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THIS INSTRUMENT DRAFTED BY:

John L. Bely ✓
(SIGNATURE OF DRAFTSMAN)

STATE OF NORTH CAROLINA)
COUNTY OF FORSYTH)

MEMORANDUM OF LEASE

N & B SOUTH INVESTMENT COMPANY, a General Partnership, hereby leases to New York Carpet World of North Carolina, Inc., for a term beginning the 1st day of January, 1979, and continuing for a maximum period of sixteen (16) years, including extensions and renewals, if any, the following property:

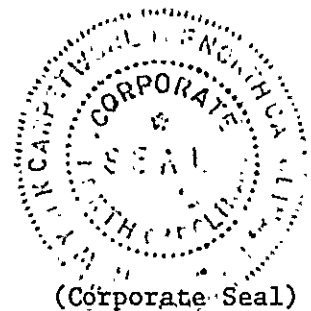
For description see Exhibit "A" attached hereto and incorporated herein by reference.

The provisions set forth in a written lease agreement between the parties dated the 15th day of December, 1978, are hereby incorporated in this memornadum.

LESSOR:

N & B SOUTH INVESTMENT COMPANY,
A General Partnership

By Irving Nusbaum (SEAL)
Irving Nusbaum, Trustee under Agreement with Irving Nusbaum, dated May 4, 1977, General Partner as Manager of the Partnership on behalf of the Partnership pursuant to Paragraph 9 of the Partnership Agreement dated November 15, 1978



(Corporate Seal)

ATTEST:
Marvin Berlin
Marvin Berlin Secretary

TENANT:

NEW YORK CARPET WORLD OF NORTH CAROLINA, INC.

By Irving Nusbaum
Irving Nusbaum President

State of Michigan -- County of Wayne

I, Marilyn Carlson, a Notary Public of the aforementioned County and State, do hereby certify that Irving Nusbaum, Trustee under Agreement with Irving Nusbaum, dated May 4, 1977, General Partner, as Manager of the Partnership on behalf of the Partnership pursuant to Paragraph 9 of the Partnership Agreement, dated November 15, 1978, personally appeared before me this day and acknowledged the due execution of the foregoing instrument for and on behalf of the said partnership.

Witness my hand and official seal, this the 22nd day of December, 19 78.
(Notarial Seal or Stamp)

Marilyn Carlson
Marilyn Carlson, Notary Public, Wayne County, Michigan

My Commission Expires:

February 13, 1979

State of Michigan -- County of Wayne

This 22nd day of Dec., 19 78, personally came before me, Marilyn Carlson, a notary public, Marvin Berlin (Name of Secretary or Asst. Secretary) Carolina, Inc. who, being by me duly sworn, says that he knows the Common Seal of New York Carpet World of North / and is acquainted with Irving Nusbaum who is the President of said Corporation, and that he, the said Marvin Berlin is the Secretary of the said Corporation, and saw the said President sign the foregoing instrument, and saw the Common Seal of said Corporation affixed to said instrument by said President, and that he, the said Marvin Berlin (Name of Secy. or Asst. Secy.) signed his name in attestation of the execution of said instrument in the presence of said President of said Corporation.

Witness my hand and notarial seal or stamp this the 22nd day of December, 1978.

(Notarial Seal or Stamp)

My commission expires February 13, 1979

Marilyn Carlson
Marilyn Carlson, Notary Public, Wayne County, Michigan

BOOK 1259P1355

N & B SOUTH INVESTMENT COMPANY,
A General Partnership

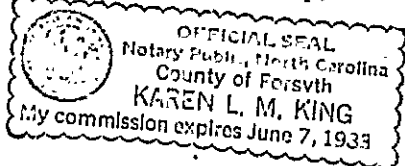
By [Signature] (SEAL)
Irving Nusbaum, Trustee under Agreement with
Irving Nusbaum, dated May 4, 1977, as a General
Partner of the Partnership, and Irving Nusbaum,
both individually and as Trustee under Agreement
with Irving Nusbaum, dated May 4, 1977, as
Manager of the Partnership on behalf of the
Partnership pursuant to Paragraph 9 of the
Partnership Agreement, dated November 15, 1978

STATE OF NORTH CAROLINA, COUNTY OF FORSYTH

I, Karen L. M. King, a Notary Public of said County
and State, do certify that Irving Nusbaum, Trustee under Agreement with Irving
Nusbaum, dated May 4, 1977, as a General Partner of the Partnership, and Irving
Nusbaum, both individually and as Trustee under Agreement with Irving Nusbaum, dated
May 4, 1977, as Manager of the Partnership on behalf of the Partnership pursuant to
Paragraph 9 of the Partnership Agreement, dated November 15, 1978, personally
appeared before me this day and acknowledged the due execution of the foregoing
instrument.

Witness my hand and official seal or stamp, this 29 day of
December, 1978.

(Notarial Seal or Stamp)



My Commission Expires:

June 7, 1983

Karen L. M. King
Notary Public

STATE OF NORTH CAROLINA—Forsyth County

The foregoing (or annexed) certificate of Marilyn Carlson, N.P., Wayne Co.
(here give name and official title of the officer signing the certificate passed upon)

Michigan + Karen L. M. King, N.P., Forsyth Co., N.C.

is (are) certified to be correct. This the 29 day of Dec 19 78.

Probate fee \$1.00 paid.

PRESENTED FOR
REGISTRATION
AND RECORDED

DEC 29 10 21 AM '78

EUNICE AYERS
REGISTER OF DEEDS
FORSYTH CTY. N.C.

JB. #12.0000.

Eunice Ayers, Register of Deeds

By [Signature] Deputy-Assistant

BOOK 1259P 1356

EXHIBIT A

PARCEL 1:

468 Weaverville Road, Asheville, North Carolina, said parcel located in the township of Reems Creek, County of Buncombe, State of North Carolina, described as follows:

BEGINNING at an iron in the northwest right-of-way line of Old U.S. Highway 19 and 23 (Asheville-Weaverville Highway) at the easternmost corner of the Henry Baird (home tract); running thence with Baird's northeast line, North $47^{\circ} 02'$ West 285.50 feet to an iron in the southeast right-of-way of U.S. Highway 19 and 23 bypass; thence with said right-of-way, North $55^{\circ} 19'$ East 184.00 feet to an iron; thence South $54^{\circ} 56'$ East 176.90 feet to an iron in the northwest right-of-way line of Old U.S. Highway 19 and 23 (Asheville-Weaverville Highway) said iron being located south-westwardly along said right-of-way line 258.2 feet from its intersection with the right-of-way of New Stock Road; thence with said right-of-way the following four courses and distances; South $27^{\circ} 37'$ West 18.93 feet to an iron, South $25^{\circ} 51'$ West 55.95 feet to an iron, South $23^{\circ} 09'$ West 55.00 feet to an iron, South $22^{\circ} 07'$ West 86.35 feet to the point and place of BEGINNING, containing 1.01 acres and being the same property as shown on map of survey prepared by J. Glenn Haynes, surveyor, dated December 14, 1978. Said plat of survey being titled property of N & B South Investment Company

PARCEL 2:

464 Western Boulevard, Jacksonville, North Carolina, said parcel being located in Jacksonville Township, County of Onslow, State of North Carolina, and being described as follows:

BEGINNING at the point of intersection of the easternmost right-of-way of Western Boulevard, and the southernmost right-of-way of Commerce Road as shown on map recorded entitled Commerce Office Park, recorded in map book 13 on page 17 of the Onslow County Registry; thence from said point of beginning and with the southernmost right-of-way of Commerce Road, North $48^{\circ} 23'$ East 10.53 feet to a point of curvature in said right-of-way; thence with said right-of-way along the arc of a curve having a radius of 507.47 feet a distance of 239.48 feet in a northeastwardly direction to a point in said right-of-way; thence leaving said right-of-way, South $31^{\circ} 16'$ East 218.91 feet

BOOK 1259 P 1357

to a point; thence South 50° 40' West 207.73 feet to a point in the easternmost right-of-way of Western Boulevard; thence with said right-of-way along the arc of a curve having a radius of 2027.87 feet a distance of 151.74 feet in a northwestwardly direction to the point and place of BEGINNING, being the same property as shown on map of survey, prepared by James E Stewart and Associates, Inc., dated December 18, 1978 entitled N & B South Investment Co.

PARCEL 3:

605 Broad Avenue, Rockingham, North Carolina, said parcel being located in Richmond County, State of North Carolina:

BEGINNING at an iron stake in the southeastern right-of-way line of Halifax Street (50 foot right-of-way) at its point of intersection with the southwest line of a 20 foot alley, a said iron stake being the northern most corner of Lot 15, Map of Leak Realty Company, recorded in Plat Book 13, at page 87, Richmond County Registry; running thence with said alley South 47° 30' East 159.0 feet to an iron stake; thence South 37° 09' West 231.5 feet to an iron stake in the northeastern right-of-way line of U.S. Highway #74 (150 foot right-of-way); thence with said right-of-way line, North 53° 05' West 113.2 feet to an iron stake; thence North 15° 21' West 47.7 feet to an iron stake in a southeastern right-of-way line of Halifax Street; thence with said right-of-way line North 35° 13' East 219.8 feet to the point and place of BEGINNING, being known and designated as Lots 15, 16, 17 Map of Leak Realty Company, recorded in Plat Book 13, page 87 Richmond County Registry, and being the same property as shown on map of survey prepared by T. Berry Liles, dated December 19, 1978, entitled N & B South Investment Co.

PARCEL 4:

Access Road, I-85 and Highway 52, Salisbury, North Carolina, said parcel being located in Salisbury Township, Rowan County, North Carolina, being more particularly described as follows:

BEGINNING at an iron pipe in the southeast right-of-way line of I-85 Service Road the northernmost corner of property of Earnhardt Investment Company; thence with said right-of-way line North 52° 15' East 138.44 feet to an iron and continuing with said right-of-way line, North 52° 36' East 36.56 feet to an iron at the westernmost corner of property of Palmetto Motels-Tar Hill Inns, Inc.; thence

with southwest line of said property, South 42° 49' East 150.0 feet to an iron continuing with a north-west line of property of Palmetto Motels-Tar Hill Inns, Inc., South 52° 18' West 175.0 feet to an iron in the northeast line of Earnhardt Investment Company; thence with said northeast line, North 42° 49' West 150.0 feet to the point and place of BEGINNING, being the same property as shown on Map prepared by Hudson and Almond, dated December 11, 1978, entitled "Map prepared for N & B South Investment Company."

PARCEL 5:

5321 Oleander Drive, Wilmington, North Carolina, said parcel being located in Harnett Township, New Hanover County, North Carolina:

Tract 1:

BEGINNING at an old iron pipe in the northern right-of-way line of Oleander Drive (U.S. Highway 76, 50 feet from the center line thereof), said point being 165 feet easterwardly from a culvert under said Oleander Drive, said culvert being about 400 feet easterwardly from the centerline of Hawthorne Drive (54th Street-State Road #1448); running thence from said beginning point, North 32° 49' East 913.1 feet to an old iron pipe in the edge of a dirt road, said point being in the northern line of the formerly C.C. Williamson land, and the southern line of the formerly George R. French land; running thence along said dividing line, South 66° 23' East 125.0 feet to an old iron pipe; thence South 32° 47' West 848.7 feet to an iron pipe in the northern right-of-way line of Oleander Drive (50 feet from the center line thereof); running thence along the northern right-of-way line of said Oleander Drive, South 88° 30' West 149.92 feet to the point of BEGINNING, the same being a portion of the aforementioned C.C. Williamson land, the same also being that tract of land conveyed or purported to be conveyed by Fred T. Usrey and wife, Ethel B. Usrey to Builders Discount Supply House by deed dated October 6, 1966 and duly recorded in Book 799, at page 157 of the New Hanover Registry. The same described property as that shown on Title Survey entitled "A. L. Fosters Salem Carpet Tract" prepared by George Losak, dated December 5, 1978.

Tract 2:

BEGINNING at an iron in the North right-of-way line of Oleander Drive at the southeast corner of the above described Tract 1; running thence with the East line of said tract, North 32° 47' East 76.4 feet to a point; thence South 09° 59' 30" West 64.42 feet to an iron in the North right-of-way of Oleander Drive; thence with said right-of-way

line, South 88° 30' West 30.2 feet to the point and place of BEGINNING.

NOTE: This Tract 2 is specifically excluded from the warranties set forth in this Deed of Trust.

PARCEL 6:

3435 Myer-Lee Drive, Winston-Salem, North Carolina, said property being located in Winston Township, Forsyth County, North Carolina more particularly described as follows:

BEGINNING at an iron in the northwest right-of-way line of Myer-Lee Drive at the southernmost corner of property of Mrs. L.V. Myers (see Deed Book 694, page 24); running thence with her line, North 26° 58' West 367.95 feet to an iron; thence South 63° 32' West 100.0 feet to an iron; thence South 26° 58' East 367.95 feet to an iron in the northwest right-of-way line of the aforementioned street; thence with said right-of-way, North 63° 32' East 100.0 feet to the point and place of BEGINNING, containing 0.844 acres and being the same property as shown on map entitled N & B South Investment Company, prepared by Otis A. Jones, dated December 20, 1978.

PARCEL 7:

Highway 501 West, Myrtle Beach, South Carolina, said property being located in Horry County, South Carolina, and begin more particularly described as follows:

ALL AND SINGULAR that certain piece, parcel or lot of land situate, lying and being in Conway Township, County and State aforesaid, containing 0.85 acres as shown by map by J.F. Thomas, R.L.S., dated November 6, 1973, and recorded in Deed Book 503 at page 889, office of the Clerk of Court for Horry County, South Carolina, being the same property as shown on Map entitled Map of 0.85 acres in Conway Township, Horry County SC surveyed for Salem Carpet Mills, Inc., dated December 13, 1978, prepared by J.T. Barfield, Jr., more particularly described as follows:

BEGINNING at a pipe in the northeast line of Waccamaw Clay Products at the westernmost corner of Canal Development, Inc. and Waccamaw Lumber Corporation, running thence with the northeast line of Waccamaw Clay Products North 47° West 125.4 feet to a pipe in the southeast line of a 60-foot road; thence with said road North 49° 15' East 299.2 feet to a pipe in the southwest line of an access highway; thence with said access highway South 44° 32' East 125 feet to a pipe, the northernmost corner of Canal Development, Inc. and

Waccamaw Lumber Corporation; thence with the northwest line of said Canal Development, Inc., et al South 49° 15' West 293.7 feet to the BEGINNING.

PARCEL 8:

408 Stagecoach Road, Bristol, Virginia, said property being located in Wilson Magisterial District of the City of Bristol, County of Washington, Virginia, being more particularly described as follows:

BEGINNING at an iron pin on the southeast side of a service road, corner to property of Hassan Heights, Inc.; thence South 51° 21' 50" East 200.0 feet to an iron; thence South 51° 22' West 149.52 feet to an iron pin; thence North 51° 21' 50" West 200.0 feet to an iron pin in a service road which leads to Virginia State Road #658; thence with the said road, North 48° 32' 40" East 115.0 feet to a concrete marker; thence continuing with said road North 60° 43' East 35.02 feet to the point of BEGINNING, being the same property as shown on plat of survey prepared by Charles D. Clark and Associates dated December 12, 1978.

PARCEL 9:

Highway 250 East Charlottesville, Virginia, said property being located in Albemarle County, Virginia, and being more particularly described as follows:

Tract 1:

BEGINNING at a point in the North right-of-way line of U.S. Route 250 228.3 feet East of the northeastern intersection of State Route 20 and U.S. Route 250 East; thence North 07° 17' 27" East 225.00 feet to a point; thence South 83° 27' 03" East 125.00 feet to a point; thence South 07° 17' 27" West 225.0 feet to a point; thence North 83° 27' 03" West 125.00 feet to the BEGINNING, and being the same property as shown on plat of survey prepared by B. Aubrey Huffman and Associates, dated December 5, 1978, and described on said plat as Lot A, Wilton.

Tract 2:

A perpetual easement 11 feet in width as shown and described on plat made by B. Aubrey Huffman and Associates, dated December 5, 1978, which easement is located on the West side of the property line between Lots A and B as shown on said plat which is appurtenant to Lot A. Said easement is the same as conveyed to Salem Carpet Mills, Inc. by Deed dated October 30, 1973 recorded in Deed Book 540, page 513.

BOOK 1259P 1361

PARCEL 10:

Route #11, Harrisonburg, Virginia, said property being located in Ashby District, Rockingham County, Virginia, and being more particularly described as follows:

BEGINNING at an iron pin in the eastern line of U.S. Route 11 corner of Texaco Service Station property; thence with the eastern line of U.S. Route 11, North $30^{\circ} 27'$ East 100.0 feet to an iron pin; thence with land of Bill V. Neff, South $59^{\circ} 45'$ East 300.0 feet to an iron pin; thence South $30^{\circ} 27'$ West 100.0 feet to an iron pin in a fence line; thence with said fence line North $59^{\circ} 45'$ West 300.0 feet to the BEGINNING, being the same property as shown on map prepared by Robert F. Jellum, dated December 15, 1978.

PARCEL 11:

7338 Williamson Road, Northwest, Roanoke, Virginia, said property being located in Roanoke County, Virginia, and being more particularly described as follows:

BEGINNING at an iron stake on the northerly side of U.S. Highway #11 (80 feet wide), 438.0 feet West of the new right-of-way line of secondary highway #601 (Plantation Road), said point being a corner to the property of Consolidated Investors of Virginia, Inc., thence leaving the above described beginning point and with the northerly side U.S. Highway #11 with a curved line to the right having a radius of 5,689.58 feet a chord bearing and distance, South $71^{\circ} 06' 05''$ West 86.64 feet and an arc distance of 86.64 feet to an iron stake; thence South $77^{\circ} 47' 32''$ West 10.67 feet to an iron stake a corner to Emory Engle; thence leaving U.S. Highway #11 and with the line of said Engle, North $28^{\circ} 33' 50''$ West 346.61 feet to an iron stake; thence North $56^{\circ} 44' 18''$ East 80.91 feet to an iron stake to the line of Nelson Dehart; thence with same South $46^{\circ} 05'$ East 47.35 feet to an iron stake; thence North $51^{\circ} 30'$ East 132.86 feet to an iron stake; thence South $39^{\circ} 54'$ East 81.38 feet to an iron stake; thence South $29^{\circ} 00'$ East 41.20 feet to an iron stake a corner to Consolidated Investors of Virginia, Inc.; thence with same South $70^{\circ} 01' 37''$ West 150.0 feet to an iron stake; thence South $29^{\circ} 00'$ East 250.0 feet to the point of BEGINNING, as shown on plat of survey prepared by Buford T. Lumsden and Associates, P.C. Engineers and Surveyors, dated December 6, 1978.

PARCEL 12:

Interstate 81 at Mint Spring Road, Staunton, Virginia, said property being located in River

Heads district Augusta County, Virginia and being more particularly described as follows:

BEGINNING at a nail in the center of the right-of-way of Route 800 located northwardly 850 feet from its intersection with Route 654; thence North $71^{\circ} 00'$ West 15.0 feet to an iron pin in the West right-of-way line of Route 800; thence South $54^{\circ} 00'$ West 34.69 feet to an iron a corner with Hite, et al; thence with Hite's northeast line, North $58^{\circ} 45'$ West 112.73 feet to an iron and continuing with said line North $58^{\circ} 34'$ West 240.00 feet to an iron; thence another line with Hite, et al, North $30^{\circ} 59'$ East 103.60 feet to an iron; thence another line with Hite, et al, the following two courses and distances; South $61^{\circ} 51' 30''$ East 240.00 feet to an iron, and South $59^{\circ} 36'$ East 123.40 feet to a nail in the center of the right-of-way of route 800, thence with the center of said right-of-way, South $19^{\circ} 00'$ West 86.0 feet to the point and place of BEGINNING, containing 0.96 acres, being the same property as shown on Plat prepared by Robert E. Funk, dated December 5, 1978.