for any services, including but not limited to, treasury or other cash management services, merchant services processing, payroll services, and business or commercial credit card; and

D. The payment and performance of all other obligations set forth in the Loan Documents, all sums expended or advanced by Beneficiary to protect, insure and preserve the Property, including without limitation all taxes, insurance premiums, environmental reports, appraisals, and all costs and expenses of collection of the Indebtedness and enforcement of this Deed of Trust and the Loan Documents, and all

charges and expenses of assembly, collection, preservation and disposition of the Property and the Collateral.

Grantor (and where more than one, each jointly and severally) covenants, agrees and consents to the following terms, covenants, and conditions:

1. PAYMENT AND PERFORMANCE. The Note and other Indebtedness shall be promptly paid at the time and in the manner therein provided. The lien of this Deed of Trust shall remain in full force and effect during any postponement or extension of the time of payment of or any other modification relating to the Indebtedness or any part thereof secured hereby. Notwithstanding the reduction to a zero (\$0) balance of the outstanding principal amount of the Note or any Indebtedness, the lien and interest under of this Deed of Trust shall not be released or extinguished by operation of law or the implied intent of the parties, and this Deed of Trust and the Note shall remain in full force and effect as to any subsequent advances made after any such zero balance until all Indebtedness secured by this Deed of Trust is paid in full and satisfied, all agreements of Beneficiary to make additional advances have been terminated, and this Deed of Trust has been canceled of record. Grantor shall timely pay and perform any obligation, covenant or warranty contained not only in this Deed of Trust or the Loan Documents but also in any other deed of trust, mortgage or writing which gives rise to, or which may constitute a lien upon any of the Property, provided, however, that this covenant shall not be construed as Beneficiary's authorization or consent to the creation or existence of any other deed of trust or any other writing constituting a lien on any of the Property. Upon request of Beneficiary, Grantor promptly shall furnish satisfactory evidence of such payment or performance.

2. TITLE TO PROPERTY. Grantor represents and covenants that Grantor is lawfully seized of the Property in fee simple absolute (or such other estate; if any, as is stated above), that Grantor has good, right, and lawful authority to sell, convey or encumber the same, and that the Property is free and clear of all liens and encumbrances whatsoever except as otherwise approved in writing by the Beneficiary or listed in the title opinion or title insurance policy obtained by Beneficiary in the transaction in which this Deed of Trust was granted. Grantor represents and warrants that the provisions of this Deed of Trust do not conflict with or result in a default under any agreement or other instrument binding on Grantor and do not result in any violation of law, regulation, court order or decree applicable to Grantor, and that Beneficiary has not made any representation to Grantor about the creditworthiness or financial condition of Borrower. Grantor further covenants to warrant and forever defend title to the Property, at Grantor's expense, from and against all persons whomsoever claiming the same or any part thereof. In the event any action or proceeding is commenced that questions Grantor's title or the interest of Beneficiary under this Deed of Trust, Grantor may be the nominal party in such proceeding, but Beneficiary shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of Beneficiary's own choice at Grantor's expense, and Grantor shall promptly execute and deliver, or cause to be promptly executed and delivered, to Beneficiary such instruments as Beneficiary may request from time to time to permit such participation. The representations and covenants set forth above shall survive the payment of the Indebtedness and shall not be affected by Beneficiary's acquisition of any title to or interest in the Property.

3. COMPLIANCE WITH APPLICABLE LAWS. Grantor shall promptly comply with all laws, regulations and ordinances, now and hereafter in effect, of all governmental authorities applicable to the use or occupancy of the Property. Grantor may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Grantor has notified Beneficiary in writing prior to doing so and so long as, in Beneficiary's sole opinion, Trustee's and Beneficiary's interests in the Property are not jeopardized. Beneficiary may require Grantor to post adequate security or a surety bond, reasonably satisfactory to Beneficiary, to protect Trustee's and Beneficiary's interest.

4. DUTY TO PAY TAXES, PREMIUMS. Grantor shall pay as they become due all insurance premiums, taxes, assessments, water rates, and other governmental or municipal charges, fines or imposition, assessed against the Property. Upon the request of Beneficiary, Grantor shall promptly furnish satisfactory evidence of such payment or performance. Grantor shall authorize the appropriate governmental officer to deliver to Beneficiary a written statement of taxes and assessments against the

Property. If Grantor fails to make any payments provided for in this section, or any other payments for taxes, assessments or the like, Beneficiary may pay the same and all sums so paid shall bear interest at the same rate as from time to time in effect under the Note (from the date of such advance) and shall be secured by this Deed of Trust. Upon demand, Grantor shall immediately reimburse Beneficiary for any such funds so advanced. The failure, refusal or neglect of Grantor to pay any of the taxes assessed against the Property before any interest or penalty attaches thereto and to provide adequate security therefor or to keep the Property adequately insured as hereinafter provided, or to pay the premiums therefor shall constitute waste. Upon the happening of any act of waste and on proper application made therefor by Beneficiary to a court of competent jurisdiction, Beneficiary shall forthwith be entitled to the appointment of a receiver of the Property and any and all earnings, rents, income, issue and profits thereof, with such powers as the court making such appointment shall confer. Grantor hereby irrevocably consents to such appointment and waives notice of any application therefor. Upon demand of Beneficiary, Grantor shall deposit with Beneficiary or, at Beneficiary's option, add to each payment required under the Note the amount estimated by Beneficiary to be sufficient to enable Beneficiary to pay as they become due all taxes, charges, assessments, and insurance premiums which Grantor is required to pay. Further, any deficiency occasioned by an insufficiency of such additional payments shall be deposited by Grantor with Beneficiary upon demand.

5. MECHANICS' AND OTHER LIENS. Grantor shall pay, from time to time when the same shall become due, all claims and demands of any agents, brokers, mechanics, materialmen, laborers or others, and for work performed or materials furnished, or the like which if unpaid might result in, or permit the creation of, a lien on the Property or any part thereof, or on the revenues, rents, issues, income or profits arising therefrom. In general, Grantor shall do, or cause to be done, at the cost of Grantor and without expense to Beneficiary, everything necessary to fully preserve the first priority lien of this Deed of Trust. In the event Grantor fails to make payment of such claims and demands, Beneficiary may make payment thereof, and all sums so paid shall bear interest at the same rate as from time to time in effect under the Note (from the date of such advance) and shall be secured by this Deed of Trust. Grantor shall, on demand, reimburse Beneficiary for all sums so expended. Notwithstanding the foregoing, Grantor may bond or otherwise discharge any such claim or demand which is contested, in form and substance satisfactory to Beneficiary.

6. DUTY TO MAINTAIN. Grantor shall keep the Property, and the Improvements of any kind now or hereafter erected, in as good order and condition on the date hereof, reasonable wear and tear excepted, and shall not commit or permit any waste thereof. Grantor shall promptly perform all repairs, replacements, and maintenance necessary to preserve the value of the Property. Grantor shall not demolish or remove any Improvements from the Real Property without Beneficiary's prior written consent. As a condition to the removal of any Improvements, Beneficiary may require that Grantor make arrangements satisfactory to Beneficiary to replace such Improvements with Improvements of at least equal value. Grantor shall not cause, conduct or permit any nuisance or allow the removal of any timber, minerals (including oil and gas), coal, soil, rock, or gravel products without Beneficiary's prior written consent. Grantor shall not initiate or acquiesce in a change in the zoning classification of the Real Property or the Improvements or make or permit any structural alteration thereof without Beneficiary's prior written consent.

7. INSPECTIONS; APPRAISALS. Beneficiary may, at the expense of Grantor, at any reasonable time and from time to time make or cause to be made reasonable entries upon, investigations, and inspections of the Property, including without limitation any inspections or investigations such as sampling and testing which may be necessary or desirable to review compliance with Environmental Laws, as hereinafter defined. Should (a) Beneficiary at any time in good faith believe that the fair market value of the Property has declined below the appraised value utilized by Beneficiary in extending credit or any renewal thereof; (b) there be an Event of Default under the Note, any Loan Documents or this Deed of Trust; (c) there be a forbearance or restructure of any Indebtedness secured under this Deed of Trust; (d) any applicable law or regulation require Beneficiary to obtain a current appraisal or valuation; (e) there be any condemnation or material damage to the Property; (f) Beneficiary determines in its sole discretion that there has been a material adverse change in the financial condition, business operations or business prospects of Grantor, Borrower, any guarantor, or other obligor; (g) Borrower or Grantor request additional extensions of credit secured by this Deed of Trust; or (h) Grantor's use of the Property becomes restricted,

impaired or materially changed from its intended use on the date hereof; Beneficiary may, without notice to or consent from Grantor and at the expense of Grantor, obtain an appraisal or valuation of the Property from an appraiser retained by Beneficiary and thereafter, may obtain such updated appraisals or valuation as Beneficiary shall deem appropriate. Grantor shall cooperate fully with any such appraiser in connection with the preparation of any appraisal or valuation. Upon demand, Grantor shall reimburse Beneficiary for any costs incurred pursuant to this section. All costs so paid shall bear interest at the same rate as from time to time in effect under the Note (from the date of such advance), and shall be secured by this Deed of Trust.

8. PROPERTY INSURANCE.

8.1 Maintenance of Insurance. Grantor shall procure and maintain, and cause each tenant and subtenant of the Property to procure and maintain, policies of fire insurance with standard extended coverage endorsements on a fair value basis for the full insurable value covering all Improvements on the Property in an amount sufficient to avoid application of any coinsurance clause, and with a standard Beneficiary clause in favor of Beneficiary. Grantor shall also procure and maintain, and cause each tenant and subtenant of the Property to procure and maintain, comprehensive general liability insurance in such coverage amounts as Beneficiary may request, with Beneficiary being named as additional insured in such liability insurance policies. Additionally, Grantor shall maintain such other insurance, including but not limited to hazard, business interruption, and boiler insurance, as Beneficiary may reasonably require. Policies shall be written in form, amounts, coverages and basis reasonably acceptable to Beneficiary and issued by a company or companies reasonably acceptable to Beneficiary. In all cases and at all times, such insurance policies shall be compliant with applicable law. All policies shall provide that the policies shall not be invalidated by any waiver of the right of subrogation by any insured and shall provide that the carrier shall have no right to be subrogated to Beneficiary. Grantor, upon request of Beneficiary, shall deliver to Beneficiary from time to time the policies or certificates of insurance in form satisfactory to Beneficiary, including stipulations that coverages shall not be cancelled or diminished without at least thirty (30) days prior written notice to Beneficiary. Each insurance policy also shall include an endorsement providing that coverage in favor of Beneficiary shall not be impaired in any way by any act, omission or default of Grantor or any other person. If the Property is located in an area now or in the future designated by the Administrator of the Federal Emergency Management Agency as a special flood hazard area, Grantor shall obtain and maintain Federal Flood Insurance, if available, or private flood insurance acceptable to Beneficiary in its sole discretion for the full unpaid principal balance of the Indebtedness and any prior liens on the Property securing the Indebtedness, or as otherwise required by Beneficiary. Grantor may furnish the required insurance whether through existing policies owned or controlled by Grantor or through equivalent insurance from any insurance company authorized to transact business in the State of North Carolina. If Grantor fails to provide any required insurance or fails to keep such insurance in force, Beneficiary may procure such insurance at Grantor's expense, and all sums so paid shall bear interest at the same rate as from time to time in effect under the Note (from the date of such advance) and shall be secured by this Deed of Trust.

8.2 Authority to settle claims. Grantor shall promptly notify Beneficiary of any loss or damage to the Property. Beneficiary may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. Beneficiary is hereby authorized and empowered to, and its option may, adjust or compromise any loss under any insurance policies and to collect and receive the proceeds from any policy or policies. Each insurance company is hereby authorized and directed to make payment for all such losses directly to Beneficiary, instead of to Grantor and Beneficiary jointly. In the event any insurance company fails to disburse directly and solely to Beneficiary but disburses instead either solely to Grantor or to Grantor and Beneficiary jointly, Grantor agrees immediately to endorse and transfer such proceeds to Beneficiary. Upon the failure of Grantor to endorse and transfer such proceeds as aforesaid, Beneficiary may execute such endorsements or transfer for and in the name of Grantor and Grantor hereby irrevocably appoints Beneficiary as Grantor's agent and attorney-in-fact so to do, which shall constitute a power coupled with an interest by virtue of this Deed of Trust. Beneficiary shall not be held responsible for any failure to collect any insurance proceeds due under the terms of any policy regardless of the cause of such failure. Any proceeds which have not been disbursed within 180 days after their receipt and for which Beneficiary has

not committed to the repair or restoration of the Property shall be used first to pay any amount owing to Beneficiary under this Deed of Trust, then to pay accrued interest, and the remainder, if any, shall be applied to the principal balance of the Indebtedness. If Beneficiary holds any proceeds after payment in full of the Indebtedness, such proceeds shall be paid to Grantor as Grantor's interests may appear.

8.3 Unexpired Insurance at Sale. Any unexpired insurance shall inure to the benefit of, and pass to, the purchaser of the Property at any sale held under the provisions of this Deed of Trust, or at any foreclosure or trustee's sale of such Property.

8.4 Grantor's Report on Insurance. Upon request of Beneficiary, Grantor shall furnish to Beneficiary a report on each existing policy of insurance showing: (a) the name of the insurer; (b) the risks insured; (c) the amount of the policy and any applicable deductibles and co-insurance amounts; (d) the Property insured, (e) the then current replacement value of such Property, and the manner of determining that value; and (f) the expiration date of the policy. Grantor shall, upon request of Beneficiary, have an independent appraiser satisfactory to Beneficiary determine the cash value replacement cost of the Property.

9. ASSIGNMENT OF LEASES, RENTS AND PROFITS. Grantor hereby presently, absolutely, and unconditionally assigns to Beneficiary all of the leases, rents, issues and profits of the Property and the absolute, unconditional, and continuing right to receive and collect all of the leases, rents, issues and profits of the Property, it being intended that this assignment constitutes a present, outright, continuing and absolute assignment and not an assignment for additional security only. Beneficiary may elect to collect any and all rents, issues and profits at any time whether or not any Event of Default or default has occurred or is continuing under this Deed of Trust or any Loan Document. Grantor hereby irrevocably appoints Beneficiary as Grantor's attorney-in-fact to collect any leases, rents, issues and profits, and endorse checks therefor, with or without suit, and to apply the same, less expenses of collection, to any Indebtedness secured by this Deed of Trust, in any manner as Beneficiary may determine. Such appointment shall be a power coupled with an interest and shall remain in full force and effect as long as any portion of the Indebtedness remains outstanding. Notwithstanding the foregoing, Beneficiary hereby grants to Grantor a revocable license to collect and receive all leases, rents, issues and profits of the Property until the occurrence and during the continuance of an Event of Default at which time such license shall automatically cease and terminate and shall be void and of no further effect. Upon the occurrence and during the continuance of an Event of Default, any portion of the leases, rents, issues and profits received and held by Grantor shall be held in trust for the benefit of Beneficiary for use in the payment of the Indebtedness. Beneficiary's election to pursue the collection of the leases, rents, issues or profits shall be in addition to all other remedies which Beneficiary might have and may be put into effect independently of or concurrently with any other remedy. Nothing contained in this section shall diminish, alter, impair, or affect any other rights and remedies of Beneficiary, including but not limited to, appointment of a receiver, nor shall any provision herein, diminish, alter, impair or affect any rights or powers of the receiver in law or equity or as set forth elsewhere in this Deed of Trust. In addition, this assignment of rents shall be fully operative without regard to value of the Property or without regard to the adequacy of the Property to serve as security for the obligations owed by Grantor or Borrower to Beneficiary.

10. PAYMENT OF OTHER OBLIGATIONS. Grantor shall pay as it becomes due all principal and interest on all notes, obligations, contracts or agreements, secured by any deed of trust, lien or security interest having priority over this Deed of Trust as to the Property. If Grantor fails to make any such payments when due, Beneficiary may pay the same and add any amounts so paid to the principal of the Note. Any and all sums so paid shall bear interest at the rate from time to time in effect under the Note from the date of such advance and shall be secured by this Deed of Trust.

11. SECURITY AGREEMENT; FIXTURE FILING. All fixtures, appliances and equipment which comprise a part of the Property shall, as far as permitted by law, be deemed to be affixed to the Real Property and conveyed therewith. This Deed of Trust shall be an authenticated security agreement which creates a security interest in all furniture, fixtures, appliances, machinery, equipment and all personal property and any replacements and proceeds and substitutions thereof, owned by Grantor and now located thereon, attached to, or hereafter acquired or located thereon or attached thereto, and all lighting, heating, cooking, ventilating, air conditioning, incinerating, sprinkling and plumbing systems, and all cooking

appliances, cabinets, windows, doors and all wall to wall carpeting located thereon; all judgments, awards of damages and settlements hereafter made resulting from condemnation proceedings or the taking of the Property or any part thereof under the power of eminent domain, or for any damage (whether caused by such taking or otherwise) to the Property or the Improvements thereon or any part thereof, or to any rights appurtenant thereto, including any award for change of grade or streets; and all inventory, contract rights, cash, proceeds, profits, income, rent, accounts receivable, lease agreements, lease payments, insurance proceeds, deposit and other accounts, logos, trademarks, and all trade name agreements, and all replacements and proceeds relating thereto now owned or hereafter acquired by Grantor, in connection with the Property (the "Collateral"). This Deed of Trust is intended to be a financing statement and shall be recorded as a "fixture filing" in accordance with the Uniform Commercial Code of North Carolina, as the same may be amended from time to time (the "UCC"). In that regard Grantor grants a security interest in such Collateral and Beneficiary shall have all rights and remedies of a secured party under the UCC, as the same may be amended from time to time, or other applicable statutes. Without limiting those rights and remedies, Beneficiary may, at its option, either (a) enforce its security interest in such Collateral under the UCC or other applicable law or (b) include such Collateral in any judicial or non-judicial foreclosure of this Deed of Trust. For purposes of this section, the mailing addresses of Grantor (debtor) and Beneficiary (secured party) from which information concerning the security interest granted by the Deed of Trust may be obtained (each as required by the UCC) are as stated on the first page of this Deed of Trust. Grantor hereby authorizes Beneficiary to file, at Grantor's expense, any UCC financing statements describing any and all assets and personal property in which Beneficiary has been granted a security interest. Upon request by Beneficiary, Grantor shall take whatever action is requested by Beneficiary to perfect and continue the security interest in such Collateral. Grantor hereby irrevocably (as long as the Indebtedness secured hereby remains unpaid) makes, constitutes and appoints Beneficiary as the true and lawful attorney-in-fact of Grantor to sign the name of Grantor on any similar document or amendment thereto deemed necessary to perfect or continue such security interests, which shall constitute a power coupled with an interest by virtue of this Deed of Trust. However, this Deed of Trust shall be a financing statement filed as a fixture filing and sufficient to perfect and maintain any security interest created hereby in the Collateral and the Property and its proceeds. Upon the occurrence of an Event of Default, Grantor shall not remove, sever, or detach any of the aforementioned Collateral from the Property. Upon the occurrence of an Event of Default, Beneficiary, in addition to any and all remedies it may have or exercise under this Deed of Trust, the Note, any Loan Document, or under applicable law, may immediately and without demand exercise any and all of the rights of a secured party upon default under the UCC, all of which shall be cumulative.

Notwithstanding any other provision in this Deed of Trust, should flood insurance be required for the Real Property pursuant to any existing or future federal statute, regulation, policy or guideline related to flood insurance (collectively, the "Flood Laws"), and the personal property located thereon (i) would be required to be insured under the Floods Laws by virtue of the security interest granted under this Deed of Trust, and (ii) such Personal Property is not covered by flood insurance to the extent required by the Flood Laws, then Beneficiary disclaims any security interest created hereunder in such personal property. The foregoing shall not relieve Grantor of its obligation to obtain flood insurance for such personal property should Beneficiary so require.

12. CONDEMNATION AWARD. Grantor shall immediately notify Beneficiary in writing should all or any part of the Property become subject to any condemnation or expropriation proceedings or other similar proceedings, including without limitation, any condemnation, confiscation, eminent domain, inverse condemnation or temporary requisition or taking. Grantor further agrees to take promptly such steps as Beneficiary in its sole judgment deems necessary and proper and at Grantor's expense, to defend any such condemnation or expropriation proceedings and obtain the proceeds derived from such proceedings and remit to Beneficiary as provided herein. Grantor shall not agree to any settlement or compromise of any condemnation or expropriation claim without Beneficiary's prior written consent. Beneficiary may, at Beneficiary's sole option, elect to participate in any such condemnation or expropriation proceedings and be represented by counsel of Beneficiary's choice. Grantor agrees to provide Beneficiary with such documentation as Beneficiary may request to permit Beneficiary to so participate and to reimburse Beneficiary for Beneficiary's costs associated with Beneficiary's participation, including Beneficiary's reasonable attorneys' fees. If Grantor fails to defend any such condemnation or expropriation proceedings

to Beneficiary's satisfaction, Beneficiary may undertake the defense of such a proceeding for and on behalf of Grantor. To this end, Grantor irrevocably appoints Beneficiary as Grantor's agent and attorney-in-fact, such power shall be a power being coupled with an interest, to bring, defend, adjudicate, settle, or otherwise compromise such condemnation or expropriation claims. Unless an Event of Default then exists, Beneficiary shall not agree to any final settlement or compromise of any such condemnation or expropriation claim without Grantor's prior approval, which approval shall not be unreasonably withheld.

Beneficiary shall have the right to receive all proceeds derived or to be derived from the condemnation, expropriation, confiscation, eminent domain, inverse condemnation, or any permanent or temporary requisition or taking of the Property, or any part thereof ("Condemnation Proceeds"). In the event that Grantor should receive any such Condemnation Proceeds, Grantor agrees to immediately turn over and to pay such proceeds to Beneficiary. All Condemnation Proceeds, which are received by and payable to either Grantor or Beneficiary shall be applied, at Beneficiary's sole option and discretion, and in such manner as Beneficiary may determine (after payment of all reasonable costs, expenses and attorneys' fees necessarily paid or incurred by Grantor and/or Beneficiary), for the purpose of: (a) replacing or restoring the condemned, expropriated, confiscated, or taken Property; or (b) reducing the outstanding balance of the Indebtedness. Beneficiary's receipt of such Condemnation Proceeds and the application of such proceeds as provided in this Deed of Trust shall not affect the lien of this Deed of Trust.

13. ENVIRONMENTAL WARRANTIES, INDEMNITIES AND AGREEMENTS. Grantor represents, warrants and agrees that: (a) neither Grantor nor any other person has generated, manufactured, stored, treated, processed, released, discharged or disposed of any Hazardous Substances (hereinafter defined) on, in, around and under the Property or received any notice from any Governmental Authority (hereinafter defined) or other person regarding a release of Hazardous Substances on, from or otherwise affecting the Property; (b) neither Grantor nor any other person has violated any applicable Environmental Laws (hereinafter defined) relating to or affecting the Property; (c) the Property is presently being operated in compliance with all applicable Environmental Laws; (d) there are no circumstances presently existing upon or under the Property, or relating to the Property which may violate any applicable Environmental Laws; (e) there is not now pending or threatened any action, suit, investigation or proceeding against Grantor or any other party relating to the Property seeking to enforce any right or remedy under any of the Environmental Laws; (f) except in strict compliance with Environmental Laws, the Property shall be kept free of Hazardous Substances and shall not be used to generate, manufacture, transport, treat, store, handle, dispose, process or release any Hazardous Substances; (g) Grantor shall at all times comply with and ensure compliance by all other parties with all applicable Environmental Laws and shall keep the Property free and clear of any liens imposed pursuant to any applicable Environmental Laws; (h) Grantor has obtained and shall at all times continue to obtain and/or maintain all licenses, permits and other directives from any Governmental Authority necessary to comply with Environmental Laws; (i) Grantor is in full compliance with the terms and provisions of the Environmental Requirements (hereinafter defined) and shall continue to comply with the terms and provisions of the Environmental Requirements; and (j) Grantor shall immediately give Beneficiary oral and written notice in the event that Grantor receives any notice from any Governmental Authority or any other party with regard to any release, generation, manufacture, storage, treatment, processing, release, discharge or disposal of Hazardous Substances on, from or affecting the Property and Grantor shall conduct and complete, at Grantor's expense, all investigations, sampling, and testing, and all remedial, removal, and other actions necessary or required to clean up and remove all Hazardous Substances on, from or affecting the Property in accordance with all applicable Environmental Laws.

In the event that any of Grantor's representations or warranties shall prove to be materially false or Grantor fails to satisfy any Environmental Requirement, Beneficiary, in its sole discretion, may (i) choose to assume compliance with governmental directives and Grantor agrees to reimburse Beneficiary for all costs, expenses (including all reasonable attorneys' fees), fines, penalties, judgments, suits, or liabilities whatsoever associated with such compliance; or (ii) seek all legal and equitable remedies available to Beneficiary including, but not limited to, injunctive relief compelling Grantor to comply with all Environmental Requirements relating to the Property. Beneficiary's rights in this section shall be in addition to all rights granted under the Note or Loan Documents and payments by Grantor under this provision shall not reduce Grantor's obligations and liabilities thereunder. In the event Beneficiary undertakes compliance with any Environmental Requirements which Grantor failed to perform or which Beneficiary determines are

necessary to sell all or any part of the Property, Grantor authorizes Beneficiary and/or Beneficiary's agents to prepare and execute on Grantor's behalf, any manifest or other documentation relating to the removal and/or disposal of any Hazardous Substances, from, at, or on the Property. Grantor acknowledges that Beneficiary does not own, or have a security interest in, any Hazardous Substances which exist on, originate from or affect the Property. All amounts expended by Beneficiary in connection with the exercise of its rights under this section (including reasonable attorneys' fees and the fees of any environmental consultants) shall become part of the Indebtedness secured by this Deed of Trust.

For purposes of this Deed of Trust: "Environmental Laws" means (a) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §9601 *et seq.*; (b) the Resource Conservation and Recovery Act, as amended by the Hazardous and Solid Waste Amendments of 1984, 42 U.S.C. §6901 *et seq.*; (c) the Clean Air Act, 42 U.S.C. §7401 *et seq.*; (d) the Clean Water Act of 1977, 33 U.S.C. §1251 *et seq.*; (e) the Toxic Substances Control Act, 15 U.S.C. §2601 *et seq.*; (f) the Safe Drinking Water Act, 42 U.S.C. §300f *et seq.*; (g) the Refuse Act, 33 U.S.C. §407; (h) the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499; (i) the Hazardous Materials Transportation Act, 49 U.S.C. §5101 *et seq.*; (j) the regulations promulgated pursuant to any of the aforesaid laws; and (k) all other federal, state or local laws, ordinances, orders, rules or regulations, now or hereafter existing, that directly and/or indirectly relate to the protection of human health, the environment, air pollution, water pollution, noise control and/or the presence, storage, escape, seepage, leakage, emission, release, use, spillage, generation, transportation, handling, discharge, disposal or recovery of on-site or off-site hazardous or toxic substances, wastes or materials and/or underground storage tanks. "Environmental Requirement" means any Environmental Law, together with any administrative orders, directives, judgments, consent orders, permits, licenses, authorizations, consents, settlements, agreements or other formal or informal directions or guidance issued by or entered into with any Governmental Authority or private party, which obligate or commit Grantor to investigate, remediate, treat, monitor, dispose of or remove Hazardous Substances. "Governmental Authority" means any federal, state or local agency, department, court or other administrative, legislative or regulatory governmental body, or any private individual or entity acting in place of such entities. "Hazardous Substances" means one or more of the following substances: (a) those substances included within the definitions of "hazardous substances," "hazardous materials," "toxic substances" or "solid waste" in any one or more of the Environmental Laws; (b) those substances listed in the United States Department of Transportation's Hazardous Materials Table (49 CFR 172.101 and amendments thereto) or by the Environmental Protection Agency (or any successor agency) as hazardous substances (40 CFR Part 302 and amendments thereto); (c) such other substances, materials and wastes which are or become regulated under applicable local, state or federal law, or the United States government, or which are classified as hazardous or toxic under federal, state or local laws, orders, ordinances, rules or regulations; and (d) any material, waste or substances which are or contain asbestos, polychlorinated biphenyls, explosives, radioactive materials, gasoline, petroleum, petroleum products, lead paint, or related or similar materials or substances.

Grantor hereby agrees to indemnify Beneficiary and hold Beneficiary harmless from and against any and all losses, liabilities, damages, injuries (including, without limitation, reasonable attorneys' fees) and claims of any and every kind whatsoever paid, incurred or suffered by, or asserted against Beneficiary for, with respect to, or as a direct or indirect result of (i) the presence on, or under the Property, or from the escape, spillage, emission or release on or removal from the Property of any Hazardous Substance regardless of whether or not caused by or within the control of Grantor, (ii) the violation of any Environmental Laws or Environmental Requirements relating to or affecting the Property, whether or not caused by or within the control of Grantor, (iii) the failure by Grantor to comply fully with the terms and provisions of this section, or (iv) any warranty or representation made by Grantor in this section being false or untrue in any material respect. The obligations and liabilities of Grantor under this section shall survive the foreclosure of this Deed of Trust, the delivery of a deed in lieu of foreclosure, Beneficiary's acquisition of any interest in the Property, the cancellation or payment of any Indebtedness; or the sale or alienation of all or any part of the Property.

14. RELEASES. Beneficiary may grant releases at any time and from time to time of all or any portion of the Property (whether or not such releases are required by agreement among the parties) agreeable to

Beneficiary without notice to or the consent, approval or agreement of other parties and interests, including, without limitation, junior lienors and purchasers subject to the lien of this Deed of Trust or any of the Loan Documents, and such releases shall not impair in any manner the validity of or priority of this Deed of Trust on that portion of the Property remaining subject to this Deed of Trust, nor release Grantor from any personal liability for the Indebtedness. In addition, Trustee and Beneficiary may, without notice to or the consent of Grantor, release any obligor of the Indebtedness or any other Collateral securing the Indebtedness and such release shall not impair in any manner the validity of or priority of this Deed of Trust, nor release Grantor or Borrower from personal liability for the Indebtedness.

15. INDEMNIFICATION IN EVENT OF ADVERSE CLAIMS. In the event that Beneficiary or Trustee becomes a party, whether voluntarily or otherwise, to any action, suit or legal proceeding arising out of or related to: (a) the taking of the Property as security for the Indebtedness, (b) the ownership, use, operation or maintenance of the Property or (c) any other matter involving the Property, Grantor shall indemnify and hold harmless Beneficiary and Trustee and reimburse Beneficiary and Trustee for any amounts paid, including all costs, charges and attorneys' fees incurred in connection with any such action, suit or proceeding, and the same shall be secured by this Deed of Trust and payable upon demand.

16. EVENTS OF DEFAULT. Grantor shall be in default under this Deed of Trust upon the occurrence of any of the following ("Event of Default"):

(a) The failure of Borrower or Grantor to pay, whether by acceleration or otherwise, any of the Indebtedness on the date due or to perform any covenant, warranty or obligation in the Note, this Deed of Trust, or any Loan Document.

(b) A default or event of default occurs under any Loan Document, or in any instrument or contract between Grantor and Beneficiary, or in any instrument, agreement or contract between any third party and Grantor made for the benefit of Beneficiary.

(c) Any warranty, representation, report or statement made or furnished to Beneficiary by or on behalf of Grantor in connection with the Indebtedness is incorrect, incomplete, false or misleading.

(d) The occurrence of any material loss, theft, damage or destruction to the Property which is not covered by insurance.

(e) (i) The application for, consent to, or appointment of a custodian, receiver, trustee, liquidator or other similar official for or to take possession of any or all of the assets of any Grantor; (ii) any Grantor shall voluntarily commence, consent to, fail to timely contest, or file (A) any proceeding or petition seeking liquidation, reorganization or other relief under any federal, state or foreign bankruptcy, insolvency or other similar law now or hereafter in effect, or (B) any proceeding to dissolve any Grantor; (iii) any Borrower or any Grantor makes an assignment for the benefit of creditors.

(f) An involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of any Grantor or its debts, or any substantial part of its assets, under any federal, state or foreign bankruptcy, insolvency or other similar law now or hereafter in effect or (ii) the appointment of a custodian, trustee, receiver, liquidator or other similar official for any Grantor or for a substantial part of such its assets, and in any such case, such proceeding or petition shall remain undismissed for a period of sixty (60) days or an order or decree approving or ordering any of the foregoing shall be entered.

(g) The death or permanent disability of Grantor or the dissolution, termination of existence, merger, Change In Control (as hereinafter defined), insolvency, or business failure of Grantor, as applicable.

(h) The assignment, sale, transfer or distribution by Grantor of any of its assets other than in the ordinary course of business.

(i) The entry of any judgment, award or order which is not covered by insurance, or remains unstayed, unsatisfied or unbonded for thirty (30) days following the issuance of such judgment, award or order, or upon the issuance or service of any of any writ of garnishment against Grantor or its property, or the repossession or seizure of property of Grantor.

(j) The filing of any tax, mechanic's or materialman's lien against the Property, or attachment is levied against the Property.

(k) Beneficiary determines that its liens and security interests in the Property are invalid, unperfected, unenforceable, or fail to have the priority required by Beneficiary; or the Property declines in fair market or appraised value below the amount required at the execution hereof.

(l) Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect Grantor's ability to perform its obligations under this Deed of Trust or any Loan Document.

(m) Any change in any zoning ordinance or regulation or any other public restriction is enacted, adopted or implemented, that limits or defines the uses which may be made of the Property such that the present or intended or current use of the Property would be in violation of such zoning ordinance or regulation or public restriction, as changed.

(n) Commencement of a foreclosure or forfeiture proceeding, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Grantor or by any governmental agency against any of the Property, including any garnishment of any of Grantor's accounts, including deposit accounts, with Beneficiary.

(o) Beneficiary in good faith determines that there has been a material adverse change in the financial condition, business operations or business prospects of Grantor.

17. RIGHTS AND REMEDIES.

(a) Acceleration. Upon the occurrence of any Event of Default, Beneficiary may, at Beneficiary's option, declare all of the sums secured by this Deed of Trust to be immediately due and payable in full, including any prepayment penalty that would become due, without further demand. Upon the occurrence of an Event of Default under Paragraph 16(e) or 16(f) above, the entire outstanding principal balance, together with all interest thereon and any other amounts due under the Indebtedness, shall automatically become due and payable without presentment, demand, protest, or notice of any kind except notice required by law.

(b) Beneficiary's Right to Enter and Take Possession, Operate and Apply Revenues. If an Event of Default shall have occurred, Grantor, upon demand of Beneficiary, shall forthwith surrender to Beneficiary the actual possession of the Property, and if, and to the extent, permitted by law, Beneficiary itself, or by such officers or agents as it may appoint, may enter and take possession of all the Property without the appointment of a receiver, or an application therefor, and may exclude Grantor and its agents and employees wholly therefrom, and may have joint access with Grantor to the books, records and accounts of Grantor. Upon every such entering upon or taking possession, Beneficiary may (but in no event shall have any obligation to) hold, store, use, operate, manage and control the Property and conduct the business thereof or complete the improvement thereof with any costs relating to any of the foregoing secured hereby, and, from time to time, make all necessary and proper maintenance, repairs, renewals, replacements, additions, betterments and improvements thereto and thereon and purchase or otherwise acquire additional fixtures, personalty and other property; insure or keep the Property insured; manage and operate the Property and exercise all the rights and powers of Grantor to the same extent as Grantor could in its own name or otherwise with respect to the same; enter into any and all agreements with respect to the exercise by others of any of the powers herein granted to Beneficiary, all as Beneficiary from time to time may determine to be in its best interest; and perform all acts required of Grantor as lessor under any lease of all or any part of the Property, all as Beneficiary may from time to time determine in its sole

discretion to be in Beneficiary's best advantage. Beneficiary may collect and receive all rents, issues, profits and revenues from the Property, including those past due as well as those accruing thereafter, and, after deducting all expenses of taking, holding, managing and operating the Property (including compensation for the services of all persons employed for such purposes) apply such amounts to the cost of all maintenance, repairs, renewals, replacements, additions betterments, improvements, purchases and acquisitions; the cost of insurance; such taxes, assessments and other similar charges as Beneficiary may at its option pay; other proper charges upon the Property or any part thereof; and the reasonable compensation, expenses and disbursements of the attorneys and agents of Beneficiary. Beneficiary shall apply the remainder of the monies and proceeds so received by Beneficiary, to the payment of accrued interest, fees due and owing, and to the payment of any outstanding principal of the Indebtedness in whatever order Beneficiary may elect.

(c) Foreclosure. Upon application of Beneficiary, Trustee shall foreclose this Deed of Trust in any manner permitted by North Carolina law, including selling the Property or any part thereof at public sale to the highest bidder for cash, free of any equity of redemption, homestead, or other state or federal exemption, all of which are expressly waived by Grantor, after compliance with applicable North Carolina laws relating to foreclosure sales under power of sale; and Trustee shall execute and deliver to the purchaser a Trustee's deed conveying the Property so sold without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. The proceeds of any such sale shall be applied in the manner and in the order prescribed by applicable North Carolina law, it being agreed that the expenses of any such sale shall include a commission of five percent (5.0%) of the gross sales price to Trustee for holding such sale and for all services performed hereunder excluding expenses incurred in making the sale. In the event a foreclosure suit or special proceeding is commenced, and no sale is held, then Grantor shall pay to Trustee: (1) all expenses incurred by Trustee; and (2) a partial commission computed on five percent (5.0%) of the balance of the unpaid Indebtedness. Beneficiary may bid and become the purchaser at any sale under this Deed of Trust. At any such sale Trustee may at its election require the successful bidder immediately to deposit with Trustee cash in an amount equal to all or any part of the successful bid, and notice of any such requirement need not be included in the advertisement of the notice of such sale. If foreclosure proceedings are instituted under this Deed of Trust, Beneficiary is hereby authorized to take possession of the Property and collect any rental, accrued or to accrue; or Beneficiary may lease the Property or any part thereof, receive the rents and profits therefrom, and hold the proceeds remaining after payment of the expenses of managing and operating the Property subject to the order of the court for the benefit of Beneficiary, pending final disposition of the foreclosure proceedings, and during any period allowed by applicable law for the redemption from any foreclosure sale ordered in such proceedings; and Trustee may act irrespective of the value of the Property or its adequacy or inadequacy to secure or discharge the Indebtedness then owing.

(d) Pursue Remedies. If an Event of Default shall have occurred and be continuing, Beneficiary may, in addition to the other rights and remedies provided in this Deed of Trust, either with or without entry or taking possession as provided herein or otherwise, proceed by a suit or suits in law or in equity or by any other appropriate proceeding or remedy (i) to enforce payment of the Indebtedness or the performance of any term, covenant, condition or agreement of this Deed of Trust or any other Loan Document, or any other rights and (ii) to pursue any other remedies available to it, all as Beneficiary shall determine most effectual for such purposes, including, but not limited to, the exercise of all rights and remedies available to Beneficiary as a secured party under the UCC and to exercise all rights and remedies provided to Beneficiary under this Deed of Trust and any assignment of leases and rents conveyed to Beneficiary in connection with this Deed of Trust. Should Beneficiary have proceeded to enforce any right, power or remedy under this Deed of Trust by foreclosure, entry or otherwise, and such proceeding shall have been discontinued or abandoned for any reason, or shall have been determined adversely to Beneficiary, then and in every such case, Grantor and Beneficiary shall be restored to their former positions and rights hereunder, and all rights, powers and remedies of Beneficiary shall continue as if no such proceeding had taken place. Beneficiary shall have the power to: (i) institute and maintain any suits and proceedings as Beneficiary may deem expedient to prevent any impairment of the Property by acts which may be unlawful or in violation of the Deed of Trust; (ii) preserve, insure or protect its interest in the Property and in the rents, issues, profits and revenues arising therefrom; and (iii) restrain the enforcement of or compliance with any legislation or other governmental enactment, rule or order that may be unconstitutional

or otherwise invalid, if the enforcement of or compliance with such enactment, rule or order would impair the Property or be prejudicial to the interests of Beneficiary. Grantor expressly waives, to the maximum extent permitted by law, any law that may operate to rescind the acceleration of the indebtedness secured hereby and reinstate such Indebtedness in accordance with its terms following the withdrawal of any foreclosure proceedings by Beneficiary, and Grantor acknowledges and agrees that such rescission and reinstatement shall occur only upon written agreement of Beneficiary. In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other proceedings affecting Grantor or the creditors or property of Grantor, Beneficiary, to the extent permitted by law, shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have the claims of Beneficiary allowed in such proceedings for the entire amount of the Indebtedness at the date of the institution of such proceedings and for any additional portion of the Indebtedness accruing after such date.

(e) Appointment of Receiver. If an Event of Default shall have occurred and be continuing, Beneficiary, upon application to a court of competent jurisdiction, shall be entitled as a matter of right without notice and without regard to the occupancy or value of any security for the Indebtedness or the solvency of any party bound for its payment, to the appointment of a receiver to take possession of and operate the Property and collect and apply the revenues, and Grantor hereby consents thereto. The receiver shall have all of the rights and powers permitted under the laws of the State of North Carolina. Grantor shall pay to Beneficiary upon demand, all expenses, including, without limitation, receivers' fees, reasonable attorneys' fees, costs and agent's compensation, all incurred pursuant to such appointment, all of which shall be considered a part of the Indebtedness secured hereby.

(f) Personal Property. Beneficiary shall give Grantor reasonable notice of the time and place of any public sale of the personal property or of the time after which any private sale or other intended disposition of the personal property is to be made. Unless otherwise required by applicable law, reasonable notice shall mean notice given at least ten (10) days before the time of the sale or disposition. Any sale of the personal property may be made in conjunction with any sale of the Property.

(g) Election of Remedies. Election of Beneficiary to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Deed of Trust, after Grantor's failure to perform, shall not affect Beneficiary's right to declare a default and exercise its remedies. Nothing under this Deed of Trust or otherwise shall be construed so as to limit or restrict the rights and remedies available to Beneficiary following an Event of Default, or in any way to limit or restrict the rights and ability of Beneficiary to proceed directly against Grantor and/or Borrower and/or against any other co-maker, guarantor, or surety and/or to proceed against any other collateral directly or indirectly securing the Indebtedness.

(h) Remedies Cumulative. Each right, power and remedy conferred upon or reserved to Beneficiary are distinct and exclusive of any other right, power, or remedy and shall be cumulative and in addition to any other right or remedy under this Deed of Trust, the Loan Documents or afforded by law or equity, and may be exercised concurrently, independently or successively. The liability of Grantor hereunder shall, if more than one, be joint and several.

18. MULTIPLE TRUSTEES; SUBSTITUTION OF TRUSTEE. If more than one trustee is named as Trustee herein or subsequently appointed pursuant to the terms hereof, then any trustee, acting alone without the joinder of any other Trustee, may exercise all powers granted to Trustees under this instrument, without the need for joinder of or action by any other Trustee. Trustee shall be under no duty to make an action hereunder except as expressly required herein or by law, Trustee shall have the right to select, employ and consult with counsel, and shall not be liable to Grantor or Beneficiary for actions taken in reliance on advice of counsel. Trustee may rely on any instrument, document or signature authorizing or supporting any action taken or proposed to be taken by him hereunder, believed by him in good faith to be genuine. Grantor shall pay all reasonable costs, fees and expenses incurred by Trustee and Trustee's agents and counsel in connection with the performance by Trustee of its obligations hereunder, and all such costs, fees and expenses shall be secured by this Deed of Trust. Grantor's obligations under this section shall not be reduced or impaired by principles of comparative or contributory negligence. All moneys

received by Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received but need not be segregated in any manner from other moneys (except to the extent required by law). Trustee shall have no duty to pay interest on any moneys received by him hereunder. Trustee may resign at any time and for any reason by giving thirty days prior notice to Lender. If Trustee or any successor Trustee shall die, resign or become disqualified from acting in the execution of this trust, or Beneficiary shall desire for any reason to appoint a substitute trustee, Beneficiary shall have full power to appoint one or more substitute Trustees and, if preferred, several substitute Trustees in succession who shall succeed to all the estates, rights, powers and duties of Trustee. The instrument appointing such substitute Trustee(s) may be executed by any officer, authorized agent or attorney in fact of Beneficiary, and as so executed, such instrument shall be conclusively presumed to be executed with authority, valid and sufficient, without further proof of any action and without the necessity of recording. Upon any such appointment, all of the powers, rights and authority of the Trustee shall immediately become vested in such successor. In no event or circumstance shall Trustee or any substitute Trustee hereunder be personally liable as a result of any action by Trustee (or any substitute Trustee) in the exercise of the powers hereby granted or otherwise, except that Trustee shall be personally liable for its gross negligence or willful misconduct.

19. ATTORNEYS' FEES; EXPENSES. Grantor shall upon demand pay reasonable attorneys' fees and all expenses incurred by Beneficiary in connection with the collection of the Indebtedness; the enforcement of the provisions of this Deed of Trust or the Loan Documents; or any suit or legal proceeding (including any proceeding conducted before any United States Bankruptcy Court) concerning the Property, the lien of this Deed of Trust, the Indebtedness or compliance by Grantor with any of the provisions of this Deed of Trust or the Loan Documents. Grantor shall be liable for such attorneys' fees and expenses whether or not any suit or proceeding is commenced. Such fees and expenses shall become a part of the Indebtedness and shall bear interest at the rate from time to time in effect under the Note from the date of expenditure until repaid. Expenses covered by this section, subject to any limits under applicable law, shall include, without limitation, legal expenses, court cost, cost of appeals, post-judgment collection services and the cost of searching records, title reports (including foreclosure reports), surveyors' reports, environmental reports, appraisal fees, title insurance and fees of trustee.

20. ANTI-MARSHALLING PROVISIONS. Notwithstanding the existence of any other liens and security interests in the Property securing the Indebtedness or held by Beneficiary or by any other party, Beneficiary shall have the right to determine the order in which any or all of the Property, including the Collateral, shall be subjected to the remedies available to Beneficiary, and Beneficiary shall further have the right to determine the order in which any or all portions of the Indebtedness are satisfied from the proceeds realized upon the exercise of any remedy it has. Grantor hereby irrevocably waives any and all rights to require the marshalling of assets in connection with the exercise of any of Beneficiary's remedies permitted by applicable law or provided herein or to require that Beneficiary resort to any particular Property or any part thereof.

21. DEFICIENCY. Upon the occurrence of an Event of Default hereunder, along with other remedies set out herein and in the Loan Documents, Beneficiary may foreclose upon the Property and seek a deficiency judgment.

22. TENANCY AT SUFFERANCE. If Grantor remains in possession of the Property after the Property is sold as provided above or Beneficiary otherwise becomes entitled to possession of the Property, Grantor shall become a tenant at sufferance of Beneficiary or the purchaser of the Property and shall, at Beneficiary's option, either pay a reasonable rental for the use of the Property, or vacate the Property immediately upon the demand of Beneficiary.

23. DUE ON SALE OR TRANSFER. Beneficiary may, at Beneficiary's option, declare immediately due and payable all sums secured by this Deed of Trust upon the sale, transfer, pledge all or part of the Property or upon granting a security interest in, or otherwise pledging, hypothecating or otherwise encumbering all or any part of the Property without Beneficiary's prior written consent. A "sale or transfer" means the conveyance of Property or any right, title or interest in the Property or any party thereof, whether legal, beneficial or equitable, whether voluntary or involuntary, whether by outright sale, deed, installment

sale contract, land contract, contract for deed, leasehold interest with a term greater than three (3) years, lease-option contract, or by sale, assignment, granting of a lien, or transfer of any beneficial interest in or to any land trust or other trust or entity holding title to the Property, or by any other method of conveyance of an interest in the Property. If any Grantor is a not a natural person, transfer also includes any restructure, merger, acquisition or a change in ownership, whether individually or cumulatively, of more than twenty-five percent (25%) of the voting stock, partnership interests or limited liability company interests, as the case may be, of such Grantor ("Change in Control"). However, this option shall not be exercised by Beneficiary if such exercise is prohibited by federal law or by other applicable law. Grantor has not agreed with any third party not to assign, pledge, hypothecate, transfer or grant a security interest in the Property.

24. GRANTOR'S CONTINUING OBLIGATION. This Deed of Trust shall remain as security for full payment of the Indebtedness under this Deed of Trust and for performance of any obligation evidenced by the Loan Documents, notwithstanding any of the following: (a) the sale or release of all or any part of the Property; (b) the assumption by another party of Grantor's or Borrower's obligations under this Deed of Trust, the Note or the Loan Documents; (c) the incurrence of additional Indebtedness; (d) the forbearance or extension of time for payment of the Indebtedness or for performance of any obligations by Grantor under this Deed of Trust or the Loan Documents, whether granted to Grantor, Borrower, or to a subsequent owner of the Property; (e) the release of any party that is primarily or secondarily obligated for the payment any Indebtedness secured by this Deed of Trust or the performance of any other obligations under this Deed of Trust or the Loan Documents; (f) the release or substitution of collateral as security for the Indebtedness; and (g) the exercise by Beneficiary of any rights or remedies related to the Property without having first resorted to any other property securing the Indebtedness or demanding payment from person or entity primarily or secondarily obligated to pay the Indebtedness. None of the foregoing shall, in any way, affect the full force and effect of the lien of this Deed of Trust or impair Beneficiary's right to a deficiency judgment in the event of foreclosure against Grantor, Borrower, or any party who had assumed payment of the Indebtedness or who assumed any other obligations, the performance of which is secured by this Deed of Trust.

25. RELEASE AND CANCELLATION. Upon (a) the full and final payment and performance of all obligations and liabilities of Grantor under this Deed of Trust, (b) full and final payment of the Indebtedness secured hereby, and (c) the termination of any commitment or agreement by Beneficiary to make advances, incur obligations or give value to Borrower or Grantor under the Note, any Loan Document, or any other document (including without limitation advances, obligations or value relating to future advances, open-end, revolving or other lines of credit or letters of credit), then a suitable satisfaction of this Deed of Trust shall be executed and delivered to Grantor and this conveyance shall be null and void and may be cancelled of record at the request and cost of Grantor except as prohibited by applicable law.

26. FURTHER ASSURANCES. At any time, and from time to time, upon request of Beneficiary, Grantor shall make, execute and deliver, or shall cause to be made, executed or delivered, to Beneficiary or to Beneficiary's designee, and when requested by Beneficiary, cause to be filed, recorded, refiled, or rerecorded, as the case may be, at such times and in such offices and places as Beneficiary may deem appropriate, any and all such deeds of trust, security agreements, financing statements, continuation statements, instruments of further assurance, certificates, and other documents as may, in the sole opinion of Beneficiary, be necessary or desirable in order to effectuate, complete, perfect, continue, or preserve Grantor's obligations under this Deed of Trust and any Loan Document, and the liens and security interests granted in this Deed of Trust as first and prior lien on the Property. Upon any failure by Grantor to perform any of its obligations under this section, Beneficiary may make, execute, record, file, re-record and/or refile any and all such deeds to secure debt, security agreements, financing statements, fixture filings, continuation statements, instruments, certificates, and documents for and in the name of Grantor and Grantor hereby irrevocably appoints Beneficiary the agent and attorney-in-fact of Grantor so to do, which shall constitute a power coupled with an interest by virtue of this Deed of Trust. The lien hereof shall automatically attach, without further act, to all after acquired property attached to and/or used in the operation of the Property or any part thereof. Grantor shall reimburse Beneficiary for all costs and expenses incurred in connection with the matters referred to in this section.

27. NOTICES. Except for any notice required under applicable law to be given in another manner, any notice required to be given under this Deed of Trust, including without limitation any notice of an Event of Default and any notice of sale shall be given in writing, and shall be effective when actually delivered (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, three (3) days after being deposited in the United States mail as first class or certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Deed of Trust. All copies of notices of foreclosure from the holder of any lien which has priority over this Deed of Trust shall be sent to Beneficiary's address, as shown near the beginning of this Deed of Trust. Any party may change its address for notices under this Deed of Trust by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Beneficiary informed at all times of Grantor's current address. Unless otherwise provided or required by law, if there is more than one Grantor, any notice given by Beneficiary to any Grantor is deemed to be notice given to all Grantors.

28. GOVERNING LAW. This Deed of Trust shall be governed by the laws of the State of North Carolina without regard to its conflicts of law principles.

29. CHOICE OF VENUE. Any legal action with respect to this Deed of Trust may be brought in the courts of the State of North Carolina or in the appropriate United States District Court situated in the State of North Carolina, and Grantor hereby accepts and unconditionally submits to the jurisdiction of such courts. Grantor hereby waives any objection to the laying of venue based on the grounds of forum non conveniens with respect thereto.

30. NO WAIVER. Beneficiary and Trustee shall not be deemed to have waived any rights under the Note, this Deed of Trust, or any of the Loan Documents unless such waiver is given in writing and signed by Beneficiary or Trustee as applicable. No delay or omission on the part of Beneficiary in exercising any right, power or remedy shall exhaust or impair any such right, power or remedy or shall be construed to be a waiver of any such Event of Default, or acquiescence therein; and every right, power and remedy given by this Deed of Trust to Beneficiary or Trustee may be exercised from time to time and as often as may be deemed expedient by Beneficiary or Trustee as applicable. No consent or waiver, express or implied, by Beneficiary or Trustee to or of any breach, default or Event of Default by Grantor in the performance of the obligations thereof hereunder shall be deemed or construed to be a consent or waiver to or of any other breach, default or Event of Default in the performance of the same or any other obligations of Grantor hereunder. Failure on the part of Beneficiary or Trustee to complain of any act or failure to act or to declare an Event of Default, irrespective of how long such failure continues, shall not constitute a waiver by Beneficiary or Trustee as applicable of its rights hereunder or impair any rights, powers or remedies consequent on any breach, or Event of Default by Grantor. A waiver by Beneficiary or Trustee of a provision of this Deed of Trust or any of the Loan Documents shall not prejudice or constitute a waiver of Beneficiary's or Trustee's right otherwise to demand strict compliance with that provision or any other provision of this Deed of Trust or any of the Loan Documents. No prior waiver with regard to any transaction or matter by Beneficiary or Trustee, nor any course of dealing between Beneficiary or Trustee and Grantor or Beneficiary and Borrower, shall constitute a waiver of any of Beneficiary's or Trustee's rights or of any of Grantor's obligations as to any future matter or transaction. Whenever the consent of Beneficiary or Trustee is required under this Deed of Trust or any of the Loan Documents, the granting of such consent by Beneficiary or Trustee in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Beneficiary or Trustee as applicable.

31. NON-LIABILITY OF BENEFICIARY. The relationship between Grantor and Beneficiary created by this Deed of Trust is strictly a debtor and creditor relationship and not fiduciary in nature, nor is the relationship to be construed as creating any partnership or joint venture between Beneficiary and Grantor. Grantor is exercising Grantor's own judgment with respect to Grantor's business. All information supplied to Beneficiary is for Beneficiary's benefit only and no other party is entitled to rely on such information. There is no duty for Beneficiary to review, inspect, supervise or inform Grantor of any matter with respect to Grantor's or Borrower's business. Beneficiary and Grantor intend that Beneficiary may reasonably rely on all information supplied by Grantor to Beneficiary, together with all representations and warranties given

by Grantor to Beneficiary, without investigation or confirmation by Beneficiary and that any investigation or failure to investigate shall not diminish Beneficiary's right to so rely. Beneficiary may act or refrain from acting pursuant to any right or option given to it under this Deed of Trust and Grantor shall have not right or expectation of any action or inaction by Beneficiary.

32. AMENDMENTS. No alteration of or amendment to this Deed of Trust shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

33. SEVERABILITY. If a court of competent jurisdiction finds any provision of this Deed of Trust to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Deed of Trust. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Deed of Trust shall not affect the legality, validity or enforceability of any other provision of this Deed of Trust.

34. ENTIRE AGREEMENT. This Deed of Trust, together with the Loan Documents, is the final expression of the agreement between the parties hereto and this Deed of Trust may not be contradicted by evidence of any prior oral agreement between such parties. All previous oral agreements between the parties hereto have been incorporated into this Deed of Trust and the Loan Documents, and there is no unwritten oral agreement between the parties hereto in existence.

35. SOLE DISCRETION OF BENEFICIARY. Whenever Beneficiary's consent or approval is required under this Deed of Trust, the decision as to whether or not to consent or approve shall be in the sole and exclusive discretion of Beneficiary and Beneficiary's decision shall be final and conclusive.

36. SUCCESSOR INTERESTS. The terms of this Deed of Trust shall be binding upon Grantor, and upon Grantor's heirs, personal representatives, successors and assigns, and shall be enforceable by Beneficiary and its successors and assigns.

37. NO MERGER. Grantor agrees that this Deed of Trust and the lien granted hereby shall not merge in fee simple title to the Property, and if Beneficiary acquires any additional or other interest in or to the Property or the ownership thereof, then, unless a contrary intent is manifested by Beneficiary as evidenced by an express statement to that effect in an appropriate document duly recorded, this Deed of Trust and the lien hereof shall not merge in the fee simple title and this Deed of Trust may be foreclosed as if owned by a stranger to the fee simple title.

38. WAIVER OF CONSEQUENTIAL AND PUNITIVE DAMAGES. Grantor further waives any right Grantor may have to claim or recover, in any suit, action or proceeding, whether by claim or counterclaim, any exemplary, punitive, consequential, special or other similar damages against Beneficiary in connection with the loan with respect to this Deed of Trust, the Note, or any other loan documents or which in any way relates, directly or indirectly, to the Indebtedness hereby secured or any event, transaction, or occurrence arising out of or in any way connected with the Indebtedness hereby secured, or the dealings of the parties with respect thereto, including any claim in the nature of a failure by Beneficiary to perform its obligations, if any, under this Deed of Trust, the Note, or the other Loan Documents. Grantor acknowledges and agrees that this section is a specific and material aspect of this Deed of Trust and that Beneficiary would not extend credit to Grantor if the waivers set forth in this section were not a part of this Deed of Trust.

39. TIME IS OF THE ESSENCE. Time is of the essence in all matters set forth in this Deed of Trust.


40. MISCELLANEOUS. The captions and headings of the sections of this Deed of Trust are for convenience only and shall not be used to interpret or define any provisions. Whenever used, the singular shall include the plural, and the plural the singular, and the use of any gender shall be applicable to all genders.

41. WAIVER OF JURY TRIAL. UNLESS EXPRESSLY PROHIBITED BY APPLICABLE LAW, GRANTOR KNOWINGLY, VOLUNTARILY, INTENTIONALLY, AND IRREVOCABLY WAIVES THE RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT ANY MATTERS OR CLAIMS ARISING OUT OF THIS DEED OF TRUST OR ANY LOAN DOCUMENT EXECUTED IN CONNECTION HEREWITH OR OUT OF THE CONDUCT OF THE RELATIONSHIP BETWEEN GRANTOR AND BENEFICIARY OR GRANTOR AND TRUSTEE, IN EACH CASE WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE. GRANTOR AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY, AND THAT BENEFICIARY OR TRUSTEE MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS PROVISION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF GRANTOR TO THE WAIVER OF ITS RIGHT TO TRIAL BY JURY. GRANTOR ACKNOWLEDGES THAT GRANTOR HAS HAD THE OPPORTUNITY TO CONSULT WITH COUNSEL REGARDING THIS PROVISION, FULLY UNDERSTANDS ITS TERMS, CONTENT AND EFFECT, AND VOLUNTARILY AND KNOWINGLY AGREES TO THE TERMS OF THIS PROVISION. THIS PROVISION IS A MATERIAL INDUCEMENT FOR BENEFICIARY TO MAKE THE LOAN EVIDENCED BY THE NOTE OR OTHER FINANCIAL ACCOMMODATIONS SECURED BY THIS DEED OF TRUST. FURTHER, GRANTOR HEREBY CERTIFIES THAT NEITHER ANY REPRESENTATIVE OR AGENT OF BENEFICIARY OR TRUSTEE, NOR THEIR COUNSEL, HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT BENEFICIARY OR TRUSTEE WOULD NOT SEEK TO ENFORCE THIS WAIVER OF RIGHT TO JURY TRIAL PROVISION IN THE EVENT OF LITIGATION. FURTHER, NO REPRESENTATIVE OR AGENT OF BENEFICIARY OR TRUSTEE, NOR THEIR COUNSEL, HAS THE AUTHORITY TO WAIVE, CONDITION OR MODIFY THIS PROVISION.


[SIGNATURES BEGIN ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Grantor has executed and given under the seal of all parties hereto this Deed of Trust on the date of its acknowledgment below and effective as of the date first written above, and it is intended that this Deed of Trust is and shall constitute and have the effect of a sealed instrument according to law.

WITNESS:


Name: Hennesha S. Bennett

A & G RESIDENTIAL, LLC,
a North Carolina limited liability company [SEAL]

By:  (SEAL)
David Wells Alderman IV, Member/Manager

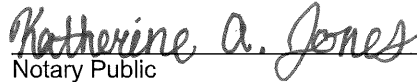
STATE OF NORTH CAROLINA

COUNTY OF Cumberland

I, Katherine A. Jones, a Notary Public do hereby certify that **DAVID WELLS ALDERMAN IV** personally came before me this day and acknowledged that he is a Member/Manager of **A & G RESIDENTIAL, LLC**, a North Carolina limited liability company, Grantor, and that he, in such representative capacity, voluntarily signed this Deed of Trust for the purposes stated therein.

WITNESS my hand and official stamp or notarial seal, this 22 day of February, 2023.

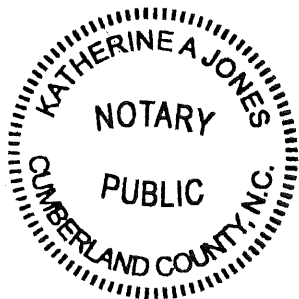
[Notary Seal]


Notary Public

Katherine A. Jones
Notary's Typed or Printed Name

My commission expires: May 17, 2026

[SIGNATURES CONTINUE ON THE FOLLOWING PAGE]



WITNESS:

A & G RESIDENTIAL, LLC,
a North Carolina limited liability company [SEAL]

Kenneth S. Bennett
Name: Kenneth S. Bennett

By: Jamie Chadburn Godwin (SEAL)
Jamie Chadburn Godwin, Member/Manager

STATE OF NORTH CAROLINA

COUNTY OF Cumberland

I, Katherine A. Jones, a Notary Public do hereby certify that **JAMIE CHADBURN GODWIN** personally came before me this day and acknowledged that he is a Member/Manager of **A & G RESIDENTIAL, LLC**, a North Carolina limited liability company, Grantor, and that he, in such representative capacity, voluntarily signed this Deed of Trust for the purposes stated therein.

WITNESS my hand and official stamp or notarial seal, this 22 day of February, 2023.

[Notary Seal]

Katherine A. Jones
Notary Public

Katherine A. Jones
Notary's Typed or Printed Name

My commission expires: May 17, 2026

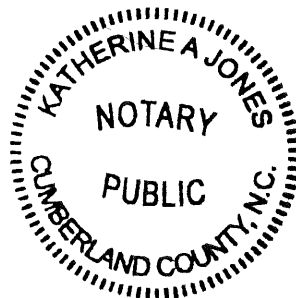


Exhibit A

BEING all of Lots 49, 51, 52 and 54, as shown on plat entitled "Liberty Meadows Subdivision, Phase 1", said plat having been duly recorded in Map Book 2022, Pages 341-344, Harnett County, NC Registry.

A. U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT SETTLEMENT STATEMENT		B. TYPE OF LOAN:				
		1. <input type="checkbox"/> FHA	2. <input type="checkbox"/> FmHA	3. <input type="checkbox"/> CONV. UNINS.	4. <input type="checkbox"/> VA	5. <input type="checkbox"/> CONV. INS.
		6. FILE NUMBER: 23LHR5717			7. LOAN NUMBER:	
		8. MORTGAGE INS CASE NUMBER:				
C. NOTE: <i>This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "[POC]" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.</i> <small>1.0 3/98 (23LHR5717.PFD/23LHR5717/8)</small>						
D. NAME AND ADDRESS OF BORROWER:		E. NAME AND ADDRESS OF SELLER:		F. NAME AND ADDRESS OF LENDER:		
A & G Residential, LLC 916 Arsenal Avenue, Suite B Fayetteville, NC 28305		Galt Land Development, LLC 206 Shoreline Drive Raeford, NC 28376		Trust Bank 223 West Nash Street Wilson, NC 27893		
G. PROPERTY LOCATION:		H. SETTLEMENT AGENT:		I. SETTLEMENT DATE:		
78 Melvill Lane Lot 49 Liberty Meadows Phase 1 Cameron, NC 28326 Hamett County, North Carolina		Reaves Law, PLLC PLACE OF SETTLEMENT 916 Arsenal Avenue Suite A Fayetteville, NC 28305				
J. SUMMARY OF BORROWER'S TRANSACTION			K. SUMMARY OF SELLER'S TRANSACTION			
100. GROSS AMOUNT DUE FROM BORROWER:			400. GROSS AMOUNT DUE TO SELLER:			
101. Contract Sales Price		42,500.00	401. Contract Sales Price		42,500.00	
102. Personal Property			402. Personal Property			
103. Settlement Charges to Borrower (Line 1400)		1,349.06	403.			
104.			404.			
105.			405.			
<i>Adjustments For Items Paid By Seller in advance</i>			<i>Adjustments For Items Paid By Seller in advance</i>			
106. City/Town Taxes	to		406. City/Town Taxes	to		
107. County Taxes	to		407. County Taxes	to		
108. Assessments	to		408. Assessments	to		
109.			409.			
110.			410.			
111.			411.			
112.			412.			
120. GROSS AMOUNT DUE FROM BORROWER		43,849.06	420. GROSS AMOUNT DUE TO SELLER		42,500.00	
200. AMOUNTS PAID BY OR IN BEHALF OF BORROWER:			500. REDUCTIONS IN AMOUNT DUE TO SELLER:			
201. Deposit or earnest money			501. Excess Deposit (See Instructions)			
202. Principal Amount of New Loan(s)	[	31,875.00]	502. Settlement Charges to Seller (Line 1400)		598.00
203. Existing loan(s) taken subject to			503. Existing loan(s) taken subject to			
204.			504. Payoff First Mortgage to First Bank		22,500.00	
205.			505. Payoff Second Mortgage			
206.			506.			
207.			507.			
208.			508.			
209.			509.			
<i>Adjustments For Items Unpaid By Seller</i>			<i>Adjustments For Items Unpaid By Seller</i>			
210. City/Town Taxes	to		510. City/Town Taxes	to		
211. County Taxes	01/01/23 to 02/23/23	1.78	511. County Taxes	01/01/23 to 02/23/23	1.78	
212. Assessments	to		512. Assessments	to		
213.			513.			
214.			514.			
215.			515.			
216.			516.			
217.			517.			
218.			518.			
219.			519.			
220. TOTAL PAID BY/FOR BORROWER		31,876.78	520. TOTAL REDUCTION AMOUNT DUE SELLER		23,099.78	
300. CASH AT SETTLEMENT FROM/TO BORROWER:			600. CASH AT SETTLEMENT TO/FROM SELLER:			
301. Gross Amount Due From Borrower (Line 120)		43,849.06	601. Gross Amount Due To Seller (Line 420)		42,500.00	
302. Less Amount Paid By/For Borrower (Line 220)	(	31,876.78)	602. Less Reductions Due Seller (Line 520)	(	23,099.78)
303. CASH (X FROM) (TO) BORROWER		11,972.28	603. CASH (X TO) (FROM) SELLER		19,400.22	

The undersigned hereby acknowledge receipt of a completed copy of pages 1&2 of this statement & any attachments referred to herein.

Borrower A & G Residential, LLC
 BY: David Wells Aldeman, IV
 Manager

Seller Galt Land Development, LLC
 BY: Shaun Gardner
 Member/Manager

700. TOTAL COMMISSION Based on Price				\$	@	%	PAID FROM BORROWERS	PAID FROM SELLERS	
Division of Commission (line 700) as Follows:							FUNDS AT SETTLEMENT	FUNDS AT SETTLEMENT	
701.	\$	to							
702.	\$	to							
703. Commission Paid at Settlement									
704.		to							
800. ITEMS PAYABLE IN CONNECTION WITH LOAN									
801.	Loan Origination Fee	0.7500 %	to	Truist Bank			239.06		
802.	Loan Discount	%	to						
803.	Appraisal Fee		to	Truist Bank			475.00		
804.	Flood Certification Fee		to	Truist Bank			6.00		
805.	Lender's Inspection Fee		to						
806.	Mortgage Ins. App. Fee		to						
807.	Assumption Fee		to						
808.									
809.									
810.									
811.									
900. ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE									
901.	Interest From	02/22/23	to	03/01/23	@ \$	/day (7 days %)			
902.	Mortgage Insurance Premium	for	months	to					
903.	Hazard Insurance Premium	for	1.0 years	to					
904.									
905.									
1000. RESERVES DEPOSITED WITH LENDER									
1001.	Hazard Insurance		months @ \$			per month			
1002.	Mortgage Insurance		months @ \$			per month			
1003.	City/Town Taxes		months @ \$			per month			
1004.	County Taxes		months @ \$			per month			
1005.	Assessments		months @ \$			per month			
1006.			months @ \$			per month			
1007.			months @ \$			per month			
1008.			months @ \$			per month			
1100. TITLE CHARGES									
1101.	Settlement or Closing Fee		to	Reaves Law, PLLC			525.00		
1102.	Abstract or Title Search		to						
1103.	Title Examination		to						
1104.	Title Insurance Binder		to						
1105.	Document Preparation		to	Reaves Law, PLLC				200.00	
1106.	Wire Reimbursement Fee		to	Reaves Law, PLLC				25.00	
1107.	Attorney's Fees		to						
	(includes above item numbers:)								
1108.	Title Insurance		to						
	(includes above item numbers:)								
1109.	Lender's Coverage	\$							
1110.	Owner's Coverage	\$							
1111.									
1112.									
1113.									
1200. GOVERNMENT RECORDING AND TRANSFER CHARGES									
1201.	Recording Fees: Deed	\$ 26.00 ; Mortgage	\$ 64.00 ;	Releases	\$ 26.00		90.00	26.00	
1202.	City/County Tax/Stamps: Deed								
1203.	State Tax/Stamps: Deed		340.00 ; Mortgage					340.00	
1204.	E-Recording Fee		to Simplifile				10.00	5.00	
1205.	Vendor Portal Fee		to Simplifile				4.00	2.00	
1300. ADDITIONAL SETTLEMENT CHARGES									
1301.	Survey		to						
1302.	Pest Inspection		to						
1303.									
1304.									
1305.									
1400. TOTAL SETTLEMENT CHARGES (Enter on Lines 103, Section J and 502, Section K)							1,349.06	598.00	

By signing page 1 of this statement, the signatories acknowledge receipt of a completed copy of page 2 of this two page statement.

Certified to be a true copy.

Reaves Law, PLLC
Settlement Agent

Borrower (s): A & G Residential, LLC
916 Arsenal Avenue, Suite B
Fayetteville, NC 28305

Seller(s): Galt Land Development, LLC
206 Shoreline Drive
Raeford, NC 28376

Lender: Truist Bank

Settlement Agent: Reaves Law, PLLC
(910)485-4938

Place of Settlement: 916 Arsenal Avenue Suite A
Fayetteville, NC 28305

Settlement Date: February 22, 2023

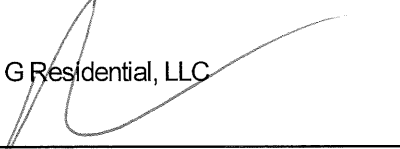
Property Location: 78 Melvill Lane
Lot 49 Liberty Meadows Phase 1
Cameron, NC 28326
Harnett County, North Carolina

Seller Loan Payoff Details

Payoff First Mortgage	to First Bank			
Loan Payoff		As of		
Total Additional Interest		days @		Per Diem
Total Loan Payoff	<u><u>22,500.00</u></u>			


I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of the HUD-1 Settlement Statement.

A & G Residential, LLC

BY: 

David Wells Alderman, IV
Manager

Galt Land Development, LLC

BY: 

Shaun Gardner
Member/Manager

WARNING: It is a crime to knowingly make false statements to the United States on this or any similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.

A. U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT SETTLEMENT STATEMENT	B. TYPE OF LOAN:				
	1. <input type="checkbox"/> FHA	2. <input type="checkbox"/> FmHA	3. <input type="checkbox"/> CONV. UNINS.	4. <input type="checkbox"/> VA	5. <input type="checkbox"/> CONV. INS.
	6. FILE NUMBER: 23LHR5718			7. LOAN NUMBER:	
8. MORTGAGE INS CASE NUMBER:					

C. NOTE: *This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "[POC]" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.*
1.0 3/98 (23LHR5718.PFD/23LHR5718/7)

D. NAME AND ADDRESS OF BORROWER: A & G Residential, LLC 916 Arsenal Avenue, Suite B Fayetteville, NC 28305	E. NAME AND ADDRESS OF SELLER: Galt Land Development, LLC 206 Shoreline Drive Raeford, NC 28376	F. NAME AND ADDRESS OF LENDER: Truist Bank 223 West Nash Street Wilson, NC 27893
--	---	--

G. PROPERTY LOCATION: 125 Solomon Drive Lot 51 Liberty Meadows Phase 1 Cameron, NC 28326 Hamett County, North Carolina	H. SETTLEMENT AGENT: Reaves Law, PLLC PLACE OF SETTLEMENT 916 Arsenal Avenue Suite A Fayetteville, NC 28305	I. SETTLEMENT DATE: February 22, 2023
---	---	---

J. SUMMARY OF BORROWER'S TRANSACTION	
100. GROSS AMOUNT DUE FROM BORROWER:	
101. Contract Sales Price	42,500.00
102. Personal Property	
103. Settlement Charges to Borrower (Line 1400)	2,971.06
104.	
105.	
<i>Adjustments For Items Paid By Seller in advance</i>	
106. City/Town Taxes to	
107. County Taxes to	
108. Assessments to	
109.	
110.	
111.	
112.	
120. GROSS AMOUNT DUE FROM BORROWER	45,471.06
200. AMOUNTS PAID BY OR IN BEHALF OF BORROWER:	
201. Deposit or earnest money	
202. Principal Amount of New Loan(s)	(258,675.00)
203. Existing loan(s) taken subject to	
204.	
205.	
206.	
207. Construction Draw	45,469.21
208.	
209.	
<i>Adjustments For Items Unpaid By Seller</i>	
210. City/Town Taxes to	
211. County Taxes 01/01/23 to 02/23/23	1.85
212. Assessments to	
213.	
214.	
215.	
216.	
217.	
218.	
219.	
220. TOTAL PAID BY/FOR BORROWER	45,471.06
300. CASH AT SETTLEMENT FROM/TO BORROWER:	
301. Gross Amount Due From Borrower (Line 120)	45,471.06
302. Less Amount Paid By/For Borrower (Line 220)	(45,471.06)
303. CASH (FROM) (TO) BORROWER	0.00

K. SUMMARY OF SELLER'S TRANSACTION	
400. GROSS AMOUNT DUE TO SELLER:	
401. Contract Sales Price	42,500.00
402. Personal Property	
403.	
404.	
405.	
<i>Adjustments For Items Paid By Seller in advance</i>	
406. City/Town Taxes to	
407. County Taxes to	
408. Assessments to	
409.	
410.	
411.	
412.	
420. GROSS AMOUNT DUE TO SELLER	42,500.00
500. REDUCTIONS IN AMOUNT DUE TO SELLER:	
501. Excess Deposit (See Instructions)	
502. Settlement Charges to Seller (Line 1400)	200.00
503. Existing loan(s) taken subject to	
504. Payoff First Mortgage to First Bank	22,500.00
505. Payoff Second Mortgage	
506.	
507.	
508.	
509.	
<i>Adjustments For Items Unpaid By Seller</i>	
510. City/Town Taxes to	
511. County Taxes 01/01/23 to 02/23/23	1.85
512. Assessments to	
513.	
514.	
515.	
516.	
517.	
518.	
519.	
520. TOTAL REDUCTION AMOUNT DUE SELLER	22,701.85
600. CASH AT SETTLEMENT TO/FROM SELLER:	
601. Gross Amount Due To Seller (Line 420)	42,500.00
602. Less Reductions Due Seller (Line 520)	(22,701.85)
603. CASH (X TO) (FROM) SELLER	19,798.15

The undersigned hereby acknowledge receipt of a completed copy of pages 1&2 of this statement & any attachments referred to herein.

Borrower A & G Residential, LLC
 BY: David Wells Alderman, IV
 Manager

Seller Galt Land Development, LLC
 BY: Shaun Gardner
 Member/Manager

700. TOTAL COMMISSION Based on Price			\$	@	%	PAID FROM BORROWERS	PAID FROM SELLERS
Division of Commission (line 700) as Follows:						FUNDS AT SETTLEMENT	FUNDS AT SETTLEMENT
701.	\$	to					
702.	\$	to					
703. Commission Paid at Settlement							
704.		to					
800. ITEMS PAYABLE IN CONNECTION WITH LOAN							
801.	Loan Origination Fee	0.7500 %	to	Truist Bank		1,940.06	
802.	Loan Discount	%	to				
803.	Appraisal Fee		to	Truist Bank		500.00	
804.	Flood Certification Fee		to	Truist Bank		6.00	
805.	Lender's Inspection Fee		to				
806.	Mortgage Ins. App. Fee		to				
807.	Assumption Fee		to				
808.							
809.							
810.							
811.							
900. ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE							
901.	Interest From	02/22/23	to	03/01/23	@ \$	/day (7 days %)	
902.	Mortgage Insurance Premium	for	months	to			
903.	Hazard Insurance Premium	for	1.0 years	to			
904.							
905.							
1000. RESERVES DEPOSITED WITH LENDER							
1001.	Hazard Insurance		months	@ \$		per month	
1002.	Mortgage Insurance		months	@ \$		per month	
1003.	City/Town Taxes		months	@ \$		per month	
1004.	County Taxes		months	@ \$		per month	
1005.	Assessments		months	@ \$		per month	
1006.			months	@ \$		per month	
1007.			months	@ \$		per month	
1008.			months	@ \$		per month	
1100. TITLE CHARGES							
1101.	Settlement or Closing Fee		to	Reaves Law, PLLC		525.00	
1102.	Abstract or Title Search		to				
1103.	Title Examination		to				
1104.	Title Insurance Binder		to				
1105.	Document Preparation		to	Reaves Law, PLLC			200.00
1106.	Notary Fees		to				
1107.	Attorney's Fees		to				
	(includes above item numbers:)						
1108.	Title Insurance		to				
	(includes above item numbers:)						
1109.	Lender's Coverage		\$				
1110.	Owner's Coverage		\$				
1111.							
1112.							
1113.							
1200. GOVERNMENT RECORDING AND TRANSFER CHARGES							
1201.	Recording Fees: Deed \$		; Mortgage \$			Releases \$	
1202.	City/County Tax/Stamps: Deed		; Mortgage				
1203.	State Tax/Stamps: Deed		85.00; Mortgage			POC:S85.00	
1204.							
1205.							
1300. ADDITIONAL SETTLEMENT CHARGES							
1301.	Survey		to				
1302.	Pest Inspection		to				
1303.							
1304.							
1305.							
1400. TOTAL SETTLEMENT CHARGES (Enter on Lines 103, Section J and 502, Section K)						2,971.06	200.00

By signing page 1 of this statement, the signatories acknowledge receipt of a completed copy of page 2 of this two page statement.

Certified to be a true copy.

Reaves Law, PLLC
Settlement Agent

Borrower (s): A & G Residential, LLC
916 Arsenal Avenue, Suite B
Fayetteville, NC 28305

Seller(s): Galt Land Development, LLC
206 Shoreline Drive
Raeford, NC 28376

Lender: Truist Bank

Settlement Agent: Reaves Law, PLLC
(910)485-4938

Place of Settlement: 916 Arsenal Avenue Suite A
Fayetteville, NC 28305

Settlement Date: February 22, 2023

Property Location: 125 Solomon Drive
Lot 51 Liberty Meadows Phase 1
Cameron, NC 28326
Hamett County, North Carolina


Seller Loan Payoff Details

Payoff First Mortgage to First Bank


Loan Payoff _____ As of _____
Total Additional Interest _____ days @ _____ Per Diem

Total Loan Payoff 22,500.00

I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of the HUD-1 Settlement Statement.

A & G Residential, LLC
BY: 

David Wells Alderman, IV
Manager

Galt Land Development, LLC
BY: 

Shaun Gardner
Member/Manager

WARNING: It is a crime to knowingly make false statements to the United States on this or any similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.

A. U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT SETTLEMENT STATEMENT	B. TYPE OF LOAN:				
	1. <input type="checkbox"/> FHA	2. <input type="checkbox"/> FmHA	3. <input type="checkbox"/> CONV. UNINS.	4. <input type="checkbox"/> VA	5. <input type="checkbox"/> CONV. INS.
	6. FILE NUMBER: 23LHR5719			7. LOAN NUMBER:	
	8. MORTGAGE INS CASE NUMBER:				

C. NOTE: *This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "[POC]" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.*
1.0 3/98 (23LHR5719.PFD/23LHR5719/5)

D. NAME AND ADDRESS OF BORROWER: A & G Residential, LLC 916 Arsenal Avenue, Suite B Fayetteville, NC 28305	E. NAME AND ADDRESS OF SELLER: Galt Land Development, LLC 206 Shoreline Drive Raeford, NC 28376	F. NAME AND ADDRESS OF LENDER: Truist Bank 223 West Nash Street Wilson, NC 27893
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G. PROPERTY LOCATION: 103 Solomon Drive Lot 52 Liberty Meadows Phase 1 Cameron, NC 28326 Hamett County, North Carolina	H. SETTLEMENT AGENT: Reaves Law, PLLC PLACE OF SETTLEMENT 916 Arsenal Avenue Suite A Fayetteville, NC 28305	I. SETTLEMENT DATE: February 22, 2023
---	---	---

J. SUMMARY OF BORROWER'S TRANSACTION	
100. GROSS AMOUNT DUE FROM BORROWER:	
101. Contract Sales Price	42,500.00
102. Personal Property	
103. Settlement Charges to Borrower (Line 1400)	3,255.44
104.	
105.	
<i>Adjustments For Items Paid By Seller in advance</i>	
106. City/Town Taxes to	
107. County Taxes to	
108. Assessments to	
109.	
110.	
111.	
112.	
120. GROSS AMOUNT DUE FROM BORROWER	45,755.44
200. AMOUNTS PAID BY OR IN BEHALF OF BORROWER:	
201. Deposit or earnest money	
202. Principal Amount of New Loan(s)	(299,925.00)
203. Existing loan(s) taken subject to	
204.	
205.	
206.	
207. Construction Draw	45,753.35
208.	
209.	
<i>Adjustments For Items Unpaid By Seller</i>	
210. City/Town Taxes to	
211. County Taxes 01/01/23 to 02/23/23	2.09
212. Assessments to	
213.	
214.	
215.	
216.	
217.	
218.	
219.	
220. TOTAL PAID BY/FOR BORROWER	45,755.44
300. CASH AT SETTLEMENT FROM/TO BORROWER:	
301. Gross Amount Due From Borrower (Line 120)	45,755.44
302. Less Amount Paid By/For Borrower (Line 220)	(45,755.44)
303. CASH (FROM) (TO) BORROWER	0.00

K. SUMMARY OF SELLER'S TRANSACTION	
400. GROSS AMOUNT DUE TO SELLER:	
401. Contract Sales Price	42,500.00
402. Personal Property	
403.	
404.	
405.	
<i>Adjustments For Items Paid By Seller in advance</i>	
406. City/Town Taxes to	
407. County Taxes to	
408. Assessments to	
409.	
410.	
411.	
412.	
420. GROSS AMOUNT DUE TO SELLER	42,500.00
500. REDUCTIONS IN AMOUNT DUE TO SELLER:	
501. Excess Deposit (See Instructions)	
502. Settlement Charges to Seller (Line 1400)	200.00
503. Existing loan(s) taken subject to	
504. Payoff First Mortgage to First Bank	22,500.00
505. Payoff Second Mortgage	
506.	
507.	
508.	
509.	
<i>Adjustments For Items Unpaid By Seller</i>	
510. City/Town Taxes to	
511. County Taxes 01/01/23 to 02/23/23	2.09
512. Assessments to	
513.	
514.	
515.	
516.	
517.	
518.	
519.	
520. TOTAL REDUCTION AMOUNT DUE SELLER	22,702.09
600. CASH AT SETTLEMENT TO/FROM SELLER:	
601. Gross Amount Due To Seller (Line 420)	42,500.00
602. Less Reductions Due Seller (Line 520)	(22,702.09)
603. CASH (X TO) (FROM) SELLER	19,797.91

The undersigned hereby acknowledge receipt of a completed copy of pages 1&2 of this statement & any attachments referred to herein.

Borrower A & G Residential, LLC
 BY: David Wells Alderman, IV
 Manager

Seller Galt Land Development, LLC
 BY: Shaun Gardner
 Member/Manager

700. TOTAL COMMISSION Based on Price			\$	@	%	PAID FROM BORROWERS	PAID FROM SELLERS	
<i>Division of Commission (line 700) as Follows:</i>						FUNDS AT SETTLEMENT	FUNDS AT SETTLEMENT	
701.	\$	to						
702.	\$	to						
703. Commission Paid at Settlement								
704.		to						
800. ITEMS PAYABLE IN CONNECTION WITH LOAN								
801.	Loan Origination Fee	0.7500 %	to	Truist Bank		2,249.44		
802.	Loan Discount	%	to					
803.	Appraisal Fee		to	Truist Bank		475.00		
804.	Flood Certification Fee		to	Truist Bank		6.00		
805.	Lender's Inspection Fee		to					
806.	Mortgage Ins. App. Fee		to					
807.	Assumption Fee		to					
808.								
809.								
810.								
811.								
900. ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE								
901.	Interest From	02/22/23	to	03/01/23	@ \$	/day (7 days %)		
902.	Mortgage Insurance Premium	for	months	to				
903.	Hazard Insurance Premium	for	1.0 years	to				
904.								
905.								
1000. RESERVES DEPOSITED WITH LENDER								
1001.	Hazard Insurance		months	@ \$		per month		
1002.	Mortgage Insurance		months	@ \$		per month		
1003.	City/Town Taxes		months	@ \$		per month		
1004.	County Taxes		months	@ \$		per month		
1005.	Assessments		months	@ \$		per month		
1006.			months	@ \$		per month		
1007.			months	@ \$		per month		
1008.			months	@ \$		per month		
1100. TITLE CHARGES								
1101.	Settlement or Closing Fee		to	Reaves Law, PLLC		525.00		
1102.	Abstract or Title Search		to					
1103.	Title Examination		to					
1104.	Title Insurance Binder		to					
1105.	Document Preparation		to	Reaves Law, PLLC			200.00	
1106.	Notary Fees		to					
1107.	Attorney's Fees		to					
	<i>(includes above item numbers:)</i>							
1108.	Title Insurance		to					
	<i>(includes above item numbers:)</i>							
1109.	Lender's Coverage		\$					
1110.	Owner's Coverage		\$					
1111.								
1112.								
1113.								
1200. GOVERNMENT RECORDING AND TRANSFER CHARGES								
1201.	Recording Fees: Deed \$		; Mortgage \$			Releases \$	
1202.	City/County Tax/Stamps: Deed		; Mortgage					
1203.	State Tax/Stamps: Deed		85.00; Mortgage			POC:S85.00		
1204.								
1205.								
1300. ADDITIONAL SETTLEMENT CHARGES								
1301.	Survey		to					
1302.	Pest Inspection		to					
1303.								
1304.								
1305.								
1400. TOTAL SETTLEMENT CHARGES (Enter on Lines 103, Section J and 502, Section K)						3,255.44	200.00	

By signing page 1 of this statement, the signatories acknowledge receipt of a completed copy of page 2 of this two page statement.

Certified to be a true copy.

Reaves Law, PLLC
Settlement Agent

Borrower (s): A & G Residential, LLC
916 Arsenal Avenue, Suite B
Fayetteville, NC 28305

Seller(s): Galt Land Development, LLC
206 Shoreline Drive
Raeford, NC 28376

Lender: Truist Bank

Settlement Agent: Reaves Law, PLLC
(910)485-4938

Place of Settlement: 916 Arsenal Avenue Suite A
Fayetteville, NC 28305

Settlement Date: February 22, 2023

Property Location: 103 Solomon Drive
Lot 52 Liberty Meadows Phase 1
Cameron, NC 28326
Hamett County, North Carolina

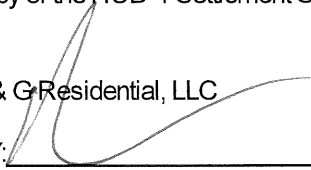
Seller Loan Payoff Details

Payoff First Mortgage to First Bank

Loan Payoff _____ As of _____
Total Additional Interest _____ days @ _____ Per Diem

Total Loan Payoff 22,500.00

I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of the HUD-1 Settlement Statement.

A & G Residential, LLC
BY: 

David Wells Alderman, IV
Manager

Galt Land Development, LLC
BY: 

Shaun Gardner
Member/Manager

WARNING: It is a crime to knowingly make false statements to the United States on this or any similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.

A. U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT SETTLEMENT STATEMENT	B. TYPE OF LOAN:				
	1. <input type="checkbox"/> FHA	2. <input type="checkbox"/> FmHA	3. <input type="checkbox"/> CONV. UNINS.	4. <input type="checkbox"/> VA	5. <input type="checkbox"/> CONV. INS.
	6. FILE NUMBER: 23LHR5720			7. LOAN NUMBER:	
	8. MORTGAGE INS CASE NUMBER:				

C. NOTE: *This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "[POC]" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.*
1.0 3/98 (23LHR5720.PFD\23LHR5720\5)

D. NAME AND ADDRESS OF BORROWER: A & G Residential, LLC 916 Arsenal Avenue, Suite B Fayetteville, NC 28305	E. NAME AND ADDRESS OF SELLER: Galt Land Development, LLC 206 Shoreline Drive Raeford, NC 28376	F. NAME AND ADDRESS OF LENDER: Truist Bank 223 West Nash Street Wilson, NC 27893
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G. PROPERTY LOCATION: 39 Solomon Drive Lot 54 Liberty Meadows Phase 1 Cameron, NC 28326 Hamett County, North Carolina	H. SETTLEMENT AGENT: Reaves Law, PLLC PLACE OF SETTLEMENT 916 Arsenal Avenue Suite A Fayetteville, NC 28305	I. SETTLEMENT DATE: February 22, 2023
--	---	---

J. SUMMARY OF BORROWER'S TRANSACTION	
100. GROSS AMOUNT DUE FROM BORROWER:	
101. Contract Sales Price	42,500.00
102. Personal Property	
103. Settlement Charges to Borrower (Line 1400)	1,270.06
104.	
105.	
<i>Adjustments For Items Paid By Seller in advance</i>	
106. City/Town Taxes to	
107. County Taxes to	
108. Assessments to	
109.	
110.	
111.	
112.	
120. GROSS AMOUNT DUE FROM BORROWER	43,770.06
200. AMOUNTS PAID BY OR IN BEHALF OF BORROWER:	
201. Deposit or earnest money	
202. Principal Amount of New Loan(s) [	31,875.00]
203. Existing loan(s) taken subject to	
204.	
205.	
206.	
207.	
208.	
209.	
<i>Adjustments For Items Unpaid By Seller</i>	
210. City/Town Taxes to	
211. County Taxes 01/01/23 to 02/23/23	2.47
212. Assessments to	
213.	
214.	
215.	
216.	
217.	
218.	
219.	
220. TOTAL PAID BY/FOR BORROWER	31,877.47
300. CASH AT SETTLEMENT FROM/TO BORROWER:	
301. Gross Amount Due From Borrower (Line 120)	43,770.06
302. Less Amount Paid By/For Borrower (Line 220)	(31,877.47)
303. CASH (X FROM) (TO) BORROWER	11,892.59

K. SUMMARY OF SELLER'S TRANSACTION	
400. GROSS AMOUNT DUE TO SELLER:	
401. Contract Sales Price	42,500.00
402. Personal Property	
403.	
404.	
405.	
<i>Adjustments For Items Paid By Seller in advance</i>	
406. City/Town Taxes to	
407. County Taxes to	
408. Assessments to	
409.	
410.	
411.	
412.	
420. GROSS AMOUNT DUE TO SELLER	42,500.00
500. REDUCTIONS IN AMOUNT DUE TO SELLER:	
501. Excess Deposit (See Instructions)	
502. Settlement Charges to Seller (Line 1400)	200.00
503. Existing loan(s) taken subject to	
504. Payoff First Mortgage to First Bank	22,500.00
505. Payoff Second Mortgage	
506.	
507.	
508.	
509.	
<i>Adjustments For Items Unpaid By Seller</i>	
510. City/Town Taxes to	
511. County Taxes 01/01/23 to 02/23/23	2.47
512. Assessments to	
513.	
514.	
515.	
516.	
517.	
518.	
519.	
520. TOTAL REDUCTION AMOUNT DUE SELLER	22,702.47
600. CASH AT SETTLEMENT TO/FROM SELLER:	
601. Gross Amount Due To Seller (Line 420)	42,500.00
602. Less Reductions Due Seller (Line 520)	(22,702.47)
603. CASH (X TO) (FROM) SELLER	19,797.53

The undersigned hereby acknowledge receipt of a completed copy of pages 1&2 of this statement & any attachments referred to herein.

Borrower A & G Residential, LLC
 BY: David Wells Alderman, IV
 Manager

Seller Galt Land Development, LLC
 BY: Shaun Gardner
 Member/Manager

700. TOTAL COMMISSION Based on Price			\$	@	%	PAID FROM	PAID FROM
<i>Division of Commission (line 700) as Follows:</i>						BORROWERS	SELLERS
701. \$	to					FUNDS AT	FUNDS AT
702. \$	to					SETTLEMENT	SETTLEMENT
703. Commission Paid at Settlement							
704. to							
800. ITEMS PAYABLE IN CONNECTION WITH LOAN							
801. Loan Origination Fee	0.7500 %	to	Truist Bank			239.06	
802. Loan Discount	%	to					
803. Appraisal Fee		to	Truist Bank			500.00	
804. Flood Certification Fee		to	Truist Bank			6.00	
805. Lender's Inspection Fee		to					
806. Mortgage Ins. App. Fee		to					
807. Assumption Fee		to					
808.							
809.							
810.							
811.							
900. ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE							
901. Interest From	02/22/23	to	03/01/23	@ \$	/day (7 days %)		
902. Mortgage Insurance Premium	for	months	to				
903. Hazard Insurance Premium	for	1.0	years	to			
904.							
905.							
1000. RESERVES DEPOSITED WITH LENDER							
1001. Hazard Insurance		months	@ \$		per month		
1002. Mortgage Insurance		months	@ \$		per month		
1003. City/Town Taxes		months	@ \$		per month		
1004. County Taxes		months	@ \$		per month		
1005. Assessments		months	@ \$		per month		
1006.		months	@ \$		per month		
1007.		months	@ \$		per month		
1008.		months	@ \$		per month		
1100. TITLE CHARGES							
1101. Settlement or Closing Fee		to	Reaves Law, PLLC			525.00	
1102. Abstract or Title Search		to					
1103. Title Examination		to					
1104. Title Insurance Binder		to					
1105. Document Preparation		to	Reaves Law, PLLC				200.00
1106. Notary Fees		to					
1107. Attorney's Fees		to					
<i>(includes above item numbers:)</i>							
1108. Title Insurance		to					
<i>(includes above item numbers:)</i>							
1109. Lender's Coverage		\$					
1110. Owner's Coverage		\$					
1111.							
1112.							
1113.							
1200. GOVERNMENT RECORDING AND TRANSFER CHARGES							
1201. Recording Fees: Deed \$		; Mortgage \$			Releases \$		
1202. City/County Tax/Stamps: Deed		; Mortgage					
1203. State Tax/Stamps: Deed		85.00; Mortgage			POC:S85.00		
1204.							
1205.							
1300. ADDITIONAL SETTLEMENT CHARGES							
1301. Survey		to					
1302. Pest Inspection		to					
1303.							
1304.							
1305.							
1400. TOTAL SETTLEMENT CHARGES (Enter on Lines 103, Section J and 502, Section K)						1,270.06	200.00

By signing page 1 of this statement, the signatories acknowledge receipt of a completed copy of page 2 of this two page statement.

Certified to be a true copy.

Reaves Law, PLLC
Settlement Agent

Borrower (s): A & G Residential, LLC
916 Arsenal Avenue, Suite B
Fayetteville, NC 28305

Seller(s): Galt Land Development, LLC
206 Shoreline Drive
Raeford, NC 28376

Lender: Truist Bank

Settlement Agent: Reaves Law, PLLC
(910)485-4938

Place of Settlement: 916 Arsenal Avenue Suite A
Fayetteville, NC 28305


Settlement Date: February 22, 2023

Property Location: 39 Solomon Drive
Lot 54 Liberty Meadows Phase 1
Cameron, NC 28326
Hamett County, North Carolina


Seller Loan Payoff Details

Payoff First Mortgage	to First Bank		
Loan Payoff		As of	
Total Additional Interest		days @	Per Diem
Total Loan Payoff	<u><u>22,500.00</u></u>		

I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of the HUD-1 Settlement Statement.

A & G Residential, LLC
BY: 

David Wells Aldeman, IV
Manager

Galt Land Development, LLC
BY: 

Shaun Gardner
Member/Manager

WARNING: It is a crime to knowingly make false statements to the United States on this or any similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.