

BK 6290 PG 215 - 225

DEED OF TRUST

SATISFACTION: The indebtedness secured by the within Deed of Trust together with the instrument(s) secured thereby has/have been satisfied in full. This the _____ day of _____, 20____.

By: _____
(Signature of Officer & Title)

Tax Lot No. _____ Parcel Identifier No. _____
Verified by _____ County on the _____ day of _____, 20____
by _____

After recording mail to VALIANT BUILDER FINANCE LLC, PO BOX 1457, SMITHFIELD, NC 27577.
This instrument prepared by THE HUMPHRIES LAW FIRM, 1904 EASTWOOD MARKET STREET, WILMINGTON, NC 28401.

Brief description for the Index

LOT 122 MARSH HAVEN

NORTH CAROLINA (FUTURE ADVANCE) DEED OF TRUST

THIS DEED of TRUST made January 16, 2025, by and between:

TRUSTOR	TRUSTEE	BENEFICIARY
SHELBY CONTRACTING, INC., a North Carolina Corp. 601 CARVER CT CASTLE HAYNE, NC 28429	DOUGLAS FORD	VALIANT BUILDER FINANCE LLC P.O. BOX 1457 235B EAST MARKET STREET SMITHFIELD, NC 27577-1457

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

COLLATERAL IS OR INCLUDES FIXTURES

If this box is marked, this Deed of Trust secures an obligation incurred for the construction of an improvement on land.

Submitted electronically by "The Humphries Law Firm, P.C."
in compliance with North Carolina statutes governing recordable documents
and the terms of the submitter agreement with the Onslow county Register of Deeds.

FOR GOOD AND VALUABLE CONSIDERATION , including the advances and obligations now and/or hereafter to be secured by this Deed of Trust and the sum of \$1.00 and other good and valuable consideration paid to Trustor by Trustee and Beneficiary, the receipt and sufficiency of which are hereby acknowledged, Trustor agrees and covenants with Trustee and Beneficiary as follows:

This Deed of Trust is given to secure the payment and performance of the following obligations (collectively, the "Note"):

- (1) Promissory Note dated January 16, 2025, or if date omitted, of even date herewith, executed by SHELBY CONTRACTING, INC. in the original principal amount of THREE HUNDRED SEVENTY-FIVE THOUSAND AND XX / 100 DOLLARS (\$375,000.00), payable with interest as specified therein; and
- (2) All debts, liabilities and obligations of every type and description which any one or more of Trustor, alone or together with others, may now or at any time hereafter owe to Beneficiary, whether or not reasonably contemplated by the parties hereto as of the date hereof; and
- (3) All extensions, renewals, modifications, amendments, addenda, schedules, restatements, consolidations, substitutions, assumptions, increases, and/or refinancings of or for any or all of the foregoing, the performance by Trustor of Trustor's obligations under this Deed of Trust, and all payments made, sums advanced and expenses incurred by Beneficiary (plus interest thereon at the same rate as the principal indebtedness secured hereby), (a) to protect its interest under this Deed of Trust, (b) to preserve and protect the value or condition of the collateral, or (c) to perform any of Trustor's covenants, agreements or obligations contained in this Deed of Trust. Such payments, sums and expenses need not be evidenced by written instruments or notations signed by Borrower or Trustor stipulating that the same are secured by this Deed of Trust

THIS DEED OF TRUST SECURES FUTURE ADVANCES AND FUTURE OBLIGATIONS . The maximum principal amount that may be secured by this Deed of Trust at any one time shall be FIVE HUNDRED SIXTY-TWO THOUSAND FIVE HUNDRED AND XX / 100 DOLLARS (\$562,500.00). Future advances and future obligations secured by this Deed of Trust may be made or incurred within a period of fifteen (15) years from the date hereof; and any additional amounts advanced by Beneficiary pursuant to the terms of this Deed of Trust shall be deemed necessary expenditures for protection of the security; and Trustor need not sign any instrument or notation evidencing or stipulating that future advances are secured by this Deed of Trust; and

Each party included within the designation "Trustor" hereunder executes this Deed of Trust to convey his/its interest in the property herein conveyed as security for payment of the indebtedness evidenced by the Note, interest thereon and advances hereunder and for performance of all other obligations thereunder and hereunder and under any and all other instruments further evidencing such indebtedness but by so doing, unless he/it otherwise is obligated therefor, and notwithstanding the provisions hereof, assumes no personal liability for payment of any such indebtedness or for performance of any such obligation; and

The property hereinafter described is conveyed herein to secure the payment of such indebtedness, interest thereon, advances hereunder and taxes, charges, assessments, insurance premiums and other obligations of Trustor as herein expressly provided, and to secure the performance of all of the conditions, covenants and agreements as set forth in the instruments referred to hereinabove.

THE TERMS OF THE INSTRUMENTS EVIDENCING THE INDEBTEDNESS SECURED HEREBY MAY BE MODIFIED FROM TIME TO TIME BY AGREEMENT BETWEEN THE PARTIES THERETO INCLUDING , BUT NOT LIMITED TO, A MODIFICATION TO INCREASE THE INTEREST RATE , TO CHANGE THE PAYMENT AND/OR PAYMENT SCHEDULE , AND/OR TO EXTEND TIME FOR THE PAYMENT OF SUCH INDEBTEDNESS ; AND SUCH INSTRUMENTS AS SO MODIFIED SHALL CONTINUE TO BE SECURED HEREBY AND WITH A PRIORITY AS OF THE DATE OF RECORDATION OF THIS SECURITY INSTRUMENT .

FOR THE CONSIDERATION stated above, Trustor has bargained, sold, granted and conveyed and by these presents does bargain, sell, grant and convey to Trustee, his/its heirs, personal representatives, assigns and successors in trust, all of the following described property to wit:

SEE EXHIBIT "A" ATTACHED HERETO AND INCORPORATED HEREIN BY REFERENCE

Together with all timber "standing and cut" crop allotments, crop contracts, government support payments and payments in kind and other like and similar contracts and payments, buildings, fixtures, furniture and improvements now or hereafter located in, on, or about the premises; all rents, issues, profits, royalties, income, and other benefits derived from the premises and improvements thereon, subject to the right, power, and authority hereinafter given to Trustor to collect and apply such rents, and the proceeds from any insurance or condemnation award relating to the premises and improvements; and all rights, easements, hereditaments and appurtenances thereunto belonging, including but not limited to all heating, plumbing, ventilating, cooling, and lighting goods, equipment and other intangible property now or hereafter acquired, attached to or reasonably necessary to the use of such property, the said real and personal property being hereinafter referred to as "premises".

TO HAVE AND TO HOLD the same, with all rights, privileges and appurtenances thereunto belonging, to said Trustee, his/its heirs, personal representatives, assigns and successors in trust, in fee simple forever, upon the trusts and for the uses and purposes hereinafter set forth, and no other;

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

AND TRUSTOR FURTHER COVENANTS AND AGREES AS FOLLOWS :

1. **PAYMENT**. Trustor shall satisfy the payment obligations provided for in the Note, as applicable.
2. **TAXES AND CHARGES**. Trustor shall pay, within sixty (60) days after they shall come due and payable and before any penalty or interest shall be charged thereon, all general and special taxes, charges and assessments of every kind and nature that may be levied or assessed or be or become a lien on the premises, whether the same be for federal, state, county or city purposes, and including without limitation nongovernmental levies or assessments such as owner association dues or charges or fees or maintenance charges which are assessed or imposed upon the premises; and Trustor shall furnish annually to Beneficiary, immediately after payment, certificates or receipts of the proper authorities showing full payment of same. In the event of failure of Trustor to pay all of the aforesaid taxes assessments and charges as hereinabove provided, Beneficiary shall have the option to advance the necessary funds to pay said taxes, assessments and charges, and all amounts so expended by Beneficiary for taxes, charges and assessments, as herein provided, shall be charged hereunder as principal money secured by this Deed of Trust and shall bear interest at the same rate as the principal indebtedness secured hereby, payable upon demand or otherwise as Beneficiary may determine. After any such advances are made, Beneficiary may apply any funds received hereunder to principal, advances or interest as Beneficiary may determine, and Beneficiary shall not be held to have waived any rights accruing to Beneficiary by the payment for Trustor of any sum hereunder. If at any time after the date hereof, there shall be assessed or imposed (a) a tax or assessment on the premises in lieu of or in addition to the impositions payable by Trustor, or (b) a license 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, Trustor 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.
3. **INSURANCE**. Trustor shall secure, maintain and keep in force with an insurance company or companies approved by Beneficiary an insurance policy or policies providing fire, flood, tornado, and windstorm, and extended coverage, malicious mischief and vandalism coverage, and such other insurance as may be required by Beneficiary from time to time, including rent loss or business interruption, upon the buildings and improvements now or hereafter included in the premises in an amount equal to the maximum insurable value of same or such amount as shall be approved by Beneficiary, whichever shall be the lesser sum; and Trustor shall keep the policy or policies therefore constantly assigned and delivered to Beneficiary with subrogation clauses satisfactory to Beneficiary providing the right and power of Beneficiary to demand, receive and collect any and all money becoming payable thereunder and to apply same toward the payment of the indebtedness secured hereby, unless the same is otherwise paid. In the event of failure of Trustor to pay all of the aforesaid insurance premiums, as hereinabove provided and without prejudice to its right to foreclose hereunder by reason of such default, Beneficiary shall

have the option to acquire the said insurance if the Trustor fails to keep said insurance in effect and Beneficiary shall have the option to advance the necessary funds to pay said insurance premiums, and all amounts so expended by Beneficiary for insurance premiums, as herein provided, shall be charged hereunder as principal money secured by this Deed of Trust and shall bear interest at the same rate as the principal indebtedness secured hereby, payable upon demand or otherwise as Beneficiary may determine. After any such advances are made, Beneficiary may apply any funds received hereunder to principal, advances or interest as Beneficiary may determine, and Beneficiary shall not be held to have waived any rights accruing to Beneficiary by the payment for Trustor of any sum hereunder.

4. **REPAIRS.** Trustor shall keep all buildings and improvements now or hereafter included in the premises in good order and repair and shall comply with all government regulation respecting the premises and their use; and Trustor shall not commit or permit any waste or alter, add to or remove any of said buildings or improvements without the written consent of Beneficiary.
5. **COMPLIANCE WITH LAWS.** Trustor will also comply with all applicable laws, statutes, ordinances, codes, and judicial decisions of all applicable state, federal, or local governmental entities.
6. **CONVEYANCE OF PREMISES.** Trustor will not sell, convey, transfer, or encumber the premises, or any part thereof or interest therein, legal or equitable, without the prior written consent of Beneficiary; provided, however, that Trustor 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 Trustor, have become obsolete or unfit for use or which are no longer useful in Trustor's operations, on the condition that Trustor 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 Trustor, which shall (a) be of at least equal value to the personal property or fixtures disposed of and (b) perform a function or serve a purpose the same as, similar to, or related to that of the personal property or fixtures disposed of. Any such 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 Trustor. 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 or this Deed of Trust. For purposes of this Section, a change of ownership of general partnership interests in Trustor or any guarantor (if such entity is a partnership or joint venture) or a material change in the structure of Trustor or any guarantor (if such entity is a corporation, limited liability company, or trust) including, without limitation, a change in principal stockholders, members, managers, or trustees or their respective interests, shall be deemed a conveyance or transfer of the premises.
7. **TITLE DEFECTS.** Trustor shall pay to Beneficiary any and all sums, including costs, expenses and reasonable attorney fees, with Beneficiary may incur or expend in any proceeding, legal or otherwise, which Beneficiary shall deem necessary to sustain the lien of this Deed of Trust or its priority.
8. **ACCELERATION.** In the event (a) Trustor shall fail to pay when due any payment of interest, principal, principal and interest, commitment fees, deposits, or other payments that are due and payable under this Note, this Deed of Trust, or any documents executed in connection herewith or as security therefor; or (b) Trustor shall default in any respect in the performance of any one or more of the covenants, conditions or agreements specified herein; or, (c) for any reason Trustor's covenant to pay all taxes specified above shall be or become legally inoperative or unenforceable in any particular; or, (d) for any reason Trustor shall fail to provide and maintain the necessary insurance as hereinabove required; or, (e) any lien, charge or encumbrance prior to or affecting the validity of this Deed of Trust shall be found to exist, or proceedings shall be instituted to enforce any lien, charge or encumbrance against any of said premises; or, (f) the removal or demolition of any of the buildings or improvements now or hereafter included in the premises shall be threatened; or, (g) Trustor or any general partner thereof or any guarantor shall be declared bankrupt or insolvent, generally fails to pay its debts as such debts become due, has a custodian appointed for Trustor or any general partner thereof or guarantor or for the assets of any thereof, makes an assignment for the benefit of creditors, has a receiver appointed, voluntarily or otherwise, for its property, suspends business, permits a judgment in the amount of \$5,000.00 or more to be obtained against it which is not promptly paid or promptly appealed and secured pending appeal, or shall abandon the premises; or (h) or, if any representation, warranty, or certificate given by Trustor in connection with the loan evidenced by the Note or any commitment therefor or at any time hereafter required to be given by Trustor hereunder shall be false or erroneous in any material respect when made (each a "default"), or, (i) all or any part of the premises or an interest therein shall be sold or transferred by Trustor without Beneficiary's prior written consent excluding; (i) the creation of a lien or encumbrance subordinate to this Deed of Trust, (ii) the creation of a purchase money security interest for household appliances, (iii) a transfer by devise, descent or operation of law upon the death of any party herein designated "Trustor", or (iv) the grant of any leasehold interest of three (3) years or less which does not contain an option to purchase; then upon the occurrence of any such event, the indebtedness secured hereby, interest thereon and advances hereunder shall become due and payable immediately at the option of the Beneficiary, and neither the advance of funds by Beneficiary under any of the terms and provisions hereof nor the failure of Beneficiary to exercise promptly any right to declare the maturity of the indebtedness secured hereby 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.

Beneficiary's right under subparagraph (i) above may be exercised for the sole purpose of increasing the interest rate on the indebtedness secured hereby. Notwithstanding the foregoing or the other provisions of this Deed of Trust to the contrary, the provisions of this Paragraph and other provisions of this Deed of Trust shall not be enforced in violation of the Home Equity Loan Consumer Protection Act of 1988 and the applicable provisions of Federal Reserve Board Regulation Z promulgated thereunder, as amended.

9. CASUALTY LOSS OR CONDEMNATION . In the event of any loss covered by insurance assigned to Beneficiary hereunder, or in the event the premises hereby conveyed, or any part thereof, shall be condemned and taken under power of eminent domain, Trustor shall give immediate written notice to Beneficiary and Beneficiary shall have the right to receive and collect any proceeds of such insurance and all damages awarded by reason of such taking; and the right to such proceeds and damages hereby is assigned to Beneficiary, who shall have the discretion to apply the amount so received, or any part thereof, toward the indebtedness secured hereby, interest thereon or advances hereunder or toward the alteration, repair or restoration of the premises. Upon a partial destruction or taking of the premises, this Deed of Trust shall continue in full force as security for the unpaid portion of the indebtedness secured hereby. Notwithstanding any contrary provision of this Deed of Trust, (i) upon condemnation of the entire premises, or (ii) if it shall at any time be determined that N.C. Gen. Stat. § 40A-68 shall for any reason be unenforceable or inapplicable to this Deed of Trust upon partial condemnation of the premises, the entire unpaid balance of the Note shall, at the option of Beneficiary, at once become due and payable, and any condemnation proceeds shall be paid over to Beneficiary and applied in accordance with the first sentence of this section.
10. ASSIGNMENT OF RENTS; if applicable, Trustor hereby sells, transfers, and assigns to Beneficiary any and all rents and emoluments from the premises, and, in the event of any default hereunder, Trustor hereby authorizes Beneficiary and Beneficiary's agents to enter upon and take possession of the premises or any part thereof, to rent same for the account of Trustor at any rent satisfactory to beneficiary, to deduct from such rents and emoluments received all necessary and reasonable costs and expenses of collection and administration, and to apply the remainder to the indebtedness secured hereby, interest thereon or advances hereunder.
11. INSPECTION. Beneficiary may inspect the premises at all reasonable times, including weekends and holidays, and access thereto shall be permitted for that purpose to Beneficiary and its representatives.
12. RIGHT TO CURE; PROTECTION OF SECURITY. If Trustor shall fail in any of the covenants and provisions contained in this Deed of Trust, Beneficiary may (but shall not be obligated to) take any action Beneficiary deems necessary or desirable to prevent or cure any such default or failure. Beneficiary shall have the right to enter upon the 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 or failure by Trustor. In addition, if any legal proceeding (such as bankruptcy, condemnation, forfeiture, or other legal or regulatory proceeding) that may affect Beneficiary's rights or interests in the premises, or any part thereof, is commenced, Beneficiary may act to protect or preserve such rights or interests (including, without limitation, the employment of an attorney or other professional(s)). Beneficiary may expend such sums of money as Beneficiary, in its sole discretion, deems necessary for any such purpose, and Trustor hereby agrees to pay Beneficiary, immediately upon demand, all sums so expended by Beneficiary, together with interest thereon from the date of each payment at the rate provided for in the Note. All sums so expended by Beneficiary, and the interest thereon, shall be added to and secured by the lien of this Deed of Trust.
13. APPOINTMENT OF RECEIVER. Beneficiary, immediately upon default hereunder, or upon proceedings being commenced for the foreclosure of this Deed of Trust, may apply *ex parte* for, and as a matter of right be entitled to, the appointment of a receiver of the rents and emoluments of the premises, without notice and without reference to the value of the premises or the solvency of any persons or entities liable hereunder, and all amounts collected by the receiver shall, after expenses of the receivership, be applied to the payment of the indebtedness hereby secured, and 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 appointed, or if there should be a sale of the premises as provided below, Trustor, or any person in possession of the 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.
14. SUBSTITUTION OF TRUSTEE. Beneficiary hereby is authorized and empowered at any time or times hereafter, at Beneficiary's sole option, without notice and without specifying any reason for such action, to remove any Trustee or successor hereunder and in such event or in the event of the death, resignation or other incapacity of any Trustee, to appoint a successor in his place by an instrument duly recorded in the office of the Register of Deeds of the County in which this Deed of Trust is recorded; and such substitute Trustee or Trustees thereupon shall become vested with all the rights, powers, duties and obligations herein conferred upon the Trustee, it being expressly understood that the rights and powers herein conferred shall be in addition to, and not in derogation of, any other rights, powers and privileges under then existing law with reference to the substitution of Trustees.
15. ADVANCES. Beneficiary, upon default by Trustor in any respect in the performance of any one or more of the covenants, conditions or agreements specified in this Deed of Trust, may perform, at its option, such defaulted covenant, condition or agreement and may advance such funds as it may deem necessary for this purpose, and all amounts so expended by

Beneficiary, as herein provided, shall be charged hereunder as principal money secured by this Deed of Trust and shall bear interest at the same rate as the principal indebtedness secured hereby, payable upon demand or otherwise as Beneficiary may determine. After any such advances are made, Beneficiary may apply any funds received hereunder to principal, advances or interest as Beneficiary may determine, and Beneficiary shall not be held to have waived any rights accruing to Beneficiary by the payment by Trustor of any sum hereunder.

16. **CROSS DEFAULT**. In the event of default by Trustor in the performance of (1) Trustor's obligations under this Deed of Trust, (2) any other obligation of Trustor to Beneficiary or, (3) default or failure of Trustor to perform any of the conditions or covenants of the instrument(s) evidencing the indebtedness secured hereby, such default may be deemed at the option of Beneficiary, a default in all indebtedness due Beneficiary by Trustor, and the entire indebtedness, interest thereon and advances in regard thereto shall become due and payable immediately, without notice to Trustor, which notice Trustor hereby expressly waives.
17. **COMPLIANCE WITH ENVIRONMENTAL LAWS ; INDEMNITY AND HOLD HARMLESS**. (a) Trustor hereby represents and warrants to Beneficiary and Trustee that: (1) no Hazardous Materials (as hereinafter defined) have been used or placed in, on or at the premises in violation of, and the premises are presently in compliance with, all applicable Environmental Laws (as hereinafter defined), and there are no circumstances presently existing in, on, at or relating to the premises which could result in violation of any applicable Environmental Laws; (2) Trustor shall not cause or permit the installation, storage, treatment, disposal, discharge, release or threatened release of Hazardous Materials in, on, at or from the premises and has not engaged in, and has no knowledge of, any activity on or in the vicinity of the premises which resulted in, or is likely to result in, the presence or release or threatened presence or release of any Hazardous Materials; (3) the premises shall be kept free of the presence of Hazardous Materials and shall not be used to generate, manufacture, transport, treat, store, handle, dispose of or process Hazardous Materials; (4) Trustor has not violated, and shall continue to cause the premises to comply with, all applicable Environmental Laws relating to or affecting the premises, and shall ensure compliance by all other parties, and shall keep the premises free and clear of any liens imposed pursuant to any applicable Environmental Laws; (5) Trustor has, and at all times has had, and will at all times continue to have and/or maintain, all licenses, permits, and other governmental or regulatory authority necessary for Trustor's activities and operations on the premises and necessary for compliance with all applicable Environmental Laws, and Trustor is, has been, and will continue to be, in full compliance with the requirements of the aforesaid authorities; (6) Trustor has complied with, has at all times been in compliance with, and will at all times continue to be in compliance with, all Environmental Laws relating to notification, registration, record keeping, installation, financial responsibility and payment of fees with regard to all storage tanks, equipment, facilities, activities and operations on the premises; (7) there is not now pending or threatened any action, suit, investigation or proceeding against Trustor or the premises (or against any other party relating to the premises) seeking to enforce any right or remedy under any Environmental Laws; (8) Trustor is not now, and has not been, subject to any order, threatened with any enforcement action, received any notice, or received any request for information or any other demand or inquiry pursuant to any Environmental Laws with respect to the premises or any activity or condition in, on, at or relating to the premises; (9) Trustor shall immediately give Beneficiary oral and written notice in the event that Trustor receives any notice from any governmental agency, entity or any other party with regard to Hazardous Materials in, on at or affecting the premises, and shall conduct and complete all investigations, sampling and testing, and all remedial, removal, and other actions necessary to clean up and remove all Hazardous Materials from or affecting the premises in accordance with all applicable Environmental Laws; (10) Trustor will provide to Beneficiary, and has an ongoing obligation to provide to Beneficiary, copies of all information in its possession, under its control or available to it concerning the environmental condition of the premises and any and all properties adjacent to the premises; and (11) Trustor shall (i) notify Beneficiary of any material change in Trustor's activities or operations on the premises, (ii) permit Beneficiary or Beneficiary's agent to go onto the premises at any time for the purpose of conducting any inspection, audit, or tests, making soil borings, extracting samples, installing monitoring wells, and conducting such other procedures as Beneficiary or Beneficiary's agent(s) deem necessary or desirable in connection with such inspection or audit in, on, at or relating to the premises as Beneficiary shall deem reasonable in Beneficiary's sole discretion to assure Trustor's continued compliance with this paragraph and with all applicable Environmental Laws, whether before or after default, and (iii) tender sufficient additional collateral to Beneficiary, the sufficiency of which shall be in Beneficiary's sole discretion, in the event Beneficiary reasonably suspects the presence, release or threatened release of Hazardous Materials in, on, at or from the premises. Notwithstanding the foregoing, in the event Beneficiary reasonably suspects the presence, release or threatened release of Hazardous Materials in, on, at, or from the premises, Beneficiary may, at its option, declare this Deed of Trust and the obligation(s) which it secures to be immediately in default. Additionally, Beneficiary may take such legal and/or equitable action as it deems necessary in such event to prevent any activity, operation, or occurrence in, on, at, or affecting the premises which would or might constitute a breach of this paragraph and/or to prevent the presence, release or threatened presence or release of Hazardous Materials in, on, at or from the premises. Trustor shall be in default under this Deed of Trust and the obligation(s) it secures in the event of a breach of any warranty or representation of Trustor under this paragraph or any other breach by Trustor of its obligations under or the provisions of this

paragraph. (b) Trustor hereby agrees to indemnify Beneficiary and Trustee and hold Beneficiary and Trustee harmless from and against any and all costs, expenses, losses, liabilities, damages, injuries and claims of any and every kind whatsoever (including, without limitation, any diminution in the value of the premises, damages for the loss or restriction on use of the premises or any portion thereof, damages arising from any adverse impact on the marketing of the premises or any portion thereof, damages to natural resources, personal injuries, and sums paid in settlement of claims, court costs, attorneys' fees, and fees for consultants or experts) whether paid, incurred or asserted against Beneficiary and Trustee for, with respect to, or as a direct or indirect result of: (1) the presence in, on or at, or the escape, spillage, emission or release from, the premises of any Hazardous Materials, or a substantial threat of any of the foregoing, (2) the violation of any applicable Environmental Laws relating to or affecting the premises, or the activities conducted thereon, (3) the failure by Trustor to comply fully with the terms and provision of this paragraph, or (4) any warranty or representation made by Trustor in this paragraph being false or untrue in any material respect. This indemnification of Beneficiary and Trustee by Trustor includes, without limitation, costs incurred in connection with the investigation of site conditions, sampling and testing, or any remedial, removal or other clean-up work required by any federal, state or local governmental agency or political subdivision because of the presence of Hazardous Materials in, on, at, relating to, or affecting the premises. Without limiting the foregoing, if any Hazardous Materials are present, released or threatened to be released in, on, at, or from the premises, Trustor shall promptly take all actions at its sole expense as are necessary to return the premises to the condition existing prior to the introduction of such Hazardous Materials thereto. (c) For purposes of this paragraph, "Hazardous Materials" means and includes petroleum products, any flammable explosives, radioactive materials, asbestos, or any material containing asbestos, and/or any hazardous, toxic, regulated or dangerous waste, substance or material defined as such by the Environmental Protection Agency or for the purpose of or by any Environmental Laws as may now or at any time hereafter be in effect. For purpose of this paragraph, "Environmental Laws" means and includes the Comprehensive Environmental Response, Compensation and Liability Act, the Hazardous Materials Transportation Act, the Resource Conservation and Recovery Act, the Clean Water Act the Clean Air Act, the Toxic Substances Control Act, the Coastal Area Management Act, any "Superfund" or "Superlien" law, the Oil Pollution and Hazardous Substances Control Act or any other federal, state or local law, regulation, rule, order or decree regulating, relating to or imposing liability, responsibility or standards of conduct applicable to environmental conditions and/or releases (or potential releases) of Hazardous Materials in, on, at or affecting the premises, as such may now or at any time hereafter be defined or in effect. (d) The obligations and liabilities of Trustor under this paragraph shall survive the foreclosure of or the exercise of a power of sale under this Deed of Trust, the delivery of a deed in lieu of foreclosure, the cancellation or release of record of this Deed of Trust, or the payment and cancellation of the Note.

18. TRUSTOR'S DUTY TO PAY APPRAISAL , ENVIRONMENTAL ASSESSMENT , ETC. EXPENSES. Trustor agrees to pay and reimburse Beneficiary for, upon demand by Beneficiary, any and all of the following costs, expenses and fees incurred from time to time by Beneficiary: (i) all fees and expenses incurred to obtain an appraisal of the premises after a default and prior to foreclosure, (ii) all fees and expenses incurred to obtain periodic updates of appraisals of the premises in the event the indebtedness secured hereby is not paid according to its terms, (iii) all fees and expenses incurred to obtain environmental studies and assessments after a default and prior to foreclosure and (iv) all other costs, fees and expenses incurred to comply with all legal and regulatory requirements imposed on Beneficiary to protect the premises as collateral for the indebtedness secured hereby or to analyze the value thereof. All costs, fees and expenses so incurred by Beneficiary, as herein provided, shall be charged hereunder as principal money secured by this Deed of Trust and shall bear interest at the same rate as the principal indebtedness secured hereby, payable upon demand or otherwise as Beneficiary may determine. Nothing herein shall be construed to allow Beneficiary to collect any fee, cost or expense otherwise prohibited by applicable law.
19. DELAY NOT TO OPERATE AS WAIVER ; INDEMNIFICATION OF TRUSTEE AND BENEFICIARY . No delay or forbearance by Beneficiary in exercising any rights hereunder or otherwise afforded by law, shall operate as a waiver thereof or preclude the exercise thereof during the continuance of any default hereunder, and all such rights shall be cumulative. In case Beneficiary or Trustee voluntarily or otherwise become a party to any suit or legal proceeding to protect the premises or the lien of this Deed of Trust, Trustee and Beneficiary shall be saved harmless and reimbursed by Trustor for any amounts paid, including all reasonable costs, charges, and attorneys' fees incurred in any such suit or proceeding, which obligations shall be secured by this Deed of Trust.
20. BENEFICIARY'S POWERS. Without affecting the liability of any other person liable for payment of the Note (or Agreement), and without affecting the lien or charge of this Deed of Trust upon any portion of the premises not then or theretofore released as security for the Note, Beneficiary may, from time to time and without notice, (i) release any person so liable, (ii) extend the maturity or alter any of the terms of the Note, (iii) grant other indulgences, (iv) release or reconvey (or, cause to be released or reconveyed at any time at Beneficiary's option) any part or all of the premises, (v) take or release any other or additional security for any obligation hereby secured, (vi) make compositions or other arrangements with debtors in relation thereof, or (vii) advance additional funds to protect the security hereof or pay or discharge the obligations of Trustor hereunder, or under the Note or any documents executed in connection with or securing the Note, and all amounts so

advanced, with interest thereon at the applicable rate set forth in the Note, shall be secured hereby.

21. **WAIVERS.** Trustor hereby waives any rights or remedies on account of any extensions of time, releases granted, or other dealings between Beneficiary and any subsequent owner of the premises as said activities are contemplated or otherwise addressed in N.C.G.S. § 45-45.1 or any similar or subsequent law. The foregoing waiver shall not be construed as affecting or otherwise amending the covenants of Trustor contained in this Deed of Trust. Upon the occurrence of an event of default, neither Trustor nor anyone claiming through or under Trustor shall or may set up, claim, or seek to take advantage of any appraisal, valuation, stay, extension, homestead exemption, or redemption laws now or hereafter in force, to prevent or hinder the enforcement or foreclosure of this Deed of Trust, or the sale of the premises, or the possession thereof by the purchaser immediately after such sale, and Trustor, for itself and those claiming through or under it, hereby waives to the full extent that it may lawfully so do, the benefit of all such laws, and any right to have the premises marshalled upon any foreclosure of the lien hereof. Trustor further waives any and all notices including, without limitation, notice of intention to accelerate and of acceleration of the Note.
22. **INTEREST NOT TO EXCEED MAXIMUM ALLOWED BY LAW.** The parties hereto shall in no event be deemed to have contracted for a greater rate of interest than the maximum rate permitted by law. Should a greater amount be collected, it shall be construed as a mutual mistake of the parties and the excess shall be returned to the party paying same.
23. **LIFE INSURANCE.** If any policy or policies of life insurance upon the life of Trustor or of any other person shall be assigned as additional security for the payment of the Note, Trustor covenants and agrees that Trustor will pay or cause to be paid all premiums on such policy or policies as they become due, and will keep such policy or policies in effect and assigned to Beneficiary as additional security for the payment of the Note until the Note has been paid in full. If Trustor shall fail to pay any premium for such insurance when due, Beneficiary may, at its option, make such payments and in such case the amounts so paid shall immediately become debts due Beneficiary by Trustor, and any amounts so paid shall be secured by this Deed of Trust and repaid with interest, at the applicable rate set forth in the Note, from the date of payment thereof by Beneficiary.
24. **SECURITY AGREEMENT.** This Deed of Trust shall constitute a security agreement pursuant to the Uniform Commercial Code for any items constituting a part of the premises which, under applicable law, may be subjected to a security interest pursuant to the Uniform Commercial Code, and Trustor hereby grants Beneficiary a security interest in such items. Trustor agrees that Beneficiary may file this Deed of Trust, or a copy thereof, in the real estate records or other appropriate index, as a financing statement for any of such items including, without limitation, those items which are, or are to become, fixtures with respect to the land. Trustor shall also execute and deliver to Beneficiary, upon Beneficiary's request, any financing statements and continuation statements, as Beneficiary may require to perfect a security interest with respect to such items. Trustor shall pay all costs of filing such financing and continuation statements and releases thereof. Without the prior written consent of Beneficiary, Trustor shall not create or suffer to be created any other security interest in such items, including replacements and additions thereto. Upon the occurrence of an event of default, Beneficiary shall have the remedies of a secured party under the Uniform Commercial Code. In exercising such remedies, Beneficiary may proceed against the real property and personal property described herein separately or together and in any order whatsoever, without in any way affecting the availability of Beneficiary's remedies under the Uniform Commercial Code or herein. This Deed of Trust shall constitute a financing statement filed as a fixture filing in accordance with N.C.G.S. § 25-9-502 (or, any amendment thereto). For purposes of complying with the requirements of N.C.G.S. § 25-9-502, the name of Trustor, as Debtor, and Beneficiary, as Secured Party, and the respective addresses of Trustor, as Debtor, and Beneficiary, as Secured Party, are set forth on the first page of this Deed of Trust; the types or items of collateral are described in this Section and in the definition of the "premises" appearing in the granting clauses of this Deed of Trust; and the description of the land is as set forth on Exhibit "A" attached hereto or as set forth above. **THE COLLATERAL IS OR INCLUDES FIXTURES.**
25. **LOAN AGREEMENT.** The terms and provisions of any loan agreement between Trustor and Beneficiary relating to the loan evidenced by the Note, including without limitation the construction loan agreement (the "Construction Loan Agreement") between Trustor and Beneficiary, are incorporated herein by reference. A default under any such loan agreement, including the Construction Loan Agreement, shall for all purposes constitute a default hereunder and under the Note. If there is any conflict between the Note, this Deed of Trust or any loan agreement, then the Note, this Deed of Trust, and any such loan agreement shall control.
26. **NOTICES.** All notices and other communications required under this Deed of Trust shall be in writing and shall be deemed to have been properly given, if personally delivered, on the date of such delivery, or, if sent by Certified or Registered U.S. Mail, return receipt requested, on the third (3rd) business day following deposit in the U.S. Mail, postage prepaid, or, if sent by overnight courier with guaranteed overnight delivery, on the day following the date delivered to such overnight courier. All notices shall be addressed to the party to whom it is intended at its address set forth on the first page of this Deed of Trust. Any party may designate a change of address by written notice to the other, given at least ten (10) business days before such change of address is to become effective.
27. **TERMS.** The term "Trustor" as used herein shall include, jointly and severally, all parties hereinbefore named as "Trustor",

whether one or more and whether individual, corporate or otherwise, and their heirs, legal representatives and assigns, and any subsequent owners of the property hereby conveyed; and the term "Beneficiary" as used herein shall include any lawful owner or holder of the indebtedness secured hereby, whether one or more.

28. **GOVERNING LAW.** THIS DEED OF TRUST SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NORTH CAROLINA WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS.
29. **SEVERABILITY.** If any provisions of this Deed of Trust or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent under applicable law, the remainder of this Deed of Trust and the application of such provisions to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.
30. **HEADINGS.** The headings of the sections, paragraphs, and subparagraphs of this Deed of Trust are for the convenience of reference only, are not to be considered a part hereof, and shall not limit or otherwise affect any of the terms hereof.

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

BUT IF DEFAULT shall occur in the payment of said indebtedness, interest thereon or advances hereunder or any part of either, or of any taxes, charges assessments or insurance premiums, as hereinabove provided, or by reason of the failure of Trustor to perform and observe each and every covenant, condition and agreement specified in this Deed of Trust, then in all or any of said events, the indebtedness secured hereby, interest thereon and all advances hereunder, at the option of Beneficiary as hereinabove provided, shall become immediately due and payable without further notice, and thereupon it shall be lawful for, and upon the request of Beneficiary it shall become the duty of, Trustee, who hereby is so authorized, empowered and directed, to advertise and sell under this Deed of Trust the premises, at public sale, to the highest bidder for cash and in one or more parcels, after first giving such notice of hearing as to commencement of foreclosure proceedings and obtaining such findings or leave of court as then may be required by applicable law, and thereafter giving such notice and advertising of the time and place of such sale in such manner as then may be required by applicable law; and upon such sale and any resales in accordance with the law then relating to foreclosure proceedings under power of sale, and upon collection of the purchase money arising therefrom, it shall be the duty of the Trustee to make and deliver to the purchaser or purchasers, his/its/their heirs, successors or assigns, a proper deed or deeds therefor and to pay from the proceeds arising from such sale; first, all costs and expenses incident to said sale, including as compensation for his services an amount equal to 5 percent of the gross proceeds of such sale or \$150, whichever is greater, together with reasonable attorney fees for legal services actually performed; second, all taxes or assessments then constituting a lien against said premises other than those advertised and sold subject to; third, the unpaid principal indebtedness, interest thereon and advances hereunder, together with reasonable attorney fees, if any, as provided in the instrument(s) evidencing the indebtedness secured by this Deed of Trust; and fourth, the balance to Trustor, to such other person entitled thereto, or to the Clerk of Court of the County in which said foreclosure proceedings were instituted or as then may be authorized or directed by applicable law. In the event any foreclosure so commenced is terminated upon the request of Trustor prior to delivery of the deed or deeds by Trustee as aforesaid, Trustor shall pay to Trustee all costs and expenses incident to said foreclosure, including as compensation for his/its services an amount equal to 50 percent of the compensation to which he/it would have been entitled upon delivery of the deed or deeds as aforesaid if such termination is prior to any hearing then required by applicable law; 75 percent of such amount if such termination is after such hearing but before any sale hereunder; and the full amount if such termination is at any time after such sale, together with reasonable attorney fees for legal services actually performed to the date of such termination and reasonable attorney fees, if any, as provided in the instrument(s) evidencing the indebtedness secured hereby. The compensation herein allowed to Trustee shall constitute a lien on the premises immediately upon request of sale as aforesaid, and Trustee shall suffer no liability by virtue of Trustee's acceptance of this trust except such as may be incurred by Trustee's failure to account for the proceeds of any sale hereunder.

DEED OF TRUST SIGNATURE PAGE

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

SHELBY CONTRACTING, INC.

Name of Corporation

[Signature] (SEAL)
by: PETER HEDRICK, PRESIDENT

ATTEST: _____

SEAL-STAMP STATE OF NORTH CAROLINA , COUNTY OF _____
I, _____, a Notary Public in and for said County and State, do hereby certify that _____ personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and notarial seal, this the _____ day of _____, 20 ____ . My Commission expires: ____ / ____ / 20 ____ .

Notary Public

SEAL-STAMP STATE OF NORTH CAROLINA , COUNTY OF New Hanover

I, Kaley Neal, a Notary Public in and for said County and State, do hereby certify that on the 16 day of January, 2025 before me personally came PETER HEDRICK with whom I am personally acquainted, who, being by me duly sworn, attests that PETER HEDRICK is the _____ President of SHELBY CONTRACTING, INC., the corporation described herein and which executed the foregoing Instrument; that he knows the common seal of said corporation; that the seal affixed to the foregoing instrument is said common seal; and that the name of the corporation was subscribed thereto by said _____ President, and said common seal was affixed, all by order of the Board of Directors of said corporation; and that said instrument is the act and deed of said corporation.

WITNESS my hand and notarial seal, this the 16 day of January, 2025. My Commission expires: 11/17/2025.

[Signature]
Notary Public

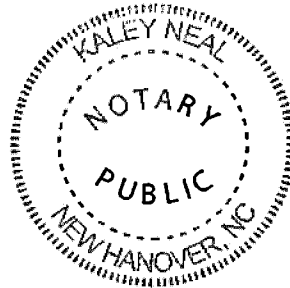


EXHIBIT "A"

REAL PROPERTY LEGAL DESCRIPTION

All of Lot 122 according to that plat entitled, "Final Plat Marsh Haven, Phase 3, Section 3" prepared by Talbot land Surveying, P.C. dated August 19, 2020 and recorded in Map Book 80, Page 180-180I Onslow County Registry, reference to which is hereby made for a more particular description and being a portion of the property conveyed to MidAtlantic IRA, LLC for the Benefit of Cameron L. Smith, IRA by that certain deed recorded in Book 3561, Page 725, Onslow County.

Together with all timber "standing and cut" crop allotments, crop contracts, government support payments and payments in kind and other like and similar contracts and payments, buildings, fixtures, furniture and improvements now or hereafter located in, on, or about the premises; all rents, issues, profits, royalties, income, and other benefits derived from the premises and improvements thereon, subject to the right, power, and authority hereinafter given to Trustor to collect and apply such rents, and the proceeds from any insurance or condemnation award relating to the premises and improvements; and all rights, easements, hereditaments and appurtenances thereunto belonging, including but not limited to all heating, plumbing, ventilating, cooling, and lighting goods, equipment and other intangible property now or hereafter acquired, attached to or reasonably necessary to the use of such property, the said real and personal property being hereinafter referred to as "premises".