

NORTH CAROLINA PURCHASE MONEY DEED OF TRUST

Parcel Identifier No. 9864-54-8420 & 9864-54-6302 *KJC*

Prepared by and Return to: Ellis & Winters LLP (DLH), P.O. Box 33550, Raleigh, NC 27636

Brief description for the Index: 2.25 acres; Lots 1 & 2, PB 93-165

THIS NORTH CAROLINA PURCHASE MONEY DEED OF TRUST ("*Deed of Trust*") is made as of the 1st day of October, 2020, by and between:

GRANTOR	TRUSTEE	BENEFICIARY
Eno River Mill, LLC, a North Carolina limited liability company P.O. Box 12929 Raleigh, NC 27605	Laura Burkett 4131 Parklake Avenue Suite 400 Raleigh, NC 27612	Skimmer Land, LLC, a North Carolina limited liability company, Jesse Warren Faircloth, Jr., and Margaret H. Faircloth P.O. Box 757 Hillsborough NC 27278

The designation Grantor, Trustee, and Beneficiary as used herein shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.

WITNESSETH, That whereas Grantor is indebted to Beneficiary in the principal sum of ONE HUNDRED FIFTY THOUSAND AND NO/100 Dollars (\$150,000.00), as evidenced by a Purchase Money Promissory Note of even date herewith (the "*Note*"), the terms of which are incorporated herein by reference. The final due date for payments of the Note, if not sooner paid, is October 1, 2025.

NOW, THEREFORE, as security for the Note, advances made by Beneficiary pursuant to this Deed of Trust and costs of collection (including reasonable and actually incurred attorneys' fees as provided in the Note) and other valuable consideration, the receipt of which is hereby acknowledged, Grantor has bargained, sold, given and conveyed and does by these presents bargain, sell, give, grant and convey to Trustee, his/her/its heirs, or successors, and assigns, all of those certain parcels of land located in Orange Submitted electronically by Ellis & Winters LLP in compliance with North Carolina statutes governing recordable documents and the terms of the submitter agreement with the Orange County Register of Deeds.

County, North Carolina and more particularly described on Exhibit A, attached hereto and incorporated herein by reference (together with improvements and fixtures thereon, the "*Property*").

TO HAVE AND TO HOLD the Property with all privileges and appurtenances thereunto belonging, to Trustee, his heirs, successors, and assigns forever, upon the trusts, terms and conditions, and for the uses hereinafter set forth. Upon repayment of the Note in full this conveyance shall be null and void and may be canceled of record at the expense of Grantor.

Upon the occurrence of an event of default under the Note and the expiration of all applicable notice and cure periods (an "*Event of Default*"), it shall be lawful for and the duty of Trustee, upon request of Beneficiary, to sell the Property at public auction for cash, after having first giving such notice of hearing as to commencement of foreclosure proceedings and obtained such findings or leave of court as may then be required by law and giving such notice and advertising the time and place of such sale in such manner as may then be provided by law, and upon such and any resales and upon compliance with the law then relating to foreclosure proceedings under power of sale to convey title to the purchaser in as full and ample manner as Trustee is empowered. Trustee shall be authorized to retain an attorney to represent him in such proceedings.

The proceeds of any such foreclosure sale shall after Trustee is repaid reasonable attorneys' fees actually incurred by Trustee in such proceedings, be applied to the costs of sale, including, but not limited to, costs of collection, taxes, assessments, costs of recording, service fees and incidental expenditures, the amount due on the Note hereby secured and advancements and other sums expended by Beneficiary according to the provisions hereof and otherwise as required by the then existing law relating to foreclosure.

And Grantor does hereby covenant and agree with Trustee as follows:

1. **TAXES, ASSESSMENTS, CHARGES.** Grantor shall pay all taxes, assessments and charges as may be lawfully levied against the Property prior to delinquency. In the event that Grantor fails to so pay all taxes, assessments and charges as herein required, then Beneficiary, at its option, may pay the same and the amounts so paid shall be added to the principal of the Note secured by this Deed of Trust, and shall be due and payable upon written demand of Beneficiary.

2. **ASSIGNMENTS OF RENTS AND PROFITS.** Grantor assigns to Beneficiary, upon the occurrence of an Event of Default, all rents and profits from the land and any improvements thereon, and authorizes Beneficiary to enter upon and take possession of such land and improvements, to rent same, at any reasonable rate of rent determined by Beneficiary, and after deducting from any such rents the cost of reletting and collection, to apply the remainder to the debt secured hereby.

3. **MAINTENANCE, IMPROVEMENTS, WASTE.** Grantor covenants that it will keep the Property in as good order, repair and condition as it exists now, reasonable wear and tear excepted, and will comply with all governmental requirements respecting the Property or its use, and that it will not commit or permit any waste of the Property. Grantor shall use reasonable efforts to protect the value of the Property and not take actions which adversely affect the value of the Property in any material respect. Beneficiary acknowledges and agrees that Grantor intends to use the Property, initially, for parking and construction staging, which may involve improvements such as, but not necessarily limited to, clearing, grading, and gravelling. Improvements to the Property by Grantor shall be performed in a good and workmanlike manner and, once commenced, diligently pursued to completion, subject to force majeure, acts of God, and other factors beyond Grantor's reasonable control. Grantor agrees to give Beneficiary thirty (30) days advance written notice prior to commencing construction of any other improvements to the Property that involve significant land disturbance other than those associated with parking and construction staging as contemplated above. If Beneficiary notifies Grantor in writing within such thirty (30) day period that

Beneficiary reasonably believes the proposed improvements will adversely affect the value of the Property or surrounding properties owned by Beneficiary or Beneficiary's affiliates in some material respect, then such improvements will require Beneficiary's written approval, which shall not be unreasonably withheld, conditioned or delayed. Without limiting the generality of the terms of the Note, a breach of this Section 3 by Grantor that is outstanding after written notice and opportunity to cure as provided in the Note will constitute an Event of Default.

4. CONDEMNATION. In the event that any or all of the Property shall be condemned and taken under the power of eminent domain, Grantor shall give prompt written notice to Beneficiary and Beneficiary shall have the right to receive and collect all damages awarded by reason of such taking, and the right to such damages hereby is assigned to Beneficiary who shall apply the amount so received towards the outstanding indebtedness evidenced by the Note.

5. WARRANTIES. Grantor covenants with Trustee and Beneficiary that Grantor is seized of the Property in fee simple, has the right to convey the same in fee simple, that title is marketable and free and clear of all encumbrances other than those in favor of Beneficiary, and that Grantor will warrant and defend the title against the lawful claims of all persons whomsoever, except for the exceptions hereinafter stated. Title to the property hereinabove described is subject to the following exceptions: all easements, encumbrances, restrictions and other matters of record as of the date of this Deed of Trust; all exceptions to title and other matters arising from the acts or omissions of Seller, Seller's predecessors in title or otherwise arising on or before the date of this Deed of Trust; all matters that would be revealed by a current and accurate survey of the Property; all matters set forth in Grantor's commitment and/or policy of title insurance for the Property; matters of zoning, code and local ordinance; *ad valorem* property taxes and assessments for the calendar year in which this Deed of Trust is executed and subsequent years; riparian and littoral rights of others in an to the property; and rights of tenants and licensees under unrecorded leases.

6. TRUSTEE. Grantor and Trustee covenant and agree to and with Beneficiary that in case Trustee, or any successor trustee, shall die, become incapable of acting, renounce his/her/its trust, or for any reason the holder of the Note desires to replace Trustee, then Beneficiary may appoint, in writing, a trustee to take the place of Trustee; and upon the probate and registration of the same, the trustee thus appointed shall succeed to all rights, powers and duties of Trustee. To the maximum extent permitted by applicable law, including without limitation North Carolina General Statutes Section 45-45.3, Trustee shall not be required to join in the execution of any amendment, modification, satisfaction, release, partial release or other instrument or action relating to this Deed of Trust.

7. SALE OF PROPERTY. Grantor agrees that if all or substantially all of the Property is sold by Grantor without the prior written consent of Beneficiary, whether voluntarily or involuntarily or by operation of law, then in such event, Beneficiary, at its own option, may declare the Note secured hereby and all other obligations hereunder to be forthwith due and payable. Notwithstanding the foregoing, the following shall not constitute a sale for purposes of the immediately preceding sentence: (a) the creation of liens and other encumbrances subordinate to this Deed of Trust; (b) the grant of one or more leasehold interests or licenses with respect to the Property of three (3) years or less not containing an option to purchase; (c) a transfer resulting from the merger, conversion, consolidation or other restructuring of Grantor and/or Grantor's affiliates; and (d) one or more changes in the direct or indirect ownership or management of Grantor.

8. ADVANCEMENTS. During the continuance of an Event of Default, Beneficiary may, but without obligation, make advances to perform such covenants or obligations, and all such sums so advanced shall be added to the principal sum, shall bear interest at the rate provided in the Note secured hereby for sums due after default and shall be due from Grantor on written demand of Beneficiary. No advancement or

anything contained in this paragraph shall constitute a waiver by Beneficiary or prevent such failure to perform from constituting an event of default.

9. INDEMNITY. If any suit or proceeding be brought against Trustee or Beneficiary or if any suit or proceeding be brought which may materially and adversely affect the value or title of the Property, Grantor shall defend, indemnify and hold harmless and on written demand reimburse Trustee or Beneficiary from any loss, cost, damage or expense and any sums expended by Trustee or Beneficiary shall bear interest as provided in the Note for sums due after default, which amounts shall be due and payable on written demand.

10. WAIVERS. Grantor waives all rights to require marshaling of assets by Trustee or Beneficiary. No reasonable delay or omission of Trustee or Beneficiary in the exercise of any right, power or remedy arising under the Note or this Deed of Trust shall be deemed a waiver of any default or acquiescence therein or shall impair or waive the exercise of such right, power or remedy by Trustee or Beneficiary at any other time.

11. CIVIL ACTION. In the event that Trustee is named as a party to any civil action as Trustee in this Deed of Trust, Trustee shall be entitled to employ an attorney at law, including himself if he is a licensed attorney, to represent him in said action and the reasonable attorney's fee of Trustee in such action shall be paid by Beneficiary and added to the principal of the Note secured by this Deed of Trust and bear interest at the rate provided in the Note for sums due after default.

[The remainder of this page is intentionally left blank.]

[Signature page follows.]

IN WITNESS WHEREOF, the Grantor has duly executed the foregoing as of the day and year first above written.

Eno River Mill, LLC
a North Carolina limited liability company

By: [Signature]

Name: Frank R. Gailor

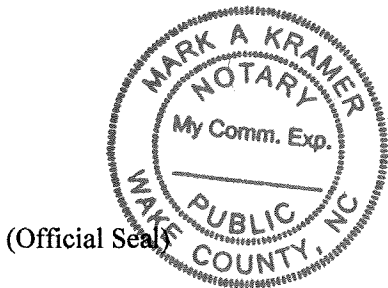
Title: Managing Member
Hedgehog Holdings, LLC.

State of North Carolina
County of Wake

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: Frank R. Gailor [insert name(s) of principal(s)].

Date: Sept. 29, 2020

By: [Signature]
Mark A. Kramer, Notary Public



My commission expires: 11/9/22

Exhibit A***Legal Description***

BEING all of Lot 1 and Lot 2, as shown on "Recombination & Final Plat of Property Surveyed for Roland & Wendy Intrator, Hillsborough Twp., Orange Co., North Carolina" and recorded in Plat Book 93, Page 165, Orange County Registry.