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Space above this line for recorder's use

**Drafted By and Return To:**  
Anchor Loans, LP  
One Baxter Way, Suite 220  
Thousand Oaks, CA 91362

Title No. STA24-1809

**DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS, SECURITY  
AGREEMENT AND FIXTURE FINANCING STATEMENT**

RECORDER: INDEX FOR SPECIAL NOTICE

Loan No. 272079

This Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Financing Statement ("Deed of Trust"), is made this **22nd day of August, 2024**, by and among the grantor, **CHASE DRM, LLC, a North Carolina Limited Liability Company** (herein "Borrower"), **Berland & Bowlin, PLLC dba Paladin Law** (herein "Trustee"), and **Anchor Loans, LP, a Delaware Limited Partnership**, as to an undivided **100.000%** interest equal to **\$104,715.00**, as beneficiary (herein "Lender").

**THIS INSTRUMENT ENCUMBERS GOODS WHICH ARE OR ARE TO BECOME FIXTURES ON THE REAL PROPERTY DESCRIBED HEREIN.**

**THIS INSTRUMENT IS A "CONSTRUCTION MORTGAGE" AS THAT TERM IS DEFINED IN NORTH CAROLINA GENERAL STATUTE SECTION 25-9-334(h), AND SECURES AN OBLIGATION INCURRED FOR THE CONSTRUCTION OF IMPROVEMENTS UPON LAND.**

**STATEMENT OF PURPOSE**

Borrower and Lender are parties to (i) a Loan Agreement and Lender -Borrower Escrow Instructions and (ii) Construction Completion Agreement (collectively, the "Loan Agreement"). This Deed of Trust is the "Deed of Trust" referenced in the Loan Agreement.

Borrower is indebted to Lender for money loaned as evidenced by that certain Note Secured by Deed of Trust (together with all extensions, renewals or modifications thereof, the "Note") dated **August 22, 2024** from Borrower payable to the order of Lender in the maximum amount of **\$104,715.00** (the "Loan").

This Deed of Trust is given by Borrower to secure payment of the present and future obligations of Borrower to Lender (collectively, the "Secured Obligations"), including without limitation, the Loan. All documents, including the Loan Agreement and the Note which, now or hereafter, evidence, secure, govern or otherwise related to any of the Secured Obligations are collectively referred to as the "Loan Documents".

Borrower has agreed to secure payment of the Secured Obligations by the conveyance of the real estate and other property described in this Deed of Trust.

Submitted electronically by "Paladin Law"  
in compliance with North Carolina statutes governing recordable documents  
and the terms of the submitter agreement with the Gaston County Register of Deeds.

## GRANT

NOW, THEREFORE, in consideration of the sum of Ten and No/100 Dollars (\$10.00) paid by Trustee to Borrower, receipt of which is hereby acknowledged, and in order to secure the payment of the Secured Obligations and the performance of all of the covenants, conditions and stipulations of the Loan Documents, Borrower has granted, bargained, sold and conveyed, and by these presents does hereby grant, bargain, sell and convey unto Trustee, its substitutes and successors in trust, all of Borrower's right, title and interest in and to the real property described on Exhibit A attached hereto and incorporated herein, together with all buildings, structures and other improvements now or hereafter located thereon and all plumbing, refrigeration, incinerating, heating equipment, air conditioning and ventilating apparatus, elevators, gas, electric light and other fixtures now situated or hereafter installed in or on the above described real estate and together with all privileges, hereditaments and appurtenances relating to the above described real estate and all of the estate and right of Borrower in and to the land in the right-of-way of any streets or highways bordering or serving the above described real estate (the foregoing are referred to as the "Real Property").

AND TOGETHER WITH all of Borrower's right, title and interest in and to fixtures, equipment, rents, building materials, accounts, appliances and other articles of personal property of every kind and character, including, without limitation, the items described on Exhibit B attached hereto and incorporated herein, now or at any time in the future placed upon the Real Property or used in connection with the operation of the Real Property, whether or not such equipment, rents, building materials, accounts, appliances or other articles of personal property have been incorporated in any building or other improvements now or hereafter constructed on the Real Property and all replacements, substitutions or additions to such fixtures, equipment, rents, building materials, appliances, accounts and other articles of personal property. The foregoing are referred to as the "Personal Property"; the Real Property and the Personal Property are collectively referred to as the "Property".

TO HAVE AND TO HOLD the Property and all privileges, easements, hereditaments and appurtenances thereto belonging unto Trustee, its successors and assigns, forever upon the trusts and for the purposes hereinafter set forth.

AND Borrower, for itself, its successors and assigns, covenants with Trustee, its heirs, successors and assigns, that Borrower is seized of and has the right to convey its right, title and interest in the Property in fee simple; that such Property is free and clear of all liens and encumbrances, except for those exceptions listed in Lender's mortgagee title insurance policy obtained in connection herewith; and that Borrower will warrant and defend the title to the Property against the lawful claims of all persons whomsoever.

## SPECIAL TRUST

THIS CONVEYANCE IS MADE UPON THIS SPECIAL TRUST that if Borrower shall pay the Loan and the other Secured Obligations in accordance with their terms, together with all interest due thereon, and all renewals and extensions thereof, and shall faithfully comply with all of the covenants, stipulations and conditions of this Deed of Trust and the other Loan Documents, this Deed of Trust shall become null and void and may be canceled of record at the request and at the cost of Borrower. However, if there occurs a default under, any of the terms, covenants, conditions, and stipulations of the Loan Agreement, or any other Loan Document, or Borrower breaches any of its duties hereunder (in either event, a "Default"), then and in any of such events, the entire Secured Obligations, shall, at the option of Lender, become immediately due and payable; and upon direction of Lender, it shall be the duty of Trustee to sell the Real Property, or any part thereof, at public auction to the highest bidder for cash either on the Real Property, or any part thereof, or at the courthouse in the county in which the Real Property, or any part thereof, is located, after first giving notice of sale to Borrower and to the then record owner of the Real Property and to any other persons entitled by law to such notice, and after all hearings required by law are held and after first posting a notice of sale and publishing notice of sale containing the information required at the time of such sale as is required by the laws then in effect in North Carolina relating to foreclosure by power of sale of real property. Upon any such sale, Trustee shall execute and deliver to the purchaser a deed to the Real Property, or such part thereof as is sold; and after deducting five percent (5%) of the proceeds of such sale, as compensation to Trustee, and after paying all expenses incurred by it, including reasonable attorneys' fees, Trustee shall apply the remaining proceeds of the sale first to the payment of the Secured Obligations, and the balance, if any, shall be paid to Borrower or to such other person as may be lawfully entitled thereto. Borrower agrees that Lender shall have the right to bid at any sale conducted by Trustee under this Deed of Trust and shall have the right to purchase the Real Property, or such part thereof as is sold, at such sale. In the event any portion of the Property is sold pursuant to the authorization contained in this instrument or at a judicial foreclosure sale, and the proceeds are not sufficient to pay all of the Secured Obligations, Lender will be entitled to a deficiency judgment for the amount of the deficiency without regard to appraisal, Borrower having waived and assigned all rights of appraisal to Trustee.

Borrower covenants that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property, and that Borrower will warrant and defend generally the title to the Property against all claims and demands.

UNIFORM COVENANTS, BORROWER AND LENDER COVENANT AND AGREE AS FOLLOWS:

**1. Payments of Principal and/or Interest.** Borrower shall promptly pay, when due, the principal of and/or interest on the indebtedness evidenced by the Note, prepayment and late charges as provided in the Note, and all other Secured Obligations.

**2. Funds for Taxes and Insurance (Impounds).** Subject to applicable law, and if required by the Lender, Borrower shall pay to Lender on the day monthly payments of principal and interest are payable under the Note, until the Note is paid in full, a sum (herein "Funds") equal to one-twelfth of the yearly taxes and assessments (including condominium and planned unit development assessments, if any) which may attain priority over this Deed of Trust, and ground rents on the Property, if any, plus one-twelfth of yearly premium installments for hazard insurance, plus one-twelfth of yearly premium installments for mortgage insurance, if any, all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof. Borrower shall not be obligated to make such payments of Funds to Lender to the extent that Borrower makes such payments to the holder of a prior mortgage or deed of trust if such holder is an institutional Lender.

If Borrower pays Funds to Lender, the Funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a Federal or state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay said taxes, assessments, insurance premiums and ground rents. Lender may not charge for so holding and applying the Funds, analyzing said account or verifying and compiling said assessments and bills, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. Borrower and Lender may agree in writing at the time of execution of this Deed of Trust that interest on the Funds shall be paid to Borrower, and unless such an agreement is made or applicable law requires such interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for the sums secured by this Deed of Trust.

If the amount of Funds held by Lender, together with the future monthly installments of Funds payable prior to the due dates of taxes, assessments, insurance premiums and ground rents, shall exceed the amount required to pay said taxes, assessments, insurance premiums and ground rents, such excess shall be, at Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly installments of Funds. If the amount of the Funds held by Lender shall not be sufficient to pay taxes, assessments, insurance premiums and ground rents as they fall due, Borrower shall pay to Lender any amount necessary to make up the deficiency in one or more payments as Lender may require.

Upon payment in full of the Secured Obligations, Lender shall promptly refund to Borrower any Funds held by Lender. The Funds shall serve as additional collateral for the Secured Obligations.

**3. Application of Payments.** Unless applicable law provides otherwise, all payments received by Lender under the Note and paragraphs 1 and 2 hereof shall be applied by Lender first in payment of amounts payable to Lender by Borrower under paragraph 2 hereof, if applicable, then to interest payable on the Note, then to the principal of the Note, and then to the balance of the Secured Obligations.

**4. Prior Mortgages and Deeds of Trust; Liens.** Borrower shall perform all of Borrower's obligations under any mortgage, deed of trust or other security agreement with a lien which has priority over this Deed of Trust, including Borrower's covenants to make payments when due. Borrower shall pay or cause to be paid, at least 10 days before delinquency, all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Deed of Trust, and leasehold payments or ground rents, if any.

**5. Hazard Insurance.** Borrower shall at all times keep the Improvements constituting part of the Real Property and the Personal Property insured (as set forth below). In the event of loss and payment by an insurance company, the amount of insurance proceeds shall be paid to Beneficiary to the extent of the outstanding Secured Obligations. Beneficiary may, at its option and in its sole discretion, apply such proceeds to (a) the reduction of the Secured Obligations, whether then matured or not, or (b) to rebuilding or restoring any improvements or (c) Beneficiary may release such insurance proceeds to Borrower. Borrower shall give prompt written notice to Beneficiary of any loss, and Beneficiary is hereby authorized to make proof of loss if the same is not promptly made by Borrower. Any insurance company insuring the Property is hereby authorized, empowered and directed to make payment for any loss directly to Beneficiary instead of to Borrower and Beneficiary jointly.

In the event of a distribution of hazard insurance proceeds in lieu of restoration or repair following a casualty, all proceeds payable to Borrower are hereby assigned and shall be paid to Beneficiary for application to the Secured Obligations with the excess, if any, being paid to Borrower, or such other person entitled thereto.

Borrower hereby covenants and agrees with Beneficiary that so long as any of the Secured Obligations remain outstanding (it being acknowledged that each covenant and agreement relates to a material matter):

Borrower shall keep, or cause to be kept, the tangible portion of the Property in first-class condition with proper repair and maintenance and shall obtain and keep in force such insurance with Beneficiary named as additional insured or loss payee, as the case may be, and shall provide Beneficiary with such evidence of insurance as Beneficiary may require, including, but not limited to the following: (1) Casualty insurance for all tangible portions of the Property in an amount not less than the replacement cost thereof; (2) Builder's risk insurance; (3) Workers' Compensation; (4) Flood, if necessary; and (5) Comprehensive general liability coverage in an amount not less than One Million and 00/100 Dollars (\$1,000,000.00) in the aggregate and (Five Hundred Thousand and 00/100 Dollars (\$500,000.00) per occurrence.

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Such insurance to be in such amounts and form and by such companies as shall be approved by Beneficiary, certificates of which policies (together with appropriate endorsements thereto, evidence of payment of premiums thereon and written agreement by the insurer or insurers therein to give Beneficiary thirty (30) days' prior written notice of intention to cancel) shall be promptly delivered to Beneficiary, said insurance coverage to be kept in full force and effect at all times. Borrower will furnish to Beneficiary such evidence of insurance as Beneficiary may require. Borrower agrees that, in the event it fails to pay or cause to be paid the premium on any such insurance, Beneficiary may do so and be reimbursed by Borrower therefor on demand with interest thereon at the Default Rate. Borrower assigns to Beneficiary any returned or unearned premiums that may be due Borrower upon cancellation of any such policies for any reason whatsoever and directs the insurers to pay Beneficiary any amounts so due. Beneficiary is appointed Borrower's attorney-in-fact (without requiring Beneficiary to act as such) to endorse any check which may be payable to Borrower and to collect such returned or unearned premiums or the proceeds of such insurance, and any amount so collected may be applied by Beneficiary toward satisfaction of any of the Secured Obligations.

Borrower shall cooperate with Beneficiary in obtaining for Beneficiary the benefit of any insurance or other proceeds lawfully or equitably payable to Beneficiary in connection with the transactions contemplated hereby.

**6. Preservation and Maintenance of Property; Leaseholds; Condominiums; Planned Unit Developments.** Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property and shall comply with the provisions of any lease if this Deed of Trust is on a leasehold. If this Deed of Trust is on a unit in a condominium or a planned unit development, Borrower shall perform all of Borrower's obligations under the declaration of covenants creating or governing the condominium or planned unit development, the by-laws and regulations of the condominium or planned unit development, and constituent documents.

**7. Protection of Lender's Security.** If Borrower fails to perform the covenants and agreements contained in this Deed of Trust, or if any action or proceeding is commenced which affects Lender's interest in the Property, including but not limited to proceedings by the Lender to obtain relief from stay in any bankruptcy proceeding which would prohibit Lender enforcing its rights under the Deed of Trust, then Lender, at Lender's option, may make such appearances, disburse such sums, including reasonable attorney's fees, and take such action as is necessary to protect Lender's interest. If Lender required mortgage insurance as a condition of making the loan secured by this Deed of Trust, Borrower shall pay the premiums required to maintain such insurance in effect until such time as the requirement for such insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law.

Any amounts disbursed by Lender pursuant to this paragraph 7, with interest thereon, including but not limited to payment of delinquent taxes and assessments, insurance premiums due, and delinquent amounts owed to prior lien holders, shall become additional indebtedness of Borrower secured by this Deed of Trust. Such amounts as are disbursed by Lender shall be payable, upon notice from Lender to Borrower requesting payment thereof, and shall bear interest from the date of disbursement at the rate payable on the Note. Nothing contained in this paragraph 7 shall require Lender to incur any expense or take any action hereunder.

**8. Inspection.** Lender may make or cause to be made reasonable entries upon and inspection of the Property, provided that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefore related to Lender's interest in the Property.

**9. Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in conjunction with any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender, subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has priority over this Deed of Trust.

**10. Borrower Not Released.** At any time or from time to time, without liability therefore and without notice upon written request of Lender and presentation of this Deed and said Note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may: reconvey any part of said property; consent to the making of any map or plat thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge thereof. Trustee may, but shall be under no obligation or duty to, appear in or defend any action or proceeding purporting to affect said property or the title thereto, or purporting to affect the security hereof or the rights or powers of Lender or Trustee.

**11. Forbearance by Lender Not a Waiver.** Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the Secured Obligations.

**12. Remedies Cumulative.** All remedies provided in this Deed of Trust are distinct and cumulative to any other or remedy under this Deed of Trust or the other Loan Documents or afforded by law or equity, and may be exercised concurrently, independently or successively.

**13. Successors and Assigns Bound; Joint and Several Liability; Co-signers.** The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower, subject to the provisions of paragraph 16 hereof. All covenants and agreements of Borrower shall be joint and several.

**14. Notice.** Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Deed of Trust shall be given by delivering it or by mailing such notice by certified mail addressed to Borrower or the Property at the Property Address or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by certified mail to Lender at Lender's address set forth on the first page of this Deed of Trust or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Deed of Trust shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

**15. Governing Law.** This Deed of Trust shall be governed by the Laws of the State of North Carolina. In the event that any provision or clause of this Deed of Trust or the Note conflicts with applicable law, such conflict shall not effect other provisions of this Deed of Trust or the Note which can be given effect without the conflicting provision, and to this end the provisions of the Deed of Trust are declared to be severable.

**16. Restriction on Transfer and Further Encumbrance.** Borrower shall not, without the prior written consent of Lender, sell, convey, lease, further encumber, or otherwise transfer in any manner, all or any part of the Property. The restrictions on transfer and further encumbrance described in this paragraph shall include, but not be limited to, any encumbrance related to PACE/HERO loans, any "clean energy" lien or loan designated to assist with "clean energy" upgrades, renovations, or products, any loans where payments are collected through property tax assessments, and super-voluntary liens which are deemed to have priority over the lien of this Security Instrument. Further, if Borrower is not a natural person and there is a transfer of any direct or indirect legal or beneficial ownership interest of Borrower of more than 25%, without Lender's written consent, such transfer shall be deemed a violation of this provision. Any violation of this provision shall be considered as an event of default under the terms and conditions of this Deed of Trust and Lender shall, at its option, be entitled to declare the entire Secured Obligations, together with any penalties or forfeitures thereon, to be immediately due and payable. The acceptance of installments by Lender subject to any sale, conveyance, further encumbrance, or transfer shall not be considered as consent to, acquiescence in or ratification of such sale, conveyance, further conveyance or other transfer. **NOTICE - THE SECURED OBLIGATIONS ARE SUBJECT TO CALL IN FULL OR THE TERMS THEREOF BEING MODIFIED IN THE EVENT OF SALE OR CONVEYANCE OF ANY OF THE PROPERTY HEREIN CONVEYED.** Consent to one such transfer shall not be deemed to be waiver of the right to require such consent to future successive transfers.

**17. Assignment of Rents; Appointment of Receiver; Lender in Possession.** As additional security hereunder, and without regard to the adequacy of any security for the indebtedness hereby secured, Borrower hereby assigns to Lender the rents of the Property, provided that Borrower shall, prior to acceleration under paragraph 18 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

Upon acceleration under paragraph 18 hereof or abandonment of the Property, Lender, in person, by Agent or by judicially appointed receiver shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. All rents collected by Lender or the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorney's fees, and then to the sums secured by this Deed of Trust. Lender and the receiver shall be liable to account only for those rents actually received.

As further additional security hereunder, in the event that any portion of the subject property is leased to any party, Borrower shall provide lender with fully a executed Estoppel Letter and copy of fully executed valid and current Lease for each tenant in possession of any leased portion of the subject property, a full rent roll evidencing the nature of any lease of any portion of the subject property, including but not limited to an identification of the portion of the subject property so leased, the name of the tenant, the term of the tenancy, and the amount of periodic rent and other funds to the Borrower under the terms of the Lease.

**18. Default; Acceleration; Additional Remedies.** Any of the following events shall be deemed a default under this Deed of Trust: (a) the occurrence of a default in the payment, when due, of principal or interest on the Note or any other sum secured hereby; or (b) the occurrence of a default under any term, covenant, agreement, condition, provision, representation or warranty of Borrower contained in this Deed of Trust or any other agreement secured hereby; or (c) the occurrence of a default under any other note evidencing a loan made by Lender or serviced, arranged or made by Anchor Loans, LP or its parent company Anchor Loans, Inc. (DBA Anchor Mortgage) or its Affiliates to Borrower or Borrower's partner, member, subsidiary or Borrower's Affiliate. As used in this Deed of Trust, "Affiliate" means any person or entity directly or indirectly controlling, controlled by or under common control with a designated person or entity. Upon the occurrence of any default under this Deed of Trust, Lender may, at its option, declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written Notice of Default and of election to cause to be sold said property, which notice Trustee shall cause to be filed for record. Trustee shall be entitled to rely upon the correctness of such notice. Lender also shall deposit with Trustee this Deed, said Note and all documents evidencing expenditures secured hereby.

After the lapse of such time as then may be required by law following the recordation of said Notice of Default and Notice of Sale having been given as then required by law, Trustee, without demand on Borrower, shall sell said property at the time and place fixed by it in said Notice of Sale, either as a whole or in separate parcels and in such order as it may determine (but subject to any statutory right of Borrower to direct the order in which said property, if consisting of several lots or parcels, shall be sold), at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the property to sold, but without any covenant or warranty, expressed or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person including Borrower, Trustee, or Lender, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of; all sums expended under the terms hereof, not then repaid, with accrued interest at the rate prescribed in the Note; all other sums then secured thereby; and the remainder, if any, to the person or persons legally entitled thereto.

**19. Present and Future Advances.** This Deed of Trust is given wholly or in part to secure the Loan and the other Secured Obligations. The maximum obligations that may be secured by this Deed of Trust at any one time is **\$104,715.00**. The period within which future advances and future obligations secured by this Deed of Trust may be incurred shall be the period commencing on the date of this Deed of Trust and ending thirty (30) years from the date of this Deed of Trust. The Secured Obligations may be evidenced by various notes or other written instruments and evidences of indebtedness; and one or more of all such notes or the written instruments and evidences of indebtedness may, from time to time, be combined and merged into a single note or evidence of indebtedness. Such combination or merger shall not constitute nor be construed as a payment, satisfaction or discharge of any prior advance made or prior obligation incurred. No future advance and/or future obligation secured by this Deed of Trust need be evidenced by a written instrument or notation. All Secured Obligations shall be considered made and incurred pursuant to the requirements of N.C. Gen. Stat. §45-67, et seq., or any amendment thereto.

**20. Substitution of Trustee.** Lender shall have the continuing, irrevocable right and power, from time to time, without notice to Borrower and without specifying any reason therefor, to remove Trustee named herein and any successor Trustee and to appoint a Substitute Trustee by filing for record in the office of the Register of Deeds in the county in which the Real Property is located an instrument duly acknowledged appointing such substitute Trustee, and the substitute Trustee shall thereupon become the successor to the title to the Real Property and the same shall be vested in him in trust for the objects and purposes set forth in this Deed of Trust as if such substitute Trustee had originally been named Trustee herein with all the powers, duties and obligations conferred upon Trustee in this Deed of Trust.

**21. Request for Notices.** Borrower requests that copies of the notice of sale and notice of default be sent to Borrower's address which is the Property Address.

**22. Statement of Obligation.** Lender may collect a fee, not to exceed the maximum amount permitted by law, for furnishing the statement of obligations.

**23. Assignment of Leases, Rents and Profits.** As additional security for the payment of the Secured Obligations, Borrower does hereby transfer and assign to Lender all leases, rents, issues and profits of all and every part of the Property whether now existing, or hereafter made; provided, however, that so long as Borrower complies with all of the terms and conditions of the Loan Documents, Borrower may collect and retain all such leases, rents, issues and profits, but if Borrower defaults, or there occurs a Default or Event of Default under the Loan Agreement or any other Loan Document, Lender shall have the right, at its option, to take possession of the Property and to collect the leases, rents, issues and profits therefrom and to apply such leases, rents, issues and profits to the payment of the Secured Obligations after deducting therefrom all costs of collection and administration or Lender shall, at its option, have the right to have a receiver appointed by any court of competent jurisdiction to collect such leases, rents, issues and profits without regard to the value of the Property or the solvency of any party liable for the Secured Obligations, and after paying the expenses of such receivership, the receiver shall apply the balance thereof to the payment of the Secured Obligations.

**24. Indemnity.** Borrower agrees to reimburse Lender and Trustee, on demand, for any attorneys' fees or other costs and expenses reasonably incurred by Lender and/or Trustee in connection with any litigation or threatened litigation arising out of or in any way related to the validity of the lien of this Deed of Trust or the right of Lender to enforce the terms and conditions of this Deed of Trust including, but not limited to, the right of Lender to enforce the terms and conditions of this Deed of Trust in any bankruptcy, insolvency or receivership proceedings; provided, Borrower shall not be required to indemnify Lender and/or Trustee for its gross negligence or willful misconduct.

**25. Right of Lender to Enter and Take Possession.**

(a) If there occurs a Default hereunder, or a default or an event of default under any other Loan Document or under any other instrument or document now or hereafter secured hereby, upon demand of Lender, Borrower shall forthwith surrender to Lender the actual possession of the Property, and Lender may enter and take possession of the Property and may exclude Borrower and Borrower's agents and employees wholly therefrom, regardless of whether Lender exercises any other remedy available to it.

(b) Upon every such entering and taking of possession, Lender may hold, store, use, operate, manage, control, and maintain the Property and conduct the business thereof, and, from time to time make or perform all necessary and proper construction, repairs, renewals, replacements, additions, betterments and improvements thereto and thereon and purchase or otherwise acquire additional fixtures, personalty and other property; insure or keep the Property insured; manage and operate the Property and exercise all the rights and powers of Borrower in its name or otherwise with respect to the same; and enter into any and all agreements with respect to the exercise by others of any of the powers herein granted Lender, all as Lender may from time to time determine to be in its best interest. Lender may collect and receive all of the income, rents, profits, issues and revenues of the Property, including the past due as well as those accruing thereafter, and Lender may apply any moneys and proceeds received by Lender in such order and priority as Lender in its sole discretion may determine, to (i) all expenses of taking, holding, managing and operating the Property (including compensation for the services of all persons employed for such purposes); (ii) the cost of all such maintenance, repairs, renewals, replacements, additions, betterments, improvements, purchases, and acquisitions; (iii) the cost of such insurance; (iv) such taxes, assessments and other charges as Lender may determine to pay; (v) other proper charges upon the Property or any part thereof; (vi) the reasonable compensation and expenses of attorneys and agents of Lender; (vii) accrued interest; (viii) deposits for taxes, insurance and similar items required hereunder; or (ix) the outstanding amount of the Secured Obligations.

(c) For the purpose of carrying out the provisions of this Section 25, Borrower hereby constitutes and appoints Lender the true and lawful attorney-in-fact of Borrower to do and perform, from time to time, any and all actions necessary and incidental to such purpose and does, by these presents, ratify and confirm any and all actions of said attorney-in-fact with respect to the Property.

**26. Appointment of a Receiver.**

(a) If there occurs a Default hereunder or an Event of Default, under the Loan Agreement or a default or an event of default of any other Loan Document or under any other instrument now or hereafter secured hereby, Lender shall be entitled, without notice and without regard to the adequacy of any security for the Secured Obligations or the solvency of any party bound for its payment, to the appointment of a receiver to take possession of and to operate the Property and to collect the rents, profits, issues, and revenues thereof.

(b) Borrower will pay to Lender upon demand all reasonable expenses and costs, including receiver's fees, reasonable attorney's fees, legal costs and agent's compensation, incurred pursuant to the provisions contained in this Section 30, and all such expenses shall be secured by this Deed of Trust.

**27. Discontinuance of Proceedings and Restoration of the Parties.** In case Lender or Trustee shall have proceeded to enforce any right or remedy under this Deed of Trust by receiver, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to Lender or Trustee, then and in every such case Borrower, Lender and Trustee shall be restored to their former positions and rights hereunder, and all rights, powers and remedies of Lender and Trustee shall continue as if no such proceeding had been taken.

**28. Rights Cumulative.** The rights of Lender granted and arising under the covenants, conditions and stipulations of this Deed of Trust, the Note and every other Loan Document or under any other instrument or document now or hereafter evidencing, securing, governing or otherwise relating to any of the Secured Obligations, shall be separate, distinct and cumulative of all other powers and rights granted in this Deed of Trust and all other rights which Lender may have in law or in equity, and none of such rights shall be in exclusion of the others; and all of them are cumulative to the remedies for collection of indebtedness, enforcement of rights under security instruments and preservation of security as provided by law. No act by Lender shall be construed as an election to proceed under any one provision or an election of remedies to the exclusion of any other remedy allowed at law or in equity.

**29. Security Agreement and Fixture Financing Statement.** It is the intent of the parties that this Deed of Trust shall also constitute a security agreement and fixture financing statement within the meaning of the Uniform Commercial Code as adopted in Chapter 25 of the North Carolina General Statutes ("**Uniform Commercial Code**") with respect to the Personal Property; and to that end, Borrower hereby grants a security interest in the Personal Property for the benefit of Lender to secure the Secured Obligations. The security interest granted in this Deed of Trust shall be evidenced by any additional financing statements and such continuations thereof as may, from time to time, be required by Lender. For purposes of this **Section 29**, Borrower shall be considered a "debtor" and Lender shall be considered a "secured party" within the meaning of the Uniform Commercial Code. Upon a Default hereunder or an Event of Default under the Loan Agreement or a default or an event of default any other Loan Document, Lender, pursuant to the Uniform Commercial Code, shall have the option of proceeding as to both real and personal property in accordance with the rights and remedies of Lender in respect to the Real Property or Lender may proceed to exercise its rights and remedies as to the Personal Property under the provisions of the Uniform Commercial Code in which event Lender shall be entitled to all of the remedies provided for a secured party in the Uniform Commercial Code. The name of Borrower and Lender, the mailing address of Lender from which information concerning the security interest may be obtained and the mailing address of Borrower are set forth on the first page of this Deed of Trust, and a description of the Personal Property is also attached hereto, all in compliance with the requirements of Article 9, Sections 502-504, of the Uniform Commercial Code. All replacements, renewals and additions to the Personal Property shall become and be immediately subject to the security interest granted in this Deed of Trust and be covered by the terms of this Deed of Trust. Upon request by Lender, Borrower shall deliver to Lender an inventory of the Personal Property in reasonable detail.



**30. Invalid Provisions to Affect No Others.** If fulfillment of any provision hereof or any transaction related thereto or to any of the Secured Obligations or at the time performance of such provisions shall be due, shall involve transcending the limit of validity prescribed by law, then *ipso facto*, the obligation to be fulfilled shall be reduced to the limit of such validity; and if any clause or provisions herein contained operates or would prospectively operate to invalidate this Deed of Trust in whole or in part, then such clause or provision only shall be held for naught, as though not herein contained, and the remainder of this Deed of Trust shall remain operative and in full force and effect.

**31. Changes.** Neither this Deed of Trust nor any term hereof may be waived, changed, discharged or terminated except by an instrument in writing signed by the party against which enforcement of the change, waiver, discharge or termination is sought; provided, however, that nothing herein contained shall be deemed to prohibit discharge or release of this Deed of Trust in compliance with Section 45-36 of the General Statutes of North Carolina, in effect on the date hereof, any subsequently enacted amendments or revisions of said Section, or any other statutory provision, applicable at the time of discharge or release, governing the discharge of record of mortgages and deeds of trust.

**32. No Assignment by Borrower.** This Deed of Trust may not be assigned by Borrower without the prior written consent of Lender. If Lender approves an assignment hereof by Borrower, Borrower shall remain liable for payment of all sums advanced hereunder before and after such assignment.

**33. Waiver.** Borrower hereby waives the provisions of N.C. Gen. Stat. Section 45-45.1. Without limiting the foregoing, in no event shall any partial release of any portion of the Property, or any extension of the term of the Note or any forbearance or deferral with respect to any of the Secured Obligations, release or in any way limit Borrower's duties, liabilities or obligations under the Loan Documents, whether or not Borrower is the then owner of all or any portion of the Property, except to the extent expressly set forth in a subsequent document executed by the then holder(s) of the Secured Obligations.

**34. Fair Value.** To the extent the North Carolina General Statutes, as now existing or hereafter amended, or other statute requires that the "reasonable value" or "fair value" of the Property be determined as of the foreclosure date in order to enforce a deficiency against Borrower or any other party liable for repayment of the Secured Obligations, the term "reasonable value" or "fair value" shall include those matters required by law and the additional factors set forth below:

(a) The Property shall be valued "as is" and "with all faults" and there shall be no assumption of restoration or refurbishment of Improvements, if any, after the date of the foreclosure.

An offset to the reasonable value or fair value of the Property, as determined hereunder, shall be made by deducting from such value the reasonable estimated closing costs related to the sale of the Property, including but not limited to brokerage commissions, title policy expenses, tax pro-rations, escrow fees, and other common charges that are incurred by the seller of real property.

**35. Rights With Respect to Junior Encumbrances.** Without waiving any other provision hereof, any person purporting to have or to take a junior mortgage or other lien upon the Property or any interest therein shall be subject to the rights of Lender to amend, modify, increase, vary, alter or supplement this Deed of Trust, the Note or any of the other Loan Documents, and to extend the maturity date of the Secured Obligations, and to increase the amount of the Secured Obligations, and to waive or forebear the exercise of any of its rights and remedies hereunder or under any of the other Loan Documents and to release any collateral or security for the Secured Obligations, in each and every case without obtaining the consent of the holder of such junior lien and without the lien or security interest of this Deed of Trust losing its priority over the rights of any such junior lien.

**36. General Provisions.** Borrower acknowledges and agrees that time is of the essence with respect to the obligations under this Deed of Trust and the Note secured by this Deed of Trust. A determination that any provision of this Deed of Trust is unenforceable or invalid shall not affect the enforceability or validity of any other provision and the determination that the application of any provision of this Deed of Trust to any person or circumstance is illegal or unenforceable shall not affect the enforceability or validity of such provision as it may apply to other persons or circumstances. This Deed of Trust may not be amended except in a writing specifically intended for such purpose and executed by Borrower and Lender. Captions and headings in this Deed of Trust are for convenience only and shall be disregarded for any other purpose. The words "include" and "including" shall be interpreted as if followed by the words "without limitation." The word "person" shall mean any individual or legal entity.

**37. Final Expression/No Oral Agreements.** READ THIS DOCUMENT CAREFULLY. THIS DEED OF TRUST REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

**38. Construction or Home Improvement Loan.** If the loan secured by this Deed of Trust is a construction or home improvement loan, Borrower is required to perform according to the terms and conditions of each agreement contained in any building, home improvement or similar agreement between the Borrower and Lender.

**39. Environmental Provisions.**

(a) Borrower hereby represents and warrants to Lender that (i) the Property is not and has not been a site for the use, generation, manufacture, storage, treatment, release, threatened release, discharge, disposal, transportation or presence of oil or other petroleum products, flammable explosives, asbestos, urea formaldehyde insulation, radioactive materials, hazardous wastes, toxic or contaminated substances or similar materials, or any other "hazardous substance" as defined by any applicable federal, state or local law or ordinance (collectively, "Hazardous Materials"); and (ii) no Hazardous Materials Claims (defined below) relating to the Property are pending or threatened. Borrower agrees at all times to comply with, and cause the Property to comply with, all federal, state and local laws, ordinances and regulations and all judgments, consent decrees, settlements or compromises relating to Hazardous Materials (collectively, "Hazardous Materials Laws"). Borrower shall immediately notify Lender in writing of any claims or actions



pending or threatened against Borrower or the Property by any governmental entity or agency or any other person or entity relating to Hazardous Materials ("Hazardous Materials Claims").

(b) Borrower agrees to indemnify, defend, and hold harmless Lender and its officers, shareholders, directors, partners, employees, agents, successors and assigns from and against any costs, expenses, losses, debts or liabilities directly or indirectly arising from or in connection with any of the following: (i) any Hazardous Materials Claims relating to the Property; (ii) any failure by Borrower to perform any covenants or agreements contained in this Paragraph; or (iii) any breach or inaccuracy of any representations or warranties of Borrower contained in this Paragraph.

**40. Acceptance by Lender of a Partial Payment After Notice of Default.** By accepting partial payment (payments which do not satisfy a default or delinquency in full) of any sums secured by this Deed of Trust after a Notice of Default has been recorded, or by accepting late performance of any obligation secured by this Deed of Trust, or by adding any payment so made to the loan secured by this Deed of Trust, whether or not such payments are made pursuant to a court order, the Lender does not waive its right either to require prompt payment when due of all other sums so secured or to declare default for failure to make any such prompt payment or to perform any such act. No exercise of any right or remedy of the Lender or Trustee under this Deed of Trust shall constitute a waiver of any other right or remedy contained in this Deed of Trust or provided by law.

**41. Counterparts.** This Agreement and the signature pages hereto may be executed in one or more counterparts, each of which shall be binding on the parties and all of which shall constitute a single agreement.

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**REQUEST FOR SPECIAL NOTICE OF DEFAULT AND FORECLOSURE  
UNDER SUPERIOR MORTGAGES OR DEEDS OF TRUST**

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Borrower and Lender request the holder of any mortgage, deed of trust or other encumbrance with a lien which has priority over this Deed of Trust to give Notice to Lender, at its address set forth on page one of this Deed of Trust, of any default under the superior encumbrances and of any sale or other foreclosure action.

**SEPARATE SIGNATURE PAGE FOLLOWS**

**SEPARATE SIGNATURE PAGE**  
**DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS,**  
**SECURITY AGREEMENT AND FIXTURE FINANCING STATEMENT**

IN WITNESS WHEREOF, BORROWER HAS EXECUTED THIS DEED OF TRUST

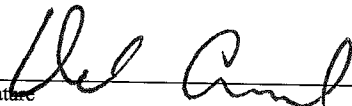
**CHASE DRM, LLC, a North Carolina Limited Liability Company**

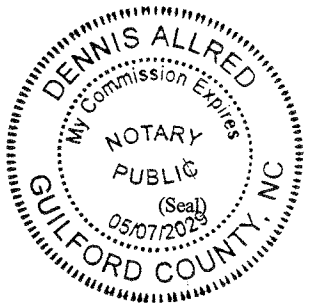
 8/28/24  
Borrower *By: Robert Mason Schermerhorn, Member* Date

State of NC  
County of Guilford  
On August 28, 2024 before me, Dennis Allred, notary public,  
personally appeared \_\_\_\_\_ who proved to me on the basis of satisfactory  
evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that  
he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the  
instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of NC that the foregoing  
paragraph is true and correct.

WITNESS my hand and official seal.

  
Signature



## EXHIBIT A

Property Information for Loan Number: **272079**

Address: 514 North Pryor Street, Gastonia, NC 28052

County: Gaston

APN: 101255

Legal Description: BEING THE FULL CONTENTS OF LOT NO. 1 IN BLOCK "A" OF HIGHLAND PARK SUBDIVISION AS SHOWN AND LAID DOWN ON THAT MAP OR PLAT PREPARED BY THE ENGINEER FOR THE CITY OF GASTONIA AND RECORDED IN PLAT BOOK 37 AT PAGE 108 IN THE OFFICE OF THE REGISTER OF DEEDS FOR GASTON COUNTY, NORTH CAROLINA.

## EXHIBIT B

**A. Improvements.** All buildings, structures, betterments and other improvements of any nature now or hereafter erected or located in whole or in part upon the lands described in Exhibit "A" of this Deed of Trust (collectively, the "Land"), regardless of whether physically affixed or now or hereafter severed or capable of severance from the Land (collectively, the "Improvements").

**B. Appurtenances.** The benefit of all easements, interests, privileges, licenses and other rights of any nature whatsoever benefitting or otherwise appurtenant to the Land or the Improvements, or both, including the benefit of all rights-of-way, easements, riparian and littoral rights, water, water rights and powers, rights to and to sell fill, strips or gores of land, streets, alleys, ways, passages, paving, railroad sidings, drainage rights, sewer rights, and rights of ingress and egress to and from the Land and all adjoining property, whether now existing or hereafter arising, together with the reversion or reversions, remainder or remainders, rents, issues, incomes and profits of any of the foregoing; and all rights, title and interest of Borrower in and to the minerals, flowers, shrubs, landscaping, crops, trees and timber and other emblements now or hereafter located on the Land or under or above the same, or any part or parcel thereof; and all of the water, sanitary and storm sewer systems and lines now or hereafter owned by Borrower which are now or hereafter located on, over or upon the Land or any part thereof, including but not limited to all water mains, service laterals, hydrants, valves and appurtenances, lift and pump stations, sanitary sewer lines, sanitary sewer mains, sanitary sewer laterals, sanitary sewer manholes and sanitary sewer appurtenances.

**C. Tangible Property.** All of Borrower's right, title, and interest in and to all fixtures, furniture, appurtenances, apparatus, machinery, inventory, goods, supplies, equipment and tangible personal property of any and every nature whatsoever that is now or hereafter (i) attached or affixed to the Land or the Improvements, or both; or (ii) situated upon or about the Land or the Improvements, or both, regardless of whether physically affixed or severed or capable of severance from the Land or Improvements; or (iii) regardless of where situated, used, usable, or intended to be used in connection with any present or future use, operation, occupation or enjoyment of or upon the Land. The foregoing includes any and all: signs and displays; pool and recreational equipment; heating, air conditioning, water, gas, lighting, incinerating, and power equipment; engines, compressors, pipes, pumps, tanks, motors, conduits, wiring, and switchboards; plumbing, lifting, cleaning, fire prevention, fire extinguishing, sprinkling, refrigerating, ventilating, waste removal and communications equipment and apparatus; boilers, furnaces, oil burners, vacuum cleaning systems, elevators, and escalators; stoves, ovens, ranges, disposal units, dishwashers, water heaters, exhaust systems, refrigerators, cabinets, and partitions; rugs, attached floor coverings, curtains, rods, draperies, and carpets; laundry equipment; building materials; furniture, furnishings, office equipment, and office supplies (including stationery, letterheads, billheads, and items of a similar nature); all shades, awnings, blinds, screens, storm door and windows and any additions, accessions, renewals, replacements, and substitutions of any or all of the foregoing, it being understood that the enumeration of any specific articles of tangible property shall in no wise exclude or be held to exclude any items of tangible property not specifically mentioned. The items of property encumbered by this subsection are individually and collectively sometimes called the "Tangible Property".

**D. Rents.** All rents, issues, incomes, profits, and deposits in any manner arising from the Land, Improvements or Tangible Property, or any combination thereof, including Borrower's interest in and to all leases, licenses, franchises and concessions of, or relating to, the possession, use, occupancy or enjoyment of all or any portion of the Land, Improvements or Tangible Property; whether now existing or hereafter made, including any and all amendments, modifications, replacements, substitutions, extensions, renewals or consolidations, whether now existing or hereafter made. The items of property encumbered by this subsection are individually and collectively called the "Rents"

**E. Secondary Financing.** All of Borrower's right, power, or privilege to further encumber any of the property described in this Deed of Trust, it being intended by this provision to divest Borrower of the power to further encumber, or to grant a security interest in, any of the Land or other property encumbered hereby as security for the performance of any obligation without Lender's prior written consent.

**F. Proceeds.** All and any of Borrower's right, title, interest, property, claim, demand, judgments, awards, proceeds and settlements or payments, including interest thereon, and the right to receive the same, at law as well as in equity, as a result of (i) insurance proceeds paid as a result of a casualty loss affecting the property encumbered by this Deed of Trust, or (ii) the alteration of the grade of any street, or (iii) any other injury to, condemnation of, taking or requisitioning of, conversion of (voluntary or involuntary), damage to or decrease in the value of the property encumbered by this Deed of Trust.

**G. Contract Rights.** All of Borrower's right, title and interest in and to any and all contracts, written or oral, express or implied, now or hereafter entered into or arising, in any manner related to the improvement, use, operating, occupation, enjoyment, sale, conversion or other disposition (voluntary or involuntary) of the Land (including, without limitation, any purchase contract), Improvements, Tangible Property or the Rents, or any interest therein, or any combination, including any and all deposits, prepaid items and payments due and to become due thereunder, and further including all construction contracts, architects agreements, general contractor agreements, design agreements, management agreements, franchise agreements, technical services agreements, architectural plans and specifications, sewer and water and other utility agreements, service contracts, advertising contracts, purchase orders and equipment leases.

**H. Commercial Tort Claims.** All of Borrower's right, title and interest in any Commercial Tort Claims (as defined in N.C. Gen. Stat. Section 25-9-102).

**I. Intangibles.** All of Borrower's Accounts, Goods, Instruments, General Intangibles, Investment Property, Letters of Credit Rights and Tangible Chattel Paper (as each is defined in N.C. Gen. Stat. § 25-9-102).