

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF NORTH CAROLINA
BRYSON CITY DIVISION

IN RE

Michael Dennis Lares

Case No. 11-20237
Chapter 7

MOTION TO MODIFY STAY

SCBT, N.A., d/b/a Community Bank & Trust (hereinafter “Movant”), moves this Court for relief from stay in the above captioned case against the Debtors and shows the following:

PARTIES AND JURISDICTION

1. Movant is a national bank. Debtor is a resident of Macon County, North Carolina.
2. The Court has jurisdiction over this proceeding, pursuant to 28 U.S.C. § 1334, and the “Referral Order” entered herein by the Chief United States District Judge for the Western District of North Carolina. The Court also has jurisdiction over this proceeding, pursuant to 28 U.S.C. §§ 151 and 157(b) in that it is a “core proceeding”.

ALLEGATIONS

3. On or about August 27, 2010, the Debtors executed and delivered to Movant promissory notes (hereinafter “Notes”) in the original sums of \$304,265.26 and \$637,776.72 . True and correct copies of said Notes are appended hereto, and identified as Exhibit A. On August 14, 2009, the Debtors executed and delivered to Movant two deeds of trust (herinafter “Deeds of Trust”), granting a lien or encumbrance in the real property described therein (hereinafter “real property”) and securing the Notes. A true and correct copy of said Deeds of Trust is appended hereto as Exhibit B. On August 14, 2009, the Deeds of Trust was properly filed with the Register of Deeds in Cherokee County, NC.
4. On or about December 5, 2011, the Debtors filed a petition under Chapter 7 of the Bankruptcy

Code. The Debtor has defaulted under the payment provisions of the Notes and Deeds of Trust. After applying all funds received through January 4, 2012, the Debtors are still due for a sum not less than \$321,211.95 and \$675,155.01 on the two Notes which consists of the following:

Principal due as of 1/4/12	\$301,183.93	\$632,471.52
Interest due as of 1/5/12	\$19,425.52	\$42,133.49
Late charges	\$602.50	\$550.00
TOTAL	\$321,211.95	\$675,155.01
Per diem	\$53.64	\$112.63

5. As of January 5, 2012, the approximate payoff on said Notes are \$321,211.95 and \$675,155.01 for a total of \$996,366.96; the respective Deeds of Trust are cross collateralized with each other. The Debtor has listed the fair market value of the foregoing real property relating to the Deeds of Trust as \$913,450.00 and \$370,020.00 for a total of \$1,283,470. However, the Movant believes the value of the property is less than the payoff owed by Debtors and it is therefore undersecured.
6. Debtors have not claimed an exemption in the real property on Schedule C of their petition.
7. If Movant is not permitted to foreclose on its lien or encumbrance or to enforce the judgment obtained on the Debtors' real property, Movant will suffer irreparable injury, loss and damage.
8. Movant gives notice that it may submit a declaration or affidavit regarding any issue(s) raised in this contested matter in accordance with Rules 803(6), 902(11), and 902(12) of the Federal Rules of Evidence.

WHEREFORE, Movant prays for the following:

1. That the automatic stay provisions of 11 U.S.C. §362 be modified or terminated so that Movant and any Trustee or Substitute Trustee may foreclose on the real property as shown herein and

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF NORTH CAROLINA
BRYSON CITY DIVISION

IN RE

Michael Dennis Lares

Case No. 11-20237
Chapter 7

NOTICE OF OPPORTUNITY FOR HEARING

(No-Protest Notice: No hearing will be held unless request for hearing is filed.)

TAKE NOTICE that Community Bank and Trust, NA (CBT) has filed papers with the Court, a Motion to Modify Stay. A copy of these papers are included with this Notice. Your rights may be affected. You should read these papers carefully and discuss them with your attorney, if you have one in this bankruptcy case. If you do not have an attorney, you may wish to consult one.

If you do not want the Court to order relief sought in the motion, or if you want the Court to consider your views on the motion, then on or before March 17, 2012, or fifteen days from the date of service of this Notice, you or your attorney must do three (3) things:

1. File with the Court a written response in accordance with Local Rule 9014-1(f) requesting that the Court hold a hearing and explaining your position. You may file the response at U.S. Bankruptcy Court, PO Box 34189, Charlotte, NC 28234. If you mail your request to the Court for filing, you must mail it early enough so the Court will receive it on or before the date stated above.
2. On or before the date stated above for written responses, you must also mail or email a copy of your written request to:

Stuart Sloan
Attorney for CBT
53 E. Main Street, Suite B
Franklin, NC 28734
sloan.stu@gmail.com

3. Attend the hearing scheduled for March 20, 2012 9:30 am in the United States Bankruptcy Court,

MICHAEL D. LARES 260 LARES MOUNTAIN ROAD BRASSTOWN, NC 28902	CBT, A DIVISION OF SEBT, N.A. 440 NORTH MAIN STREET PO BOX 3000 CORNELIA, GA 30631	RESP CODE 4146 Loan Number 2822714 <i>R</i> Date 08-27-2010 Maturity Date 08-27-2012 Loan Amount \$ 637,776.72 Renewal Of 2822872
BORROWER'S NAME AND ADDRESS <small>"I" includes each borrower above, jointly and severally.</small>	LENDER'S NAME AND ADDRESS <small>"You" means the lender, its successors and assigns.</small>	

For value received, I promise to pay to you, or your order, at your address listed above the PRINCIPAL, sum of SIX HUNDRED THIRTY SEVEN THOUSAND SEVEN HUNDRED SEVENTY SIX AND 72/100 Dollars \$ 637,776.72

Single Advance: I will receive all of this principal sum on 08-27-2010. No additional advances are contemplated under this note.
 Multiple Advance: The principal sum shown above is the maximum amount of principal I can borrow under this note. On _____ I will receive the amount of \$ _____ and future principal advances are contemplated.

Conditions: The conditions for future advances are _____
 Open End Credit: You and I agree that I may borrow up to the maximum amount of principal more than one time. This feature is subject to all other conditions and expires on _____
 Closed End Credit: You and I agree that I may borrow up to the maximum only one time (and subject to all other conditions).

INTEREST: I agree to pay interest on the outstanding principal balance from 08-27-2010 at the rate of 8.500 % per year until 08-27-2012

Variable Rate: This rate may then change as stated below.
 Index Rate: The future rate will be _____ the following index rate: _____

No Index: The future rate will not be subject to any internal or external index. It will be entirely in your control.
 Frequency and Timing: The rate on this note may change as often as _____ A change in the interest rate will take effect _____
 Limitations: During the term of this loan, the applicable annual interest rate will not be more than _____ % or less than _____ %.

Effect of Variable Rate: A change in the interest rate will have the following effect on the payments:
 The amount of each scheduled payment will change. The amount of the final payment will change.

ACCRUAL METHOD: Interest will be calculated on a ACTUAL/365 basis.

POST MATURITY RATE: I agree to pay interest on the unpaid balance of this note owing after maturity, and until paid in full, as stated below:
 on the same fixed or variable rate basis in effect before maturity (as indicated above).
 at a rate equal to _____

LATE CHARGE: If a payment is made more than 10 days after it is due, I agree to pay a late charge of 5.000% OF THE LATE AMOUNT WITH A MAX OF \$50.00

ADDITIONAL CHARGES: In addition to interest, I agree to pay the following charges which are are not included in the principal amount above:

PAYMENTS: I agree to pay this note as follows:
23 MONTHLY PAYMENTS OF \$4,766.86 BEGINNING 09-27-2010 AND 1 BALLOON PAYMENT OF \$609,385.04 ON 08-27-2012.
Difference in principal \$ 54.54

If checked, and this loan is secured by a first lien on real estate, then any accrued interest not paid when due (whether due by reason of a schedule of payments or due because of lender's demand) will become part of the principal thereafter, and will bear interest at the interest rate in effect from time to time as provided for in this agreement.

ADDITIONAL TERMS: _____

SECURITY: This note is separately secured by (describe separate document by type and date): DEED OF TRUST DATED 08-14-2009 IN THE NAME OF MICHAEL D LARES AND NICOLE LARES DATED 08-27-2010 AND A SECURITY AGREEMENT DATED 08-27-10
(This section is for your internal use. Failure to set a separate security document does not make this agreement void or enforce this note.)

PURPOSE: The purpose of this loan is RENEWAL OF DEBT ON INVESTMENT PROPERTY
 SIGNATURES AND SEALS: IN WITNESS WHEREOF, I HAVE SIGNED MY NAME AND AFFIXED MY SEAL ON THIS 27TH DAY OF AUGUST, 2010. BY DOING SO, I AGREE TO THE TERMS OF THIS NOTE (INCLUDING THOSE ON PAGE 2). I HAVE RECEIVED A COPY ON TODAY'S DATE.

Signature for Lender _____ (Seal)
 MICHAEL D. LARES
 _____ (Seal)
 SHANON STEWART, AVP
 _____ (Seal)
 _____ (Seal)

DEFINITIONS: As used on page 1, "X" means the terms that apply to this loan. "I," "me" or "my" means each Borrower who signs this note and each other person or legal entity (including guarantors, endorsers, and sureties) who agrees to pay this note (together referred to as "us"). "You" or "your" means the Lender and its successors and assigns.

APPLICABLE LAW: The law of the state of Georgia will govern this note. Any term of this note which is contrary to applicable law will not be effective, unless the law permits you and me to agree to such a variation. If any provision of this agreement cannot be enforced according to its terms, this fact will not affect the enforceability of the remainder of this agreement. No modification of this agreement may be made without your express written consent. Time is of the essence in this agreement.

COMMISSIONS OR OTHER REMUNERATION: I understand and agree that any insurance premiums paid to insurance companies as part of this note will involve money retained by you or paid back to you as commissions or other remuneration.

In addition, I understand and agree that some other payments to third parties as part of this note may also involve money retained by you or paid back to you as commissions or other remuneration.

PAYMENTS: Each payment I make on this note will first reduce the amount I owe you for charges which are neither interest nor principal. The remainder of each payment will then reduce accrued unpaid interest, and then unpaid principal. If you and I agree to a different application of payments, we will describe our agreement on this note. I may prepay a part of, or the entire balance of, this loan without penalty, unless we specify to the contrary on this note. Any partial prepayment will not excuse or reduce any later scheduled payment until this note is paid in full (unless, when I make the prepayment, you and I agree in writing to the contrary).

INTEREST: Interest accrues on the principal remaining unpaid from time to time, until paid in full. If I receive the principal in more than one advance, each advance will start to earn interest only when I receive the advance. The interest rate in effect on this note at any given time will apply to the entire principal advanced at that time. You and I may provide in this agreement for accrued interest not paid when due to be added to principal. Notwithstanding anything to the contrary, I do not agree to pay and you do not intend to charge any rate of interest that is higher than the maximum rate of interest you could charge under applicable law for the extension of credit that is agreed to here (either before or after maturity). If any notice of interest accrual is sent and is in error, we mutually agree to correct it, and if you actually collect more interest than allowed by law and this agreement, you agree to refund it to me.

INDEX RATE: The index will serve only as a device for setting the rate on this note. You do not guarantee by selecting this index, or the margin, that the rate on this note will be the same rate you charge on any other loans or class of loans to me or other borrowers.

ACCRUAL METHOD: The amount of interest that I will pay on this loan will be calculated using the interest rate and accrual method stated on page 1 of this note. For the purpose of interest calculation, the accrual method will determine the number of days in a "year." If no accrual method is stated, then you may use any reasonable accrual method for calculating interest.

POST MATURITY RATE: For purposes of deciding when the "Post Maturity Rate" (shown on page 1) applies, the term "maturity" means the date of the last scheduled payment indicated on page 1 of this note or the date you accelerate payment on the note, whichever is earlier.

SINGLE ADVANCE LOANS: If this is a single advance loan, you and I expect that you will make only one advance of principal. However, you may add other amounts to the principal. If you make any payments described in the "PAYMENTS BY LENDER" paragraph below, or if we have agreed that accrued interest not paid when due may be added to principal.

MULTIPLE ADVANCE LOANS: If this is a multiple advance loan, you and I expect that you will make more than one advance of principal. If this is closed end credit, repaying a part of the principal will not entitle me to additional credit.

PAYMENTS BY LENDER: If you are authorized to pay, on my behalf, charges I am obligated to pay (such as property insurance premiums), then you may treat those payments made by you as advances and add them to the unpaid principal under this note, or you may demand immediate payment of the charges.

SET-OFF: I agree that you may set off any amount due and payable under this note against any right I have to receive money from you.

- "Right to receive money from you" means:
- (1) any deposit account balance I have with you;
 - (2) any money owed to me on an item presented to you or in your possession for collection or exchange; and
 - (3) any repurchase agreement or other nondeposit obligation.

"Any amount due and payable under this note" means the total amount of which you are entitled to demand payment under the terms of this note at the time you set off. This total includes any balance the due date for which you properly accelerate under this note.

If my right to receive money from you is also owned by someone who has not agreed to pay this note, your right of set-off will apply to my interest in the obligation and to any other amounts I could withdraw on my sole request or endorsement. Your right of set-off does not apply to an account or other obligation where my rights are only as a representative. It also does not apply to any Individual Retirement Account or other tax-deferred retirement account.

You will not be liable for the dishonor of any check when the dishonor occurs because you set off this debt against any of my accounts. I agree

to hold you harmless from any such claims arising as a result of your exercise of your right of set-off.

REAL ESTATE OR RESIDENCE SECURITY: If this note is secured by real estate or a residence that is personal property, the existence of a default and your remedies for such a default will be determined by applicable law, by the terms of any separate instrument creating the security interest and, to the extent not prohibited by law and not contrary to the terms of the separate security instrument, by the "Default" and "Remedies" paragraphs herein.

DEFAULT: I will be in default if any one or more of the following occur: (1) I fail to make a payment on time or in the amount due; (2) I fail to keep the property insured, if required; (3) I fail to pay, or keep any promise, on any debt or agreement I have with you; (4) any other creditor of mine attempts to collect any debt I owe him through court proceedings; (5) I die, am declared incompetent, make an assignment for the benefit of creditors, or become insolvent (either because my liabilities exceed my assets or I am unable to pay my debts as they become due); (6) I make any written statement or provide any financial information that is untrue or inaccurate at the time it was provided; (7) I do or fail to do something which causes you to believe that you will have difficulty collecting the amount I owe you; (8) any collateral securing this note is used in a manner or for a purpose which threatens confiscation by a legal authority; (9) I change my name or assume an additional name without first notifying you before making such a change; (10) I fail to plant, cultivate and harvest crops in due season; (11) any loan proceeds are used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity, as further explained in 7-C.F.R. Part 1960, Subpart G, Exhibit M.

REMEDIES: If I am in default on this note you have, but are not limited to, the following remedies:

- (1) You may demand immediate payment of all I owe you under this note (principal, accrued unpaid interest and other accrued charges).
- (2) You may set off this debt against any right I have to the payment of money from you, subject to the terms of the "Set-Off" paragraph herein.
- (3) You may demand security, additional security, or additional parties to be obligated to pay this note as a condition for not using any other remedy.
- (4) You may refuse to make advances to me or allow purchases on credit by me.
- (5) You may use any remedy you have under state or federal law.

By selecting any one or more of these remedies you do not give up your right to later use any other remedy. By waiving your right to declare an event to be a default, you do not waive your right to later consider the event as a default if it continues or happens again.

COLLECTION COSTS AND ATTORNEY'S FEES: I agree to pay all costs of collection, replains or any other or similar type of cost if I am in default. In addition, if you hire an attorney to collect this note, I also agree to pay attorney's fees of 15 percent of the principal and interest then owed, plus court costs (except where prohibited by law). To the extent permitted by the United States Bankruptcy Code, I also agree to pay the reasonable attorney's fees and costs you incur to collect this debt as awarded by any court exercising jurisdiction under the Bankruptcy Code.

WAIVER: I give up my rights to require you to do certain things. I will not require you to:

- (1) demand payment of amounts due (prepayment);
 - (2) obtain official certification of nonpayment (protest);
 - (3) give notice that amounts due have not been paid (notice of dishonor); or
 - (4) give me notice prior to seizure of my personal property when you are seeking to foreclose a secured interest in any of my personal property used to secure a commercial transaction.
- I waive any defenses I have based on suretyship or impairment of collateral.

OBLIGATIONS INDEPENDENT: I understand that I must pay this note even if someone else has also agreed to pay it (by, for example, signing this form or a separate guarantee or endorsement). You may sue me alone, or anyone else who is obligated on this note, or any number of us together, to collect this note. You may do so without any notice that it has not been paid (notice of dishonor). You may without notice release any party to this agreement without releasing any other party. If you give up any of your rights, with or without notice, it will not affect my duty to pay this note. Any extension of new credit to any of us, or renewal of this note by all or less than all of us will not release me from my duty to pay it. (Of course, you are entitled to only one payment in full.) I agree that you may at your option extend this note or the debt represented by this note, or any portion of the note or debt, from time to time without limit or notice and for any term without affecting my liability for payment of the note. I will not assign my obligation under this agreement without your prior written approval.

FINANCIAL INFORMATION: I agree to provide you, upon request, any financial statement or information you may deem necessary. I warrant that the financial statements and information I provide to you are or will be accurate, correct and complete.

NOTICE: Unless otherwise required by law, any notice to me shall be given by delivering it or by mailing it by first class mail addressed to me at my last known address. My current address is on page 1. I agree to inform you in writing of any change in my address. I will give any notice to you by mailing it first class to your address stated on page 1 of this agreement, or to any other address that you have designated.

DATE OF TRANSACTION	PRINCIPAL ADVANCE	BORROWER'S INITIALS (not required)	PRINCIPAL PAYMENTS	PRINCIPAL BALANCE	INTEREST RATE	INTEREST PAYMENTS	INTEREST PAID THROUGH:
	\$		\$	\$	%	\$	
	\$		\$	\$	%	\$	
	\$		\$	\$	%	\$	
	\$		\$	\$	%	\$	
	\$		\$	\$	%	\$	
	\$		\$	\$	%	\$	
	\$		\$	\$	%	\$	
	\$		\$	\$	%	\$	
	\$		\$	\$	%	\$	
	\$		\$	\$	%	\$	
	\$		\$	\$	%	\$	

MICHAEL D. LARES 260 LARES MOUNTAIN ROAD BRASSTOWN, NC 28902	CBT, A DIVISION OF SCBT, N.A. 448 NORTH MAIN STREET PO BOX 3000 CORNELIA, GA 30531	RESP CODE 4145 Loan Number <u>2822872</u> <i>R</i> Date <u>08-27-2010</u> Maturity Date <u>08-27-2012</u> Loan Amount \$ <u>304,265.26</u> Renewal Of <u>2822872</u>
BORROWER'S NAME AND ADDRESS *I includes each borrower above, jointly and severally.		LENDER'S NAME AND ADDRESS *You* means the lender, its successors and assigns.

For value received, I promise to pay to you, or your order, at your address listed above the PRINCIPAL sum of THREE HUNDRED FOUR THOUSAND TWO HUNDRED SIXTY FIVE AND 26/100 Dollars \$ 304,265.26

Single Advance: I will receive all of this principal sum on 08-27-2010. No additional advances are contemplated under this note.
 Multiple Advances: The principal sum shown above is the maximum amount of principal I can borrow under this note. On _____ I will receive the amount of \$ _____ and future principal advances are contemplated.
 Conditions: The conditions for future advances are _____

Open End Credit: You and I agree that I may borrow up to the maximum amount of principal more than one time. This feature is subject to all other conditions and expires on _____
 Closed End Credit: You and I agree that I may borrow up to the maximum only one time (and subject to all other conditions).

INTEREST: I agree to pay interest on the outstanding principal balance from 08-27-2010 at the rate of 8.500 % per year until 08-27-2012

Variable Rate: This rate may then change as stated below.
 Index Rate: The future rate will be _____ the following index rate: _____

No Index: The future rate will not be subject to any internal or external index. It will be entirely in your control.
 Frequency and Timing: The rate on this note may change as often as _____ A change in the interest rate will take effect _____
 Limitations: During the term of this loan, the applicable annual interest rate will not be more than _____ % or less than _____ % The rate may not change more than _____ % each _____

Effect of Variable Rate: A change in the interest rate will have the following effect on the payments:
 The amount of each scheduled payment will change. The amount of the final payment will change.

ACCRUAL METHOD: Interest will be calculated on a ACTUAL/365 basis.

POST MATURITY RATE: I agree to pay interest on the unpaid balance of this note owing after maturity, and until paid in full, as stated below:
 on the same fixed or variable rate basis in effect before maturity (as indicated above).
 at a rate equal to _____

LATE CHARGE: If a payment is made more than 10 days after it is due, I agree to pay a late charge of 5.000% OF THE LATE AMOUNT WITH A MAX OF \$50.00
 ADDITIONAL CHARGES: In addition to interest, I agree to pay the following charges which are are not included in the principal amount above: _____

PAYMENTS: I agree to pay this note as follows:
23 MONTHLY PAYMENTS OF \$2,268.41 BEGINNING 08-27-2010 AND 1 BALLOON PAYMENT OF \$290,711.30 ON 08-27-2012.

If checked, and this loan is secured by a first lien on real estate, then any accrued interest not paid when due (whether due by reason of a schedule of payments or due because of lender's demand) will become part of the principal thereafter, and will bear interest at the interest rate in effect from time to time as provided for in this agreement.

ADDITIONAL TERMS: _____

SECURITY: This note is separately secured by (describe separate document by type and date): DEED OF TRUST DATED 08-14-2009 AND AN IN THE NAME OF MICHAEL D LARES AND NICOLE LARES AND A SECURITY AGREEMENT DATED 08-14-09
(This section is for your internal use. Failure to list a separate security document does not mean the agreement will not secure this note.)

PURPOSE: The purpose of this loan is RENEWAL OF EXISTING DEBT ON INVESTMENT PROPERTY
 SIGNATURES AND SEALS: IN WITNESS WHEREOF, I HAVE SIGNED MY NAME AND AFFIXED MY SEAL ON THIS 27TH DAY OF AUGUST 2010 BY DOING SO, I AGREE TO THE TERMS OF THIS NOTE (INCLUDING THOSE ON PAGE 2). I HAVE RECEIVED A COPY ON TODAY'S DATE.

Signature for Lender: _____ (Seal)
 MICHAEL D. LARES
 _____ (Seal)
 SHANON STEWART, AVP
 _____ (Seal)
 _____ (Seal)

FILED
CHEROKEE COUNTY
DAPHNE DOCKERY
REGISTER OF DEEDS

FILED Aug 14, 2009
AT 02:38:35 pm
BOOK 01365
START PAGE 0558
END PAGE 0563
INSTRUMENT # 04644

DEED OF TRUST

STATE OF NORTH CAROLINA

COUNTY OF CHEROKEE

THIS DEED OF TRUST, executed this 14th day of August, 2009, by
and among:

MICHAEL D. LARES and wife, NICOLE LARES,
Hereinafter called "Grantor;"

and

JULIE G. WALKER,
Hereinafter called "Trustee;"

and

COMMUNITY BANK & TRUST,
Hereinafter called "Beneficiary or Note Holder."

W I T N E S S E T H :

WHEREAS, the Grantor is indebted or is to become indebted to the Beneficiary in an amount not to exceed THREE HUNDRED FOUR THOUSAND THREE HUNDRED FIFTEEN AND 27/100THS DOLLARS (\$304,315.27) for money loaned as evidenced by a Promissory Note of even date herewith, or any extensions or renewals thereof, the terms of which note are incorporated herein by referenced, said note and all renewals and extensions thereof, and all other indebtedness evidenced by Promissory Notes now due or to become due, or hereafter to be contracted to be paid in full on or before September 14, 2024;

AND WHEREAS, both principal and interest are payable in lawful money of the United States at any office of Community Bank & Trust, or at such other place as the Beneficiary or Note Holder shall from time to time direct;

AND WHEREAS, it is agreed that this Deed of Trust is given to secure present obligations, future obligations, and all renewals and extensions thereof, and all other indebtedness evidenced by Promissory Notes now due, or to become due, or hereafter to be contracted within the maturity date herein stated which may be incurred hereunder; that the amount of present obligations secured hereby is THREE HUNDRED FOUR THOUSAND THREE HUNDRED FIFTEEN AND 27/100THS DOLLARS (\$304,315.27), and the maximum, including present

BK-01365 PG:0559

and future obligations, which may be secured hereby at any one time is THREE HUNDRED FOUR THOUSAND THREE HUNDRED FIFTEEN AND 27/100THS DOLLARS (\$304,315.27); that all future obligations, if any, shall be incurred on or before September 14, 2014; that all future obligations, if any, shall be evidenced by a written instrument or notation, signed by the obligor (Grantor), stipulating that such obligation is secured by this Deed of Trust; and it is further agreed that in the event partial payments on the obligation have been received so that the maximum amount is not outstanding, further obligations may be incurred from time to time within the time limit set forth above provided the total unpaid principal balance shall never exceed the maximum amount specified above.

NOW, THEREFORE, in consideration of the premises, the indebtedness evidenced by the note, and for the purpose of securing payment thereof, and in consideration of the sum of ONE DOLLAR (\$1.00) paid to Grantor by Trustee, the receipt of which is hereby acknowledged, Grantor has bargained, sold, granted, and conveyed to Trustee, their heirs, successors, and assigns, certain land located in Cherokee County, North Carolina, more particularly described as follows:

See Schedule "A" for 77.74 acres, more or less, Boiling Springs Road, attached hereto and by reference thereto incorporated herein for a more particular legal description.

Together with all the buildings and improvements thereon, and all rights, easements, hereditaments and appurtenances thereunto belonging, including all heating, plumbing, ventilating, lighting, and other fixtures and equipment now and hereafter attached to or reasonably necessary to the use of such premises.

TO HAVE AND TO HOLD said land and premises with all the rights, privileges and appurtenances thereunto belonging, unto said Trustee, his heirs, successors and assigns, upon the trusts and for the uses and purposes hereinafter set forth, and no other.

AND, Grantor covenants with Trustee that he is seized of said premises, in fee, that he has the right to convey the same, that the same is free and clear of all encumbrances and restrictions not specifically mentioned herein, and that he does hereby warrant and will forever defend the title of the same against all claims of all persons whomsoever.

THIS DEED OF TRUST, HOWEVER, IS MADE UPON THE TRUSTS and for the uses and purposes following:

That if the Grantor shall pay and discharge said obligations and interest on any notes given in renewal of the notes herein, or any notes given as evidence of interest, or any extensions of time of payment of the debt herein secured when the same shall become due and shall pay such sums as shall be necessary to discharge taxes and maintain insurance and repairs and the costs, fees, and expenses of making, enforcing, and executing this trust when they shall severally be due and payable, and observe all covenants, conditions, and agreements contained in this Deed of Trust, then this conveyance shall become void and be released by the Beneficiary at the cost and expenses of the Grantor, or the title to said premises shall be vested in Grantor as provided by law, otherwise to be in full force and effect.

But if default shall occur by reason of the failure of Grantor to pay when due any payment of principal, advances or interest, as required by the terms and provisions of this Deed of Trust or of the Note, or Notes and all renewals and extensions thereof, and all other indebtedness evidenced by Promissory Notes now due, or to

BK:01365 PG:0560

become due, or hereafter to be contracted within the maturity date herein stated, or by reason of the failure of Grantor to perform and observe each and every covenant, condition and agreement specified in this Deed of Trust, then and in such event it shall be lawful for and the duty of Trustee, upon the request of Beneficiary, to sell the premises herein described at public sale, to the highest bidder, for cash and in one or more parcels, at such place in the County wherein the premises are located as provided by applicable law after first giving notice of the time, place and terms of such sale as required by law, and upon compliance with all other applicable provisions of the law of the state in which the property is located and Trustee shall collect the purchase money arising from such sale, and shall convey title to the purchaser at such sale in fee simple, and out of the proceeds arising from such sale, Trustee shall pay the costs and expenses of advertising and making such sale, all unpaid taxes and assessments and fees or commissions for selling and conveying the property, including a reasonable commission to Trustee for making such a sale and for all services performed by him hereunder, and a reasonable attorney's fee, and Trustee shall pay Beneficiary so much of the balance of the proceeds as shall be necessary to pay and discharge all principal, advances and interest due Beneficiary under the terms and provisions of this Deed of Trust and the Note and shall pay the surplus thereafter, if any remain, to those lawfully entitled thereto; and Beneficiary shall have the right to purchase at such sale.

AND GRANTOR FURTHER COVENANTS AND AGREES:

That he will pay the indebtedness as hereinbefore provided.

That he will pay all taxes and assessments against the said property.

That he will keep the improvements which are now or may hereafter be upon said lands unceasingly insured for the benefit of said Beneficiary until said principal debt hereby secured is fully paid, and will keep the policy or policies and renewals thereof, with satisfactory mortgagee clause attached, constantly assigned or assigned or pledged and delivered to said Beneficiary, and will pay all insurance premiums when due, if the premises covered hereby, or any part thereof, shall be damaged by fire or other hazard against which insurance is held, as herein provided, the amounts paid by any insurance company pursuant to the contract of insurance shall, to the extent of the indebtedness then remaining unpaid, be paid to Beneficiary, and at its option, may be applied to the debtor or released for the repairing or rebuilding of the premises, if the insurance money so collected is applied upon the debt, it may be applied upon the indebtedness last falling due, or in such manner as Beneficiary may desire.

That he will protect the improvements upon said property by proper repairs and maintain them in good repair and condition, and will not do, permit, or suffer any act or thing whatsoever whereby the security herein conveyed might or could be impaired.

That he will pay such expenses and fees as may become necessary or be incurred in the protection of the property and the maintenance and execution of this trust.

That the Beneficiary may, at its discretion, advance and pay such sums as may be proper to satisfy taxes or any prior lien on said premises, maintain insurance and repairs, protect and preserve the property, and such amounts as paid, shall, at the option of the Beneficiary become part of the principal debt, be a lien on said property, shall bear interest at the rate specified in the note hereby secured and be secured and collectible hereby, without

BK.01365 PG.0561

waiver of any right arising from the breach of any covenants or agreements herein contained.

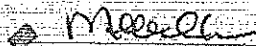
That no sale of the premises described above and no forbearance on the part of the Beneficiary and no extension of time for the payment of the debt secured hereby given by said Beneficiary shall operate to release, discharge, modify, change or affect the original liability to the Grantor herein, either in whole or in part.

That the irrevocable power to appoint a Substitute Trustee or Trustee is hereby expressly granted to Beneficiary, its successors or assigns, to be exercised at any time hereafter, without notice and without specifying any reason therefor, by filing for record in the office where this instrument is recorded a proper instrument effecting such substitution. The Grantor, for himself, his heirs, executors, administrators, successors and assigns, and the Trustee herein named, or that may be substituted hereunder, expressly waive notice of the exercise of this power and any necessity for making oath or giving bond by any Trustee, as well as any requirement for application to any court for the removal, appointment or substitution of any Trustee hereunder, and the Beneficiary, its successors or assigns, may elect to appoint a Substitute Trustee in accordance with applicable law.

That if, (a) Grantor shall default in any respect in the performance of any one or more of the covenants, conditions, or agreements specified herein, (b) for any reason Grantors covenant to pay all taxes specified above shall be or become legally inoperative or unenforceable in any particular, (c) any lien, charge or encumbrance prior to or affecting the validity of this Deed of Trust be found to exist, or proceedings instituted to enforce any lien, charge or encumbrance against any of said premises, (d) the removal or demolition of any of the buildings or improvements upon the premises is threatened, or (e) Grantor be declared bankrupt or insolvent, or abandon the premises, then upon the occurrence of any such event, the entire balance or principal, advances and interest shall, at the option of the Beneficiary, become due and payable immediately 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.

If the premises shall be transferred, assigned, conveyed or otherwise encumbered or if liens are filed against the property and not removed with fifteen (15) days after any such filing during the term of this Deed of Trust without first obtaining the written consent of the Beneficiary, the unpaid principal of and accrued interest on the note or notes secured by this Deed of Trust shall, at the option of the Beneficiary, immediately become due and payable.

IN WITNESS WHEREOF, Grantors have hereunto set their hands and seals, or, if corporate, has caused this instrument to be executed by its duly authorized officers and its seal to be hereunto affixed, the day and year first above written.


Michael D. Lares (SEAL)


Nicole Lares (SEAL)

STATE OF NORTH CAROLINA

BK:01365 PG:0562

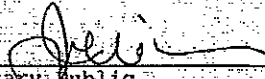
COUNTY OF CHEROKEE

I Julie G. Walker, a Notary Public of said state and county, do hereby certify that Michael D. Lares and wife, Nicole Lares, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and Notarial Seal this the 14th day of August, 2009.

My Commission expires:

my Commission Expires 10-2-2010



Notary Public



BK:01365_PG:0563

SCHEDULE "A"

All that certain tract or parcel of land containing 77.74 acres, more or less, Tract #7711, District # 3, Murphy Township, Cherokee County, North Carolina, and being more particularly described according to a plat of survey dated March 29, 1994, by Felix E. Palmer Sr., R.L.S., and from said plat described as follows:

BEGINNING on an iron pin (set) replacing a nail (found) on the fence on top of a ridge, said BEGINNING corner being a corner common to adjoining lands of Larcs, Payne and Tract 4 of the Reece Estate, and runs thence from said BEGINNING corner, with the centerline of a ridge and with the Cherokee County/Clay County property line, S 08-52 W 291.43 feet to a nail (found), S 03-40 W 155.05 feet, S 48-36 W 194.04 feet, S 65-41 W 167.85 feet, N 83-19 W 232.72 feet, N 85-55 W 178.85 feet, S 55-57 W 122.26 feet, S 48-26 W 253.99 feet, S 53-00 W 206.55 feet, S 49-12 W 211.69 feet, and S 45-16 W 37.00 feet to an iron rod (found); thence running with Tract 6 of the Reece Estate and continuing with the centerline of said ridge and with the Cherokee County/Clay County property line, S 45-16 W 184.92 feet, S 36-30 W 295.47 feet, S 46-43 W 114.25 feet, S 86-04 W 224.09 feet, N 83-50 W 247.18 feet, and S 76-35 W 180.40 feet to a point; thence turning and leaving said ridge and said county line and now running with a line common to lands owned now, or formerly, by Mason, N 37-26 W 13.29 feet to an iron pin (set) in a Chestnut stump, N 37-26 W 983.33 feet to an iron pipe (set), N 12-57 W 123.28 feet to a nail (found), N 06-24 W 179.26 feet, N 26-04 W 90.27 feet, N 24-32 W 137.61 feet, N 28-28 W 245.11 feet to a nail (found), and N 13-04 W 113.81 feet to an iron pipe (set); thence running with a line common to Larcs, owned formerly by Kephart and Hall, S 89-38 E 3,334.72 feet to the BEGINNING.

ALSO HEREIN CONVEYED is a non-exclusive, perpetual right-of-way and easement over and across the existing access road, 60 feet in width, 30 feet on each side of the centerline thereof, which traverses the lands formerly owned by Payne as described in Deed Book 596, Page 66, Cherokee County Registry, and over and across the right-of-way and easement as described in Deed Book 599, Page 51, Deed Book 597, Page 181, and Deed Book 596, Page 68, Cherokee County Registry, for the purposes of ingress, egress and regress and utilities thereon from the above-described tract to the public road.

BEING THE SAME LANDS DESCRIBED AS Tract 4, in Deed Book 263, Page 188, Cherokee County Registry.

ALSO REFERENCE Deed Book 209, Page 86, Cherokee County Registry.

FILED
CHEROKEE COUNTY
DAPHNE DOCKERY
REGISTER OF DEEDS

FILED	Aug 14, 2009
AT	02:39:43 pm
BOOK	01365
START PAGE	0564
END PAGE	0569
INSTRUMENT #	04645

DEED OF TRUST

STATE OF NORTH CAROLINA

COUNTY OF CHEROKEE

THIS DEED OF TRUST, executed this 14th day of August, 2009, by
and among:

MICHAEL D. LARES and wife, NICOLE LARES,
Hereinafter called "Grantor;"

and

JULIE G. WALKER,
Hereinafter called "Trustee;"

and

COMMUNITY BANK & TRUST,
Hereinafter called "Beneficiary or Note Holder."

W I T N E S S E T H :

WHEREAS, the Grantor is indebted or is to become indebted to the Beneficiary in an amount not to exceed SIX HUNDRED THIRTY-SEVEN SEVEN HUNDRED SEVENTY-SIX AND 72/100THS DOLLARS (\$637,776.72) for money loaned as evidenced by a Promissory Note of even date herewith, or any extensions or renewals thereof, the terms of which note are incorporated herein by referenced, said note and all renewals and extensions thereof, and all other indebtedness evidenced by Promissory Notes now due or to become due, or hereafter to be contracted to be paid in full on or before September 14, 2024;

AND WHEREAS, both principal and interest are payable in lawful money of the United States at any office of Community Bank & Trust, or at such other place as the Beneficiary or Note Holder shall from time to time direct;

AND WHEREAS, it is agreed that this Deed of Trust is given to secure present obligations, future obligations, and all renewals and extensions thereof, and all other indebtedness evidenced by Promissory Notes now due, or to become due, or hereafter to be contracted within the maturity date herein stated which may be incurred hereunder; that the amount of present obligations secured hereby is SIX HUNDRED THIRTY-SEVEN SEVEN HUNDRED SEVENTY-SIX AND 72/100THS DOLLARS (\$637,776.72), and the maximum, including present

BK:01365_PG:0565

and future obligations, which may be secured hereby at any one time is SIX HUNDRED THIRTY-SEVEN SEVEN HUNDRED SEVENTY-SIX AND 72/100THS DOLLARS (\$637,776.72); that all future obligations, if any, shall be incurred on or before September 14, 2014; that all future obligations, if any, shall be evidenced by a written instrument or notation, signed by the obligor (Grantor), stipulating that such obligation is secured by this Deed of Trust; and it is further agreed that in the event partial payments on the obligation have been received so that the maximum amount is not outstanding, further obligations may be incurred from time to time within the time limit set forth above provided the total unpaid principal balance shall never exceed the maximum amount specified above.

NOW, THEREFORE, in consideration of the premises, the indebtedness evidenced by the note, and for the purpose of securing payment thereof, and in consideration of the sum of ONE DOLLAR (\$1.00) paid to Grantor by Trustee, the receipt of which is hereby acknowledged, Grantor has bargained, sold, granted, and conveyed to Trustee, their heirs, successors, and assigns, certain land located in Cherokee County, North Carolina, more particularly described as follows:

See Schedule "A" for 86.05 acres, more or less, Boiling Springs Road, attached hereto and by reference thereto incorporated herein for a more particular legal description.

Together with all the buildings and improvements thereon, and all rights, easements, hereditaments and appurtenances thereunto belonging, including all heating, plumbing, ventilating, lighting, and other fixtures and equipment now and hereafter attached to or reasonably necessary to the use of such premises.

TO HAVE AND TO HOLD said land and premises with all the rights, privileges and appurtenances thereunto belonging, unto said Trustee, his heirs, successors and assigns, upon the trusts and for the uses and purposes hereinafter set forth, and no other.

AND, Grantor covenants with Trustee that he is seized of said premises, in fee, that he has the right to convey the same, that the same is free and clear of all encumbrances and restrictions not specifically mentioned herein, and that he does hereby warrant and will forever defend the title of the same against all claims of all persons whosoever.

THIS DEED OF TRUST, HOWEVER, IS MADE UPON THE TRUSTS and for the uses and purposes following:

That if the Grantor shall pay and discharge said obligations and interest on any notes given in renewal of the notes herein, or any notes given as evidence of interest, or any extensions of time of payment of the debt herein secured when the same shall become due and shall pay such sums as shall be necessary to discharge taxes and maintain insurance and repairs and the costs, fees, and expenses of making, enforcing, and executing this trust when they shall severally be due and payable, and observe all covenants, conditions, and agreements contained in this Deed of Trust, then this conveyance shall become void and be released by the Beneficiary at the cost and expenses of the Grantor, or the title to said premises shall be revested in Grantor as provided by law, otherwise to be in full force and effect.

But if default shall occur by reason of the failure of Grantor to pay when due any payment of principal, advances or interest, as required by the terms and provisions of this Deed of Trust or of the Note, or Notes and all renewals and extensions thereof, and all other indebtedness evidenced by Promissory Notes now due, or to

BK:01365 PG:0566

become due, or hereafter to be contracted within the maturity date herein stated, or by reason of the failure of Grantor to perform and observe each and every covenant, condition and agreement specified in this Deed of Trust, then and in such event it shall be lawful for and the duty of Trustee, upon the request of Beneficiary, to sell the premises herein described at public sale, to the highest bidder, for cash and in one or more parcels, at such place in the County wherein the premises are located as provided by applicable law after first giving notice of the time, place and terms of such sale as required by law, and upon compliance with all other applicable provisions of the law of the state in which the property is located and Trustee shall collect the purchase money arising from such sale, and shall convey title to the purchaser at such sale in fee simple, and out of the proceeds arising from such sale, Trustee shall pay the costs and expenses of advertising and making such sale, all unpaid taxes and assessments and fees or commissions for selling and conveying the property, including a reasonable commission to Trustee for making such a sale and for all services performed by him hereunder, and a reasonable attorney's fee, and Trustee shall pay Beneficiary so much of the balance of the proceeds as shall be necessary to pay and discharge all principal, advances and interest due Beneficiary under the terms and provisions of this Deed of Trust and the Note and shall pay the surplus thereafter, if any remain, to those lawfully entitled thereto; and Beneficiary shall have the right to purchase at such sale.

AND GRANTOR FURTHER COVENANTS AND AGREES:

That he will pay the indebtedness as hereinbefore provided.

That he will pay all taxes and assessments against the said property.

That he will keep the improvements which are now or may hereafter be upon said lands unceasingly insured for the benefit of said Beneficiary until said principal debt hereby secured is fully paid, and will keep the policy or policies and renewals thereof, with satisfactory mortgagee clause attached, constantly assigned or assigned or pledged and delivered to said Beneficiary, and will pay all insurance premiums when due, if the premises covered hereby, or any part thereof, shall be damaged by fire or other hazard against which insurance is held, as herein provided, the amounts paid by any insurance company pursuant to the contract of insurance shall, to the extent of the indebtedness then remaining unpaid, be paid to Beneficiary, and at its option, may be applied to the debtor or released for the repairing or rebuilding of the premises, if the insurance money so collected is applied upon the debt, it may be applied upon the indebtedness last falling due, or in such manner as Beneficiary may desire.

That he will protect the improvements upon said property by proper repairs and maintain them in good repair and condition, and will not do, permit, or suffer any act or thing whatsoever whereby the security herein conveyed might or could be impaired.

That he will pay such expenses and fees as may become necessary or be incurred in the protection of the property and the maintenance and execution of this trust.

That the Beneficiary may, at its discretion, advance and pay such sums as may be proper to satisfy taxes or any prior lien on said premises, maintain insurance and repairs, protect and preserve the property, and such amounts as paid, shall, at the option of the Beneficiary become part of the principal debt, be a lien on said property, shall bear interest at the rate specified in the note hereby secured and be secured and collectible hereby, without

BK:01365 PG:0567

waiver of any right arising from the breach of any covenants or agreements herein contained.

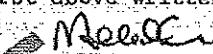
That no sale of the premises described above and no forbearance on the part of the Beneficiary and no extension of time for the payment of the debt secured hereby given by said Beneficiary shall operate to release, discharge, modify, change or affect the original liability to the Grantor herein, either in whole or in part.

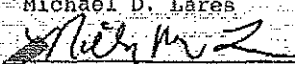
That the irrevocable power to appoint a Substitute Trustee or Trustee is hereby expressly granted to Beneficiary, its successors or assigns, to be exercised at any time hereafter, without notice and without specifying any reason therefor, by filing for record in the office where this instrument is recorded a proper instrument effecting such substitution. The Grantor, for himself, his heirs, executors, administrators, successors and assigns, and the Trustee herein named, or that may be substituted hereunder, expressly waive notice of the exercise of this power and any necessity for making oath or giving bond by any Trustee, as well as any requirement for application to any court for the removal, appointment or substitution of any Trustee hereunder, and the Beneficiary, its successors or assigns, may elect to appoint a Substitute Trustee in accordance with applicable law.

That if, (a) Grantor shall default in any respect in the performance of any one or more of the covenants, conditions, or agreements specified herein, (b) for any reason Grantors covenant to pay all taxes specified above shall be or become legally inoperative or unenforceable in any particular, (c) any lien, charge or encumbrance prior to or affecting the validity of this Deed of Trust be found to exist, or proceedings instituted to enforce any lien, charge or encumbrance against any of said premises, (d) the removal or demolition of any of the buildings or improvements upon the premises is threatened, or (e) Grantor be declared bankrupt or insolvent, or abandon the premises, then upon the occurrence of any such event, the entire balance or principal, advances and interest shall, at the option of the Beneficiary, become due and payable immediately 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.

If the premises shall be transferred, assigned, conveyed or otherwise encumbered or if liens are filed against the property and not removed with fifteen (15) days after any such filing during the term of this Deed of Trust without first obtaining the written consent of the Beneficiary, the unpaid principal of and accrued interest on the note or notes secured by this Deed of Trust shall, at the option of the Beneficiary, immediately become due and payable.

IN WITNESS WHEREOF, Grantors have hereunto set their hands and seals, or, if corporate, has caused this instrument to be executed by its duly authorized officers and its seal to be hereunto affixed, the day and year first above written.


Michael D. Lares (SEAL)


Nicole Lares (SEAL)

BK 01365 PG:0568

STATE OF NORTH CAROLINA

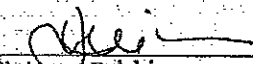
COUNTY OF CHEROKEE

I, Julie G. Walker, a Notary Public of said state and county, do hereby certify that Michael D. Lares and wife, Nicole Lares, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and Notarial Seal this the 14th day of August, 2009.

My Commission expires:

My Commission Expires 10-2-2010


Notary Public



BK:01365 PG:0569

SCHEDULE "A"

All that certain tract or parcel of land containing 86.05 acres, more or less, District #5, Murphy Township, Cherokee County, North Carolina, and being more particularly described according to a plat of survey dated May 27, 2003, by D. Bruce Black, P.L.S., and from said plat described as follows:

BEGINNING on a 16-inch Beech tree (found) with hacks from which an iron rod (found) bears, N 35-23 E 4.00 feet, said BEGINNING corner being situate S 35-23 E 566.23 feet from an iron rod (found) and said BEGINNING corner being a corner common to lands owned now or formerly by White/Bucklin and lands owned now or formerly by Elder, and runs thence from said BEGINNING corner and with a line common to Elder, S 52-00 E 830.05 feet to an iron rod (set), S 22-27 W 1,340.65 feet to an iron rod (set) and N 82-57 W 1,077.09 feet to a 25-inch Poplar tree (found) with two sets of three hacks, a witness iron rod (set) bears N 38-47 E 2.03 feet; thence running with a line common to lands owned now or formerly by Mills, et al, and with a marked and painted line (found), N 67-58 W 876.02 feet to an iron rod (found), N 44-27 W 242.67 feet to a point on the center of a ridge, N 48-57 W 117.12 feet to a point on the center of a ridge, N 44-54 W 137.48 feet to a point on the center of a ridge, and N 42-05 W 192.53 feet to an iron stake with a cap (found) on the center of a ridge; thence leaving said ridge and running with a line common to lands owned now or formerly by Elder, N 54-56 E 513.57 feet to an iron stake with a cap (found), N 11-37 W 262.30 feet to an iron stake with a cap (found), N 29-44 E 179.04 feet to an iron stake with a cap (found), N 20-21 E 68.00 feet to an iron stake with a cap (found), N 19-59 E 133.21 feet to an iron stake with a cap (found), and N 19-59 E 6.31 feet to a point in the centerline of an existing access road; thence running with the centerline of said access road, S 89-53 E 43.81 feet, N 77-51 E 36.14 feet, N 79-12 E 65.31 feet, N 73-42 E 66.74 feet, N 84-45 E 61.63 feet, S 83-17 E 23.91 feet, and S 86-32 E 29.91 feet to a point in the centerline of said access road; thence leaving said access road and running with a line common to lands owned now or formerly by Eberling, S 60-45 W 15.40 feet, S 82-34 E 20.80 feet to an iron rod (found), S 82-34 E 1,000.20 feet to an iron rod (found), and N 30-10 W 40.19 feet to an iron rod (found); thence running with a line common to lands owned now or formerly by White/Bucklin, S 84-27 E 396.12 feet to the BEGINNING.

ALSO HEREIN CONVEYED is a non-exclusive, perpetual right-of-way and easement over and across the existing access road leading to the above-described tract from N.C.S.R. #1338, the centerline of the herein-conveyed right-of-way being more particularly described as follows:

BEGINNING on a nail and cap (set) in the centerline of N.C.S.R. #1338 (Boiling Springs Road) at the intersection with the centerline of the herein-described access road, and runs thence from said BEGINNING corner and with the centerline of said access road the following courses and distances: S 80-00 E 33.59 feet; S 61-27 E 28.07 feet; S 26-57 E 35.89 feet; S 08-26 W 30.93 feet; S 23-50 W 51.36 feet; S 17-29 W 49.19 feet; S 04-55 E 49.42 feet; S 31-45 E 29.89 feet; S 51-06 E 16.32 feet; S 51-06 E 16.32 feet; S 64-28 E 77.32 feet; S 63-36 E 64.05 feet; S 61-38 E 74.43 feet; S 65-56 E 81.19 feet; S 70-08 E 49.20 feet; S 74-03 E 59.34 feet; S 69-06 E 122.27 feet; S 61-08 E 91.97 feet; S 76-48 E 44.52 feet; S 82-41 E 43.92 feet; S 79-07 E 72.56 feet; S 81-56 E 108.28 feet; S 89-53 E 43.81 feet; N 77-51 E 36.14 feet; N 79-12 E 65.31 feet; N 73-42 E 66.74 feet; N 84-45 E 61.63 feet; S 83-17 E 23.91 feet; and S 86-32 E 29.91 feet to a point in said road centerline.

THE BASEMENT HEREIN CONVEYED IS FOR the purposes of ingress, egress and regress and utilities thereon from the above-described tract to N.C.S.R. #1338.

THIS CONVEYANCE IS SUBJECT TO the rights of others in and to the use of the existing access road, the centerline of which forms a portion of the north boundary line of the above-described tract as a means of ingress, egress and regress and utilities thereon to the public road.

A PORTION OF THE ABOVE-DESCRIBED TRACT IS SUBJECT TO the Restrictive Covenants and Conditions governing Hanging Dog Mountain as recorded in Deed Book 339, Page 25, and as amended in Deed Book 353, Page 210, Cherokee County Registry.

FOR SOURCE OF TITLE reference Deed Book 409, Page 112, Cherokee County Registry.