

STATE OF NORTH CAROLINA

COUNTY OF New Hanover

DEED OF TRUST

(Securing Present and/or Future Advances)

THIS INDENTURE, made this 26th day of August, 1992, by and between

Myrtle Grove Volunteer Fire Department, Inc.

(hereinafter, the "Trustor"), Jerry L. Wilkins of New Hanover County, North Carolina (hereinafter, the

"Trustee"), and UNITED CAROLINA BANK, a North Carolina banking corporation having an office in the

City of Wilmington, County of New Hanover

North Carolina (hereinafter, the "Beneficiary").

WITNESSETH:

THAT, WHEREAS, Myrtle Grove Volunteer Fire Department, Inc.

is/are justly indebted to the Beneficiary in the principal sum of Three hundred Fifty Thousand and no/100ths

DOLLARS (\$ 350,000.00), together with interest, as evidenced by and payable in accordance with a promissory note of even date herewith, which said promissory note and each of its terms and conditions are incorporated herein by reference as fully as if set forth in full at this point;

AND WHEREAS, the Trustor (or, if more than one is named above, any one or more of them individually or jointly and severally) may become indebted to the Beneficiary on account of further or future advances which hereafter may be made by the Beneficiary, at its sole option, to the Trustor (or to any one or more of them) from time to time during a period of 10 years from the date hereof, and which shall each be evidenced by a promissory note or by some written notation or other written evidence thereof signed by the Trustor (or by the one or more of them to whom each said advance is made; or, if Trustor is a corporation or other entity, by any of its duly authorized officers, agents or other representatives;

AND, WHEREAS, the Trustor has agreed that the payment to Beneficiary of all of the above mentioned indebtedness, including future indebtedness or obligations arising on account of advances made as provided for above to Trustor (or to any one or more of them), and any renewal, reamortization, novation or extension thereof, together with interest thereon and any taxes, charges costs, or other obligations of the Trustor (or any one or more of them) as provided for in this instrument or in any promissory note or other evidence of any such indebtedness, shall be secured by the conveyance of the lands hereinafter described, to the end that this instrument is given to secure both present indebtedness (if any is set forth above) as well as future indebtedness or obligations incurred by Trustor (or any one or more of them); provided, however, that the maximum principal amount of indebtedness, including the present amount of indebtedness set forth above (if any), which may at any one time be secured hereunder shall be Three Hundred Fifty Thousand and no/100ths (\$350,000.00)

NOW THEREFORE, in consideration of the premises and for the purpose aforesaid, and for the sum of ONE DOLLAR by the Trustee paid to the Trustor, the receipt of which is hereby acknowledged, the Trustor has bargained, sold, given, granted and conveyed, and by these presents does hereby bargain, sell, give, grant and convey unto the Trustee, his heirs, successors and assigns, all that certain real property described below (or on Schedule "A" consisting of one pages attached hereto and made a part hereof):

See Schedule A attached hereto and incorporated herein by reference.

RECORDED & VERIFIED
REBECCA T. CHRISTIAN
REGISTER OF DEEDS
NEW HANOVER CO. NC

000053

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Together with all buildings, fixtures and improvements located thereon, and all rights, easements, hereditaments and appurtenances, thereunto belonging or appurtenant, including all heating, plumbing, ventilating and lighting goods or equipment and other tangible and intangible property now or hereafter acquired, attached to or reasonably necessary to the use of such real property. THE COLLATERAL IS OR INCLUDES FIXTURES.

022-0115 4/82

DRAWN BY
RETURNED TO *Francis Y. Trask*

254962

TO HAVE AND TO HOLD the same, with all rights, privileges and appurtenances thereto belonging, to said Trustee, his heirs, assigns and successors in trust, upon the trust and for the uses and purposes hereinafter set forth, and no other;

AND TRUSTOR covenants to and with Trustee and Beneficiary that Trustor is seized of said premises in fee; that Trustor has the right to convey same in fee simple; that the same are free and clear from all encumbrances and restrictions not specifically mentioned herein; and that Trustor does hereby forever warrant and will forever defend the title to same against the lawful claims of all persons whomsoever;

AND TRUSTOR FURTHER COVENANTS AND AGREES AS FOLLOWS:

1. PAYMENT--To pay the sum or sums specified above and as more particularly provided in the note or notes evidencing same, with interest thereon.

2. TAXES AND CHARGES--To pay, within sixty (60) days after they shall come due and payable, and before any penalty or interest shall be charged thereon, all general and special taxes, charges, and assessments of every kind and nature that may be levied, assessed or be or become a lien on the premises and property herein described, whether the same be for state, county, or city purposes, and to furnish annually to Beneficiary, immediately after payment, certificates or receipts of the proper authorities showing full payment of same.

That in the event of failure of Trustor to pay all of the aforesaid taxes, assessments and charges as hereinabove provided, Beneficiary shall have the option to advance the necessary funds to pay said taxes, assessments and charges; and all amounts so expended by Beneficiary for taxes, charges and assessments, as herein provided, shall be charged hereunder as principal money secured by this Deed of Trust and shall bear interest at the same rate as the principal indebtedness secured hereby, payable upon demand or otherwise as Beneficiary may determine. After any such advances are made, Beneficiary may apply any funds received hereunder to principal, advances or interest as Beneficiary may determine and Beneficiary will not be held to have waived any rights accruing to Beneficiary by the payment of any sum hereunder and particularly the right to declare this Deed of Trust in default by the reason of failure of performance of this condition or the non-payment of the indebtedness secured.

3. INSURANCE--To secure, maintain and keep in force with an insurance company or companies approved by Beneficiary an insurance policy or policies providing fire, extended coverage, malicious mischief and vandalism coverage and such other insurance as may be required by Beneficiary from time to time upon the buildings, fixtures and improvements now or hereafter situate upon the premises in an amount equal to the maximum insurable value of same or such amount as shall be approved by Beneficiary, whichever shall be the lesser sum; and to keep the policy or policies therefor constantly assigned and delivered to Beneficiary with subrogation clauses satisfactory to Beneficiary providing the right and power in Beneficiary to demand, receive and collect any and all money becoming payable thereunder and to apply same toward the payment of the indebtedness hereby secured, unless the same is otherwise paid.

That in the event of failure of Trustor to pay all of the aforesaid insurance premiums, as hereinabove provided, Beneficiary shall have the option to advance the necessary funds to pay said insurance premiums, and all amounts so expended by Beneficiary for insurance premiums, as herein provided, shall be charged hereunder as principal money secured by this Deed of Trust and shall bear interest at the same rate as the principal indebtedness secured hereby, payable upon demand or otherwise as Beneficiary may determine. After any such advances are made, Beneficiary may apply any funds received hereunder to principal, advances or interest as Beneficiary may determine and Beneficiary will not be held to have waived any rights accruing to Beneficiary by the payment of any sum hereunder and particularly the right to declare this Deed of Trust in default by the reason of failure of performance of this condition or the non-payment of the indebtedness secured.

4. REPAIRS--To keep all buildings and improvements now or hereafter situate upon the premises in good order and repair, to comply with all governmental requirements respecting the premises or their use, and to neither commit nor permit any waste, nor to alter, add to or remove any of said buildings or improvements without the written consent of Beneficiary.

5. TITLE DEFECTS--To pay to Beneficiary any and all sums, including costs, expenses, and reasonable attorneys' fees, which Beneficiary may incur or expend in any proceeding, legal or otherwise, which Beneficiary shall deem necessary to sustain the lien of this Deed of Trust or its priority.

6. ACCELERATION--That in the event (a) Trustor shall default in any respect in the performance of any one or more covenants, conditions, or agreements specified herein; or, (b) for any reason Trustor's covenant to pay all taxes specified above shall be or become legally inoperative or unenforceable in any particular; or, (c) for any reason Trustor shall fail to provide and maintain the necessary insurance as hereinabove required; or, (d) any lien, charge, or encumbrance prior to or affecting the validity of this Deed of Trust be found to exist, or proceedings be instituted to enforce any lien, charge or encumbrance against any of said premises; or, (e) the removal or demolition of any of the buildings or improvements now or hereafter situate upon the premises is threatened; or, (f) Trustor be declared bankrupt or insolvent, or abandon the premises; or (g) for any reason Trustor shall default in any respect in the performance of any one or more of the covenants, agreements or conditions specified herein; then upon the occurrence of any such event, the entire balance of the principal, advances and interest, shall become due and payable immediately at the option of Beneficiary, and neither the advance of funds by Beneficiary under any of the terms and provisions hereof nor the failure of Beneficiary to exercise promptly any right to declare the maturity of the debt under any of the foregoing conditions shall operate as a waiver of Beneficiary's right to exercise such option thereafter as to any past or current default.

7. CASUALTY LOSS OR CONDEMNATION--In the event of any loss covered by insurance assigned to Beneficiary hereunder, or in the event that the premises hereby conveyed, or any part thereof, shall be condemned and taken under power of eminent domain, Trustor shall give immediate written notice to Beneficiary and Beneficiary shall have the right to receive and collect any proceeds of such insurance and all damages awarded by reason of such taking, and the right to such proceeds and damages is hereby assigned to Beneficiary who shall have the discretion to apply the amount so received, or any part thereof, toward the principal indebtedness due hereunder or toward the alteration, repair or restoration of the premises by Trustor.

8. ASSIGNMENT OF RENTS--Trustor hereby assigns to Beneficiary any and all rents or emoluments from the premises herein described and, in the event of any default hereunder, Trustor hereby authorizes Beneficiary or Beneficiary's agents to enter upon and take possession of the premises or any part thereof, to rent same for the account of Trustor at any rent satisfactory to Beneficiary, to deduct from such rents or emoluments received all necessary and reasonable costs and expenses of collection and administration, and to apply the remainder on account of the indebtedness hereby secured.

9. APPOINTMENT OF RECEIVER--Beneficiary, immediately upon default herein, or upon proceedings being commenced for the foreclosure of this Deed of Trust, may apply ex parte for and as a matter of right be entitled to the appointment of a receiver of the rents and emoluments of the premises, without notice, and without reference to the value of the premises or the solvency of any persons or entities liable hereunder.

10. SUBSTITUTION OF TRUSTEE--Beneficiary and the successors or assigns of same are hereby authorized and empowered at any time or times hereafter, at Beneficiary's sole option, without notice and without specifying any reason for such action, to remove any Trustee or successor hereunder, and in such event or in the event of the death, resignation or other incapacity of any Trustee, to appoint a successor in his place by an instrument duly recorded in the office of the Register of Deeds of the County in which this Deed of Trust is recorded and such substitute Trustee or Trustees shall thereupon become vested with all the rights, powers, duties and obligations herein conferred upon the Trustee; it being expressly understood that the rights and powers herein conferred shall be in addition to, and not in derogation of, any other rights, powers and privileges under then existing law with reference to the substitution of Trustees.

11. **ADVANCES**—Beneficiary and the successors or assigns of same, upon default of Trustor in any respect in the performance of any one or more of the covenants or agreements specified herein, may perform, at its option, such defaulted covenant or agreement and may advance such funds as it may deem necessary for this purpose, and all such advances and other funds expended by Beneficiary under the terms and provisions hereof shall be payable upon demand or otherwise as Beneficiary shall determine, shall bear interest at the maximum lawful rate until repaid, and shall be secured by this Deed of Trust and any other security interest given to secure the loan secured by this Deed of Trust. After any such advances are made, Beneficiary may apply any funds received hereunder to principal, advances or interest as it, in its sole discretion, may determine.

12. **CONVEYANCE—DEFAULT**—In the event Trustor conveys to any other party an interest in said premises or any part thereof without the prior written consent of Beneficiary or its successors or in the event Trustor shall sell or otherwise dispose of the said premises or any part thereof without the prior written consent of Beneficiary, Beneficiary at its election may declare the entire indebtedness hereby secured to be immediately due and payable, without notice to Trustor or its successor, which notice said Trustor and any successor to Trustor in interest hereby expressly waives, and upon such declaration the entire indebtedness hereby secured shall be immediately due and payable, anything herein or in the said promissory note to the contrary notwithstanding.

13. **CROSS DEFAULT**—In the event of default by Trustor in the performance (1) of Trustor's obligations under this deed of trust, (2) of any other obligation of Trustor to the holder of the note secured by this deed of trust, whether at the same branch or otherwise, (3) of default or failure to perform any of the conditions or covenants of the note secured by said deed of trust or any security agreement given to secure said note, such default may be deemed, at the option of the holder of the note secured by this deed of trust, a default in all indebtedness due said holder and the whole sum of the principal and interest of the debt evidenced by the note secured by this deed of trust and all of the other indebtedness due to holder by Trustor shall, at the option of the holder of the said note, become due and payable immediately, and this deed of trust and all other security interest for the benefit of or held by the holder may be foreclosed at once.

14. **TERMS**—The term "Trustor" as used herein shall include, jointly and severally, all parties hereinbefore named as "Trustor," whether one or more and whether individual, corporate or otherwise, and their heirs, legal representatives and assigns, and any subsequent owners of the property hereby conveyed, and the term "Beneficiary" as used herein shall include any lawful owner or holder of the indebtedness secured hereby whether one or more.

BUT THIS CONVEYANCE IS MADE UPON THIS SPECIAL TRUST that if Trustor shall pay or cause to be paid to Beneficiary the aforesaid indebtedness in accordance with the terms and conditions of the note or notes evidencing the same, and at the time and place therein mentioned for the payment thereof, together with all interest thereon and all taxes, charges, assessments and any premiums for insurance hereby secured, as hereinabove expressly agreed, and shall perform and observe all the covenants, conditions and agreements herein, then and in that event this Deed of Trust shall become null and void and shall be cancelled or released of record.

BUT IF DEFAULT shall occur in the payment of said indebtedness, interest or any part of either, or any note or bond given in renewal in whole or in part thereof, or of any taxes, charges, assessments or insurance premiums, or other default as hereinabove provided, or by reason of the failure of Trustor to perform and observe each and every covenant, condition and agreement specified in this Deed of Trust, then in all or any of said events, the full principal sum, advances and interest thereon, at the option of Beneficiary as hereinabove provided, shall become immediately due and payable without further notice, and it shall be lawful for and upon the request of Beneficiary, it shall become the duty of Trustee hereby authorized, empowered and directed, to advertise and sell under this Deed of Trust the land and property herein described, at public sale, to the highest bidder for cash and in one or more parcels, after first giving such notice of hearing as to commencement of foreclosure proceedings and obtaining such findings or leave of court as then may be required by applicable law, and thereafter giving such notice and advertising of the time and place of such sale in such manner as then may be required by applicable law; and upon such sale and any resales in accordance with the law then relating to foreclosure proceedings, and upon collection of the purchase money arising therefrom, to make and deliver to the purchaser or purchasers, their heirs, successors or assigns, a proper deed or deeds therefor, and to pay from the proceeds arising from such sale: first, all costs and expenses incident to said sale, including as compensation for his services an amount equal to five per cent (5%) of the gross proceeds of such sale or \$150 whichever is greater, together with reasonable attorneys' fees for legal services actually performed; second, all taxes or assessments then constituting a lien against said premises other than those advertised and sold subject to; third, the unpaid principal, interest, and such sums advanced by Beneficiary as herein provided; and fourth, the balance to Trustor or such other person entitled thereto, or to the Clerk of Court of the County in which said foreclosure proceedings were instituted, or as then may be authorized or directed by applicable law.

It is further provided that in the event foreclosure is terminated upon the request of Trustor prior to delivery of the deed of Trustee as aforesaid, Trustor shall pay unto Trustee all costs and expenses incident to said foreclosure, including as compensation for his services an amount equal to 50 per cent of the compensation to which he would have been entitled upon delivery of the deed as aforesaid if such termination is prior to any hearing then required by applicable law; 75 per cent of such amount if such termination is after such hearing but before any sale hereunder; and the full amount if such termination is at any time after such sale; together with reasonable attorneys' fees for legal services actually performed to the date of such termination and reasonable attorneys' fees, if any, as provided in the evidence of indebtedness secured by this Deed of Trust.

It is further provided that the compensation herein allowed to Trustee shall constitute a lien on said property immediately upon request of sale as aforesaid, and that said Trustee shall suffer no liability by virtue of Trustee's acceptance of this trust, except such as may be incurred by Trustee's failure to advertise and sell said property if so requested or a failure to account for the proceeds thereof.

The covenants herein contained shall bind and the benefits and advantages shall inure to the respective heirs, executors, administrators, successors or assigns of the parties hereto.

IN TESTIMONY WHEREOF, Trustor has caused this instrument to be executed in its corporate name by its _____ President, attested by its _____ Secretary, and its corporate seal to be hereto affixed, all by order of its Board of Directors duly given, the day and year first above written.

IN TESTIMONY WHEREOF, each Trustor has hereunto set his hand and adopted the printed word "SEAL" appearing beside his name below as his personal seal, and each hereby acknowledges receipt of a completed copy of this instrument and his intent to execute this instrument as a sealed instrument, this the day and year first above written.

Myrtle Grove Volunteer Fire Department

Name of Corporation

By Wilbur Davis

Wilbur Davis XXXXXX

ATTEST Philip D. Lewis
Philip D. Lewis Secretary



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(SEAL)

(SEAL)

(SEAL)

(SEAL)

STATE OF NORTH CAROLINA
COUNTY OF

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

WITNESS my hand and notarial seal, this _____ day of _____, 19____
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Notary Public

My Commission expires:

STATE OF NORTH CAROLINA
COUNTY OF NEW HANOVER

I, Linda Howell, a Notary Public in and
for said County and State, do hereby certify that on the 26th day of August, 1992,
before me personally came Philip D. Lewis with whom I am personally acquainted, who,
being by me duly sworn, says that Wilbur Davis is the _____ President and that

Philip D. Davis is the _____ Secretary of Myrtle Grove Veterans Home
the corporation described in and which executed the foregoing instrument; that he knows the common seal of said corporation; that the seal affixed
to the foregoing instrument is said common seal; and that the name of the corporation was subscribed thereto by said

President, and that said _____ President and _____
Secretary subscribed their names thereto, and said common seal was affixed, all by order of the Board of Directors of said corporation; and that
said instrument is the act and deed of said corporation.



My hand and notarial seal, this 26th day of August, 1992.

Linda Howell

Notary Public

STATE OF NORTH CAROLINA
COUNTY OF

The foregoing certificate of _____, a Notary
Public of the County of _____, State of North Carolina, is certified to be correct.

This instrument was presented for registration this day and hour and duly
_____ County, North

STATE OF NORTH CAROLINA
New Hanover County

This _____ day of _____

The Foregoing/ Attached Certificate(s) of _____, M.

Linda Howell

Notary (Notaries) Public is/ are certified
to be correct.

of Deeds

This the 11 day of Sept, 1992
Rebecca Tucker Christian, Register of deeds

by [Signature]
Deputy/Assistant

Return after recording to:

NORTH CAROLINA
DEED OF TRUST

to _____ Trustee

For
UNITED CAROLINA BANK

Amount \$ _____ Date _____
Premises:

Filed for registration on the _____ day of _____, 19____, at _____ o'clock _____ M., and registered in the office of the
Register of Deeds for _____

County, N.C. this _____ day of _____, 19____, at _____ o'clock, _____ in Deed of Trust Book _____, at page _____, at seq. _____

Register of Deeds.

SCHEDULE "A"

BEGINNING at an old iron axle in the Western right-of-way line of US Highway #421, 160.00 foot right-of-way, the Carolina Beach Road, that is North 09 degrees 40 minutes 24 seconds West 342.00 feet from North Carolina Geodetic Survey Station "Bryan" said station has the North Carolina Grid coordinate values of North - 141,301.88 and East - 2,334,310.69, said beginning point being in the Southern line of the tract of land conveyed to Albert Pilkington, Jr. by deed recorded in Book 1385 at Page 1496 of the New Hanover County Registry, said beginning point also being the Northeastern corner of the tract of land conveyed o Albert Pilkington, Jr. by deed recorded in Book 1340 at Page 741 of the New Hanover County Registry; RUNNING THENCE, from the point of beginning, North 68 degrees 21 minutes 38 seconds West, with the Southern line of the tract of land described in Book 1385 at Page 1496 of the New Hanover County Registry, 539.16 feet to an old iron pipe in the old "Sanders" line; THENCE, North 18 degrees 08 minutes 22 seconds East, with said "Sanders" line, 162.00 feet to an old iron pipe, THENCE, South 68 degrees 28 minutes 24 seconds East 545.79 feet to an old iron pipe in the Western right-of-way line of US Highway #421; THENCE, South 10 degrees 48 minutes 30 seconds West, with said right-of-way line, 162.12 feet TO THE POINT OF BEGINNING, CONTAINING 1.9731 acres, the same being the tract of land conveyed to Albert Pilkington, Jr. by deed recorded in Book 1385 at Page 1496 of the New Hanover County Registry.

SUBJECT TO certain rights granted to Rennie Visnick by Agreement dated August 4, 1987 and duly executed by Albert Pilkington, Jr.

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RIDER TO DEED OF TRUST

This Rider is made this 26th day of August, 19 92, and is incorporated into and shall be deemed to amend and supplement the Deed of Trust of the same date given, by the undersigned (hereinafter "Trustor") to secure Trustor's Note to United Carolina Bank, (hereinafter "Beneficiary") of even date and covering the property described in the Deed of Trust and located at:

5636 Carolina Beach Rd. Wilmington, NC

(the "Property").

Additional Covenants, Representations, and Warranties. In addition to the other covenants and agreements made in this Deed of Trust, Trustor further covenants, represents, and warrants to Beneficiary and agrees as follows:

Hazardous Materials. Trustor represents and warrants that, to the best of Trustor's knowledge, after due inquiry and investigation, (a) there are no Hazardous Materials (hereinafter defined) on or under the Property, except those in compliance with all applicable federal, state and local laws, ordinances, rules and regulations, (b) no current or prior owner or occupant has conducted any activities on the Property involving the storage or handling of Hazardous Materials; and (c) no current or prior owner or occupant of the Property has received any citation, order, notice or communication from any government agency or any source whatsoever with respect to Hazardous Materials on, from or affecting the Property or any environmental violation of any nature on or affecting the Property. Trustor covenants that the Property shall be kept free of Hazardous Materials, and neither Trustor nor any occupant of the Property shall use, transport, store, dispose of or in any manner deal with Hazardous Materials on the Property, except to the extent that such use, transport, storage or disposal shall be necessary and proper for the Trustor to use the Property and carry out the activities set forth in the loan application, commitment letter, if any, or any separate loan agreement or other agreement executed concurrently with the Deed of Trust, provided that such use, transport, storage, disposal or handling of Hazardous Materials on the Property shall be in compliance with all applicable federal, state and local laws, ordinances, rules and regulations. Trustor, or any occupant of the Property, shall not, without prior notice to Beneficiary, engage in any use or conduct any activity on the Property which results in initial use or increased use, as the case may be, of Hazardous Materials on the Property which was not disclosed to the Beneficiary or described in the loan application, commitment letter, if any, or separate loan agreement or other agreement executed concurrently with the Deed of Trust. In the event of such prior notification by Trustor, Beneficiary reserves the right to review the potential increased risk of liability associated with the proposed new or increased use of

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Hazardous Materials on the Property, and at its sole option and discretion to treat such use, if it occurs, as an Event of Default. Trustor agrees that any activity by the Beneficiary incident to or arising out of Beneficiary's attempt to protect and/or enforce its right to foreclose on or otherwise realize and/or protect its security interest in the Property pursuant to the Deed of Trust shall not be deemed as operating, managing or otherwise controlling activities at the Property for the purpose of determining liability pursuant to any environmental law, ordinance, rule or regulation. Trustor shall comply with, and ensure compliance by all occupants of the Property with all applicable federal, state and local laws, ordinances, rules and regulations, and shall keep the Property free and clear of any liens imposed pursuant to such laws, ordinances, rules or regulations. In the event of a release or spill of Hazardous Materials on the Property, Trustor shall immediately notify appropriate government agencies as required by law and shall take all feasible measures to prevent the spread of such materials and, as permitted by law, to remove such materials. Beneficiary shall then be notified of such spill or release, provided that by requiring such notice, Beneficiary assumes no responsibility for notifying appropriate agencies or otherwise complying with applicable laws. In the event that Trustor receives any citation, order, or notice from any government agency or any source whatsoever with respect to Hazardous Materials on, from or affecting the Property, Trustor shall immediately notify Beneficiary and, where appropriate, take any feasible measures necessary to comply with such communication and to minimize any damage. Trustor shall promptly conduct and complete all investigations, studies, sampling, and testing, and all remedial actions necessary to clean up and remove all Hazardous Materials from the Property in accordance with all applicable federal, state, and local laws, ordinances, rules and regulations. Trustor further covenants that it will transmit to Beneficiary copies of any citations, orders, notices or other governmental or other communication received with respect to any other Hazardous Materials or other environmentally regulated substances affecting the Property. The term "Hazardous Materials" as used in this Rider to Deed of Trust shall include, without limitation, hazardous substances, materials, or wastes, gasoline, petroleum products, explosives, radioactive materials, polychlorinated biphenyls or related or similar materials, asbestos or asbestos-containing materials or any other substance or material defined as a hazardous or toxic substance, material or waste by any federal, state or local law, ordinance, rule, or regulation. Trustor's violation of any covenant, representation, or warranty within this section shall be an Event of Default, and the Beneficiary may pursue all rights and remedies to which it is entitled as set forth in the Deed of Trust.

Indemnification. Trustor shall protect, defend, indemnify and save harmless Beneficiary, and any named Trustee(s) from and against any and all liabilities, obligations, claims, damages, penalties, causes of action, response and cleanup costs, and other costs and expenses (including without limitation reasonable attorneys' fees and expenses as incurred), imposed upon or incurred by or asserted against Trustee(s) or Beneficiary by reason of (a) the presence, disposal, escape, seepage, leakage, spillage, discharge, emission, release, or threatened release of any Hazardous Materials (as defined in this Rider to Deed of Trust) on, from, or affecting the Property or any other property; (b) any person injury (including wrongful death) or property

damage (real or personal) arising out of or related to such Hazardous Materials; (c) any lawsuit brought or threatened, settlement reached, or government order relating to such Hazardous Materials; or (d) any violation of laws, orders, regulations, requirements, or demands of government authorities, which are based upon or in any way related to such Hazardous Materials, including, but not limited to, the following laws: the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601 et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq.; the Clean Water Act, 33 U.S.C. § 1251 et seq.; the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq.; the Coastal Area Management Act, N.C. Gen. Stat. § 113A-113 et seq.; the Solid Waste Management Act, N.C. Gen. Stat. § 130A-290 et seq.; the Inactive Hazardous Sites Act, N.C. Gen. Stat. § 130A-310 et seq.; N.C. Gen. Stat. Chapter 143, Article 21, Water and Air Resources; the Oil Pollution and Hazardous Substances Control Act, N.C. Gen. Stat. § 143-215.75 et seq.; N.C. Gen. Stat. Chapter 143, Article 21B, Air Pollution Control; and the Sedimentation Pollution Control Act, N.C. Gen. Stat. § 113A-50 et seq. including, without limitation, the costs and expenses of any remedial action, attorney and consultation fees, investigation and laboratory fees, court costs, and litigation expenses. Any amounts payable to Trustee or Beneficiary by reason of the application of this paragraph shall be secured by the Deed of Trust and shall become immediately due and payable and shall bear interest at the Default Rate from the date loss or damage is sustained by Beneficiary until paid. The obligations and liabilities of Trustor under this indemnification paragraph of this Rider to Deed of Trust shall survive any termination, satisfaction, assignment, entry of a judgment of foreclosure or delivery of a deed in lieu of foreclosure of the Deed of Trust.

Collateral Description. Notwithstanding the description of collateral contained in the Deed of Trust, all Hazardous Materials (as defined in this Rider to Deed of Trust) are specifically excluded from collateral subject to this agreement. In addition, any and all underground storage tanks and piping located on the real property described above are specifically [check one]:

included as part of the collateral
 excluded as part of the collateral

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ACCEPTED BY:

UNITED CAROLINA BANK

By: A. Mark Lipe

Title: Assistant Vice-President

TRUSTOR

Myrtle Grove Volunteer Fire Department, Inc.

By: _____
 Title: William J. [Signature] Chairman

Philip D. [Signature] Secretary

