

WHEREAS, the Corporation, a banking corporation organized under the laws of the State of North Carolina, has duly authorized and executed, and has delivered to the Government, its mortgage note (hereinafter called the "First Note"), secured by an indenture of mortgage and deed of trust in the terms hereof on the property hereinafter described; and

WHEREAS, the First Note is of even date herewith, is in the principal amount of nine hundred sixty thousand dollars (\$960,000), is payable to the order of the Government at the United States Treasury, Washington, D. C., bears interest at the rate of two per centum (2%) per annum, and provides for periodic payments of interest and repayments of principal which will pay and discharge the principal of the First Note and interest thereon within thirty-five (35) years after the date thereof; and

WHEREAS, the Corporation, for value received, to evidence the prior borrowing of funds pursuant to the Act, has heretofore duly authorized and executed, and has delivered to the Government, the following certain mortgage notes (hereinafter collectively called the "Outstanding Notes"), all payable to the order of the Government, in installments:

DATE	PRINCIPAL AMOUNT	FINAL PAYMENT DATE
1. February 18, 1958	\$ 277,000	February 18, 1993
2. February 18, 1958	100,000	February 18, 1993
3. September 4, 1958	100,000	September 4, 1993
4. June 30, 1959	123,000	June 30, 1994
5. June 30, 1959	240,000	June 30, 1994
6. April 6, 1960	100,000	April 6, 1995
7. August 5, 1960	75,000	August 5, 1995
8. April 24, 1961	46,000	April 24, 1996
9. March 9, 1962	253,000	March 9, 1997
10. June 20, 1963	250,000	June 20, 1998
11. May 16, 1966	100,000	May 16, 2001; and

WHEREAS, the Outstanding Notes were issued under and pursuant to a certain indenture of deed of trust, dated as of February 18, 1958, made by and between the Corporation and the Trustee, as trustee, under its former corporate name "Security National Bank of Greensboro", and are secured by said indenture of deed of trust, as amended by a certain supplemental indenture, dated as of March 9, 1962, also made by and between the Corporation and the Trustee under its present corporate name (said indenture of deed of trust, and said supplemental indenture being hereinafter, collectively, called the "Underlying Mortgage"); and

WHEREAS, to the extent that any of the property described or referred to herein is governed by the provisions of the Uniform Commercial Code of South Carolina, as amended (hereinafter called the "Uniform Commercial Code"), the parties hereto desire that this indenture of deed of trust be regarded as a "security agreement" creating security interests under the Uniform Commercial Code and also as a "financing statement" under the Uniform Commercial Code for said "security agreement"; and