THIS DEED OF TRUST, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT, made and entered into this the 19 87, by and between WINTER PARK VOLUNTEER FIRE DEPARTMENT 21st day of September INC., a N. C. Corporation , whose address is 4601 Park Avenue, Wilmington, NC, 28403 . (hereinafter called the Grantor, whether one or more in number), and

WILLIAM H. JOYNER, JR., Trustee of New Hanover County, State of North Carolina (hereinafter called the Trustee), and WACHOVIA BANK AND TRUST COMPANY, N.A., a national banking association, whose address is 301 North Main Street, Winston-Salem, North Carolina 27102 (hereinafter called the Beneficiary);

RECITALS:

The Grantor is indebted to the Beneficiary in the sum of ONE HUNDRED THOUSAND & 00/100-----Dollars (\$ 100,000,00), as evidenced by Grantor's note or notes of even date herewith (hereinafter referred to as the Note), which Note is due and payable in full on or before the 21st day of September , 19 92

IF THIS DEED OF TRUST SECURES A CONSTRUCTION LOAN OR A COMBINATION CONSTRUCTION PERMANENT LOAN (as evidenced by the completion of the blank spaces in the remainder of this paragraph), this Deed of Trust has been executed and delivered to secure future obligations which may be incurred hereunder from time to time; the amount of present obligations secured by this Deed of Trust is Zero Dollars; the maximum amount of present and future obligations which may be secured hereby at any one time is \$ 100,000.00 _(plus accrued and unpaid interest thereon); the Beneficiary's obligation to make future advances is obligatory; and the period within which future obligations may be incurred hereunder expires ___September_21_, 19 92

The Grantor desires to secure (a) the payment of the Note with interest and any renewals, modifications or extensions thereof, in whole or in part, and (b) the additional payments hereinafter agreed to be made, by a conveyance of the lands and security interests hereinafter described and an assignment of the rents hereinafter described.

NOW, THEREFORE, in consideration of the premises and for the purposes aforesaid, and in further consideration of the sum of One Dollar (\$1.00) paid to the Grantor by the Trustee, receipt of which is hereby acknowledged, the Grantor has given, granted, bargained and sold, and by these presents does give, grant, bargain, sell and convey unto the Trustee, his heirs, successors and assigns, the following property (hereinafter referred to as the Mortgaged Premises):

(a) The real property lying and being in <u>New Hanover</u> County, North Carolina and described below (OR, IF NO DESCRIPTION APPEARS IN THE SPACE PROVIDED BELOW, DESCRIBED IN THE LEGAL DESCRIPTION ATTACHED AS AN EXHIBIT HERETO] (hereinafter referred to as the Land):

Wing at a point in the dividing line between Lot Nos. 60 and 61, of Winter Park Gardens lavout, as non the second BEGINNING at the Gardens layout, as per map thereof which is of record in Registry of New Hanover County, in Map Book 3, Page 38, said beginning being 121.2 feet from the southern line of Wrightsville Avenue, and the point being 66 feet east of the eastern line of Forty-sixth Street formerly Third from said beginning point running eastwardly and parallel ille Avenue 66 feet to the dividing line between Lot Nos. 59 Street), and with Wrightsville and running thence southwardly with and along said dividing line Lot Nos. 59 and 60, 115 feet to the northern right-of-way line of between old Tide Water Power Company; thence westwardly with and along said the right-of-way line and parallel with Wrightsville Avenue 66 feet to the between Lot Nos. 60 and 61, and thence northwardly with and dividing line along the dividing line between said Lot Nos. 60 and 61 and parallel with Forty-sixth Street (formerly Third Street) 115 feet to the point of beginning, the same being the southern portion of Lot No. 60, according to said map of the Winter Park Gardens layout, as per map thereof as hereinbefore set forth.

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(b) All buildings, structures, additions and improvements now or hereafter located in, on or about the Land, and all of the Grantor's building materials intended for incorporation but not incorporated into the improvements to the Land, and all furnishings, furniture, fixtures, machinery, equipment, tools, and all other personal property or chattels used in connection with the operation of such improvements, specifically including, without limitation, appliances, gas and electric fixtures and systems, radiators, heaters, engines and machinery, boilers, ranges, elevators and motors, plumbing and heating fixtures and systems, carpeting and other floor coverings, water heaters, air conditioning apparatus and systems, window screens, awnings, storm sashes AND ANY COLLATERAL DESCRIBED IN ANY SCHEDULE OF ADDITIONAL PERSONAL PROPERTY COLLATERAL DESCRIBED IN ANY SCHEDULE OF ADDITIONAL PERSONAL PROPERTY COLLATERAL ATTACHED HERETO, whenever acquired by the Grantor and now or hereafter located in, upon or under the Land, together with all additions and accessions thereto and replacements and proceeds thereof (hereinafter collectively referred to as the Improvements);

(c) All rents, issues, profits, royalties, income and other benefits derived from the Land and the Improvements (hereinafter collectively referred to as the Rents), subject to the right, power and authority hereinafter given to the Grantor to collect and apply such Rents, and the proceeds from any insurance or condemnation award relating to the Land and the Improvements; and

(d) All easements, rights-of-way and rights used in connection with the Land and the Improvements or as a means of access thereto, and all tenements, hereditaments and appurtenances thereof and thereto.

TO HAVE AND TO HOLD, the Mortgaged Premises unto the Trustee, his heirs, successors and assigns, in fee simple forever, the trusts and for the uses and purposes hereinafter set out;

upon the trusts and for the uses and purposes hereinafter set out;
And the Grantor covenants with the Trustee that the Grantor is seized of the Mortgaged Premises in fee and has the right to convey the same in fee simple; that the same are free and clear of all encumbrances, and that the Grantor will warrant and defend the title to the same against the lawful claims of all persons whomsoever.

HECORGED AND VERIFIED REBECCA P. TUCKER A NEW HANOVER CO. HC

SEP 22 9 33 AH '87

This instrument was prepared by Robert Calder, Attorney, 611 Princess St., Wilm., NC 28401

RETURNED

THIS CONVEYANCE IS MADE UPON THIS SECOLAL TRUST, that if the Grantor shall pay the Note in accordance with its terms, together with interest thereon, and any renewals or extensions thereof in whole or in part, and shall comply with all the covenants, terms and conditions of this Deed of Trust, then this conveyance shall be null and void and may be cancelled of record at the request and at the cost of the Grantor. If, however, there shall be any default in any of the terms or conditions of the Note, or of the terms, conditions or covenants contained in this Deed of Trust, or in the event of actual or threatened demolition or injury or waste to the Mortgaged Premises, or the Mortgaged Premises or the Mortgaged Premises or the Mortgaged Premises or the Mortgaged Premises at public action for case, aller having first complied with all garder the events, the Note shall, at the option of the Beneficiary, become at once due and payable, regardless of the maturity date thereof, and on the application of the Beneficiary it shall be lawful for and the duty of the Trustee, and he is hereby authorized and empowere do expose to sale and to sell the Mortgaged Tremises at public auction for case, aller having first complied with all garder to expose to sale and to sell the Mortgaged Tremises at public auction for case, aller having first complied with all garder to expose to sale and to sell the Mortgaged Tremises at public auction for case, aller having first complied with all garder to expose to sale and to sell the Mortgaged Tremises at public active the proceeds for the services and all expenses incurred by him, including reasonable attorney's fees for legal services actually performed, the Trustee shall apply the proceeds, first to the payment of all sums expended by the Beneficiary was the proceeds of the premate proceeds of the proceeds first to the payment of all sums expended by the Beneficiary washer to the proceeds of the proceeds first to the payment of all sums expended by the Beneficiary washer to the Crantor an

iscal year of such operations.

2. Pay the indebtedness as hereinbefore provided.

3. Pay, when due, all real and personal property taxes and assessments, general and special, and all other taxes and assessments of any kind or nature whatsoever, including without limitation non-governmental levies or assessments such as owner association dues or charges or fees and maintenance charges, which are assessed or imposed upon the Mortgaged Premises, all of which taxes and assessments are hereinafter referred to as Impositions; if at any time after the date hereof, there shall be assessed or imposed (a) a tax or assessment on the Mortgaged Premises in lieu of or in addition to the Impositions payable by Grantor or (b) a liceuse fee, tax or assessment imposed on Beneficiary and measured by or based in whole or in part upon the amount of the outstanding obligations secured hereby. Grantor shall pay and discharge all such taxes, assessments or fees before they become delinquent, or, at the option of Beneficiary, all obligations secured hereby with interest thereon shall immediately become due and payable.

4. Keep the buildings now or hereafter on the Mortgaged Premises insured against loss and damage by fire, tornado and windstorm, and against such other hazards as the Beneficiary may require, including rent loss or business interruption, in amounts satisfactory to the Beneficiary which amounts shall at no time be less than the outstanding indebtedness secured by this Deed of Trust, plus an amount sufficient to prevent any co-insurance liability of the owner of the Mortgaged Premises or the Beneficiary, for the beneficiary has payable clauses to be in such form as the Beneficiary may require. All insurance to the Beneficiary to the beneficiary to be held by it; Grantor will pay all premiums for such loss from as the Beneficiary may require. All insurance shall be in companies approved by the Beneficiary and the policies and renewals thereof shall, when issued, be immediately deliver to the Beneficiary to be held by it;

or the brighted remises in as good order, repair and condition as they are now, reasonable wear and tear excepted; provided, however, that if this Deed of Trust secures a construction loan, the provisions of this paragraph shall apply to the Mortgaged Premises from and after completion of construction.

6. Not commit or permit any waste. The Beneficiary shall have the right to inspect the Mortgaged Premises at all reasonable times, and access thereto shall be permitted for that purpose to it or its authorized agents or representatives.

7. Furnish to the Beneficiary within ninety (90) days of the end of each fiscal year the financial statements (in form satisfactory to the Beneficiary) of the Grantor and of each guarantor or endorser, if any, of the indebtedness hereby secured.

8. Not sell, convey, transfer or encumber the Mortgaged Premises, or any part thereof or interest therein, legal or equitable, without the prior written consent of the Beneficiary; provided, however, that Grantor may dispose of, free and clear of the security interest granted herein and the lien hereof, any personal property or fixtures which, in the reasonable judgment of Grantor, have become obsolete or unfit for use or which are no longer useful in Grantor's operations, on the condition that Grantor shall replace such personal property or fixtures by, or substitute for the same, other personal property or fixtures (not necessarily of the same character) owned by Grantor, which shall (a) be of at least equal value to the personal property or fixtures disposed of and (b) perform a replacement personal property or fixtures shall forthwith, without further action, become subject to the security interest granted in, and the lien created by, this Deed of Trust, and such security interest is hereby granted by Grantor. Beneficiary's consent to any conveyance or encumbrance may be conditioned upon an increase in the interest rate specified in the Note, an extension or curtailment of the maturity of the Note, or other modification of the Note

ownership of general partnership interests in the Grantor (it Grantor is a partnership or joint venture) shall be considered a conveyance or transfer of the Mortgaged Premises.

Any Grantor who executes this Deed of Trust but does not execute the Note has executed this Deed of Trust only to subject whatever interest, if any, such Grantor has or may hereafter have in the Mortgaged Premises to the lien of this Deed of Trust, has no personal liability on the Note or under this Deed of Trust (nothing herein limits or affects such Grantor's liability to the Beneficiary under any separate guaranty or any other instrument), and agrees that the Beneficiary and any other Grantor hereunder may extend, modify, forbear, or make any other accommodations with regard to the terms of this Deed of Trust or the Note without such Grantor's consent and without releasing such Grantor hereunder or modifying or affecting this Deed of Trust as to such Grantor's interest in the Mortgaged Premises.

As further security for the payment of the Note and for the faithful performance of all the covenants, agreements, terms and provisions of this Deed of Trust, Grantor hereby sells, transfers and assigns unto Beneficiary all the right, title and interest of the Grantor in and to the Rents, and to that end Grantor hereby assigns and sets over unto the said Beneficiary all leases of the Mortgaged Premises now made, executed or delivered, whether written or verbal, or to be hereafter made, be the same written or verbal, and Grantor does hereby authorize and empower the Beneficiary; it being understood and agreed, however, that no such demand for hadden and some of all the covenants, agreements, terms and provisions of this Deed of Trust or the Note; and until such demand is made, Grantor is authorized to collect or continue collecting the Rents; but that such privilege to collect or continue collecting, as aforesaid, by the Grantor shall not operate to permit the collection of any Rents more than thirty (30) days in advance of the date same are

Grantor covenants and agrees: (i) that Grantor will promptly and fully keep, perform and comply with all the terms, provisions, covenants, conditions and agreements imposed upon or assumed by Grantor as Landlord (or similar designation) under any lease in effect on the date hereof covering all or any part of the Mortgaged Premises, (such leases are hereinafter referred to individually and collectively as Tenants' Leases) and (ii) that Grantor will not do, permit anything to be done, or omit or refrain from doing anything, the doing or omission of which will give any tenant a right to terminate any of the Tenants' Leases.

If Grantor shall, in any manner, fail in any of the above covenants and agreements, Beneficiary may (but shall not be obligated to) take any action Beneficiary deems necessary or desirable to prevent or cure any default by Grantor in the performance of or compliance with any of Grantor's covenants or obligations under any of the Tenants' Leases. Beneficiary shall have the right to enter upon the Mortgaged Premises to such extent and as often as Beneficiary, in its sole discretion, deems necessary or desirable in order to prevent or cure any such default by Grantor. Beneficiary may expend such sums of money as Beneficiary, in its sole discretion, deems necessary for any such purpose, and Grantor hereby agrees to pay to Beneficiary, immediately upon demand, all sums so expended by Beneficiary, and the interest thereon from the date of each such payment at the rate provided for in the Note. All suins so expended by Beneficiary, and the interest thereon, shall be added to and secured by the lien of this Deed of Trust. Any default in any of the terms, conditions, covenants or agreements contained in any separate assignment of Lessor's interest in leases given as additional security for the indebtedness secured hereby shall constitute an event of default under this Deed of Trust.

In leases given as additional security for the indebtedness secured hereby shall constitute an event of default under this Deed of Trust.

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

The Beneficiary shall have the right, after default in any of the terms, covenants or agreements herein contained, or contained in the Note, to the appointment of a receiver to collect the Rents from the Mortgaged Premises or the solvency of any person liable for the payment of the amounts then owing, and all amounts collected by the receiver shall, after expenses of the receivership, be applied to the payment of the indebtedness hereby secured, and the Beneficiary, at its option, in lieu of an appointment of a receiver, shall have the right to do the same. If such receiver should be a pointed, or if there should be a sale of the Mortgaged Premises, as provided above, the Grantor, or any person in possession of the Mortgaged Premises thereunder, as tenant or otherwise, shall become a tenant at will of the receiver or of the purchaser and may be removed by a writ of ejectment, summary ejectment or other lawful remedy.

No delay or forbearnnes by the Beneficiary in exercising any or all of its rights hereunder or rights otherwise afforded by law, shall operate as a waiver thereof or preclude the e

The parties hereto shall in no event be deemed to have contracted for a greater rate of interest than the maximum rate permitted by lnw. Should a greater amount be collected, it shall be construed as a mutual mistake of the party paying same.

The Grantor, in order to more fully protect the security of this Deed of Trust, agrees that in addition to the monthly payments of principal, to the Beneficiary, pay on the first day of each month, or on the due date of monthly payments of principal, to the Beneficiary or to its duy authorized agent a sum equal to one-twellth of the known or estimated by the Beneficiary) yearly taxes, assessments and insurance premiums on or against the Mortaged Premises. The Beneficiary shall be land of grantor does hereby expressly agree that Beneficiary shall be under no obligation to pay interest thereon) and shall apply the same to the payment of taxes, assessments and insurance premiums as and when due. If the total of such monthly payments shall exceed the amount needed, the excess shall be held for future needs; but, should such monthly payments shall exceed the amount needed, the excess shall be held for future needs; but, should such monthly payments at any time fail to provide sufficient funds to pay taxes, assessments and insurance premiums when due, then the Grantor shall, upon demand, pay to the Beneficiary the amount necessary to cover the efficiency. When the Grantor shall have paid the Note, the Beneficiary shall refund to the Grantor or other person lawfully entitled thereto on yoxees funds activated the reunder. In the event of a foreclosure sale of the Mortagaged Premises, the Beneficiary may apply any balance remaining of the funds necumulated for the above purposes to the payment of the Note.

The Beneficiary shall at any time have the irrevocable right to remove the Trustee herein named, without notice or cause and to appoint his successor by an instrument in writing, duly acknowledged, in such form as to entitle such writine instrument. Any Trustee is such as the p

The covenants, terms and conditions herein contained shall bind, and the benefits and powers shall inure to the respective heirs, executors, administrators, successors and assigns of the parties hereto. Whenever used herein, the singular number shall include the plural, the plural the singular, and the term "Beneficiary" shall include any payee of the indebtedness hereby secured and any transferee or assignee thereof, whether by operation of law or otherwise.

IN WITNESS WHEREOF, the Grantor has caused this Deed of Trust to be executed under seal the day and year first above

| | WINTER PARK VOLUNTEER FIRE DEPARTMENT, INC (Name of Corporation) | <u>c.</u> |
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| do hereby certify that | | | |
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| | <u> </u> | | William Brown Brown |
| personally appeared before me this | day and acknowledged | the due execution of th | e foregoing instrument. |
| Witness my hand and notarial seal, this _ | day of | | 19 |
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