

BK1722 P2348

102

PRESENTED FOR
REGISTRATION
AND RECORD

Return to: House & Blanco. P.A. Box

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Prepared by: Ronald A. Matamoros, Esquire

STATE OF NORTH CAROLINA)
COUNTY OF FORSYTH)COLLATERAL ASSIGNMENT OF
LEASES, RENTS, and PROFITSL. E. SPEAS
REGISTER OF DEEDS
FORSYTH CO. N.C.#38.00 pd.
Jf

THIS ASSIGNMENT, made this 16th day of August, 1991 by and between S. B. ASSOCIATES, a North Carolina general partnership, party of the first part (hereinafter referred to as "Assignor") to Salem Trust Bank, party of the second part (hereinafter referred to as "Assignee").

W I T N E S S E T H :

For value received and as additional security for the loan hereinafter mentioned, the Assignor hereby sells, transfers and assigns unto Assignee, its successors and assigns, all the right, title and interest of Assignor in and to the rents, issues, profits, revenues, royalties, rights and benefits from the property described on Exhibit "A" which is attached hereto and made a part hereof. And to that end the Assignor hereby assigns and sets over unto the said Assignee, its successors and assigns, all leases of said premises now made, executed or delivered, whether written or verbal, or to be hereafter made as said leases may have been or may from time to time be hereafter modified, extended and renewed, be the same written or verbal, with all rents, income and profits due and becoming due thereon.

And the Assignor does hereby authorize and empower the said Assignee to collect the said rents, issues, profits, revenues, royalties, rights and benefits, as they shall become due, and does hereby direct each and all of the tenants of the aforesaid premises to pay such rents, as may now be due or shall hereafter become due to the said Assignee, upon demand for payment thereof by said Assignee. It is understood and agreed, however, that no such demand shall be made unless and until there has been an Event of Default [as defined in the loan documents entered into by Assignor and Assignee in connection with Assignee's EIGHTY NINE THOUSAND AND 00/100 (\$89,000.00) loan to Assignor (the "Loan Documents")] in the payment of the indebtedness secured by the deed of trust herein mentioned or an Event of Default in the payment of any other sums secured by said deed of trust, or Event of Default in meeting the terms and conditions appearing in said deed of trust, or after the

filing of a voluntary petition by Assignor in receivership bankruptcy or proceeding in arrangement, or upon adjudication of the Assignor in receivership, bankruptcy or proceeding in arrangement; and until such demand is made, the Assignor is authorized to collect or continue collecting said rents, issues, profits, revenues, royalties, rights and benefits, but that such privilege to collect or continue collecting, as aforesaid by the party of the first part shall not operate to permit the collection by the party of the first part, its heirs, executors, administrators, or assigns, of any installment of rent more than two (2) months in advance of the date prescribed in said lease or leases for the payment thereof without the prior written consent of the Assignee. If there has been an Event of Default of Assignor under any of the Loan Documents, anything to the contrary notwithstanding, Assignor hereby assigns to Assignee any award made hereafter to it in any court proceeding involving any of the leases in any bankruptcy, insolvency, or reorganization proceedings in any State or Federal court; and any and all payments made by lessees in lieu of rent. If such Event of Default has occurred, Assignor hereby appoints Assignee as its irrevocable attorney in fact to appear in any action and/or to collect any such award or payment.

The term of this assignment shall be until that certain Note and Deed of Trust, or any extension or renewal thereof, dated of even date hereof, made, executed and delivered by Assignor to Assignee, covering the above described property for the sum of EIGHTY NINE THOUSAND AND 00/100 (\$89,000.00) shall have been fully paid and satisfied, or until the expiration of the period of redemption, if any, at which time this assignment is to be fully satisfied, cancelled and released, and the releasing of said Deed of Trust shall constitute a release hereof.

This assignment is given as additional security for the performance of each and all of the obligations and covenants of the Note and Deed of Trust above described (or any extension or renewal thereof), and the amounts collected hereunder, less the expenses of collection, if any, shall be applied in reduction of the entire indebtedness from time to time outstanding and secured by said Deed of Trust.

In the event of default in performance of any of the terms and conditions of said Note and Deed of Trust, which default shall not have been remedied within the applicable cure period, the Assignor hereby authorizes the Assignee, at its option, to enter and take possession of the above described premises and the improvements situate thereon and to manage and operate the same, to collect all or any rents accruing therefrom and from said leases, to let or relet said premises or any part thereof, to cancel and modify leases, eject tenants, bring or defend any suits in connection with posses-

sion of said premises in its own name or Assignor's name, make repairs as Assignee deems appropriate, and perform such other acts in connection with the management and operation of said premises as the Assignee, in its discretion, may deem proper.

The receipt by the Assignee of any rents, issues or profits pursuant to this instrument after the institution of foreclosure proceedings under said deed of trust shall not cure such default nor affect such proceedings or any sale pursuant thereto, except that any such receipt shall be credited to the indebtedness secured hereby, less expenses of collection as herein provided.

Assignee shall not be liable for laches, or failure to collect said rents, issues, profits, revenue, royalties, rights and benefits and it is understood that said Assignee is to account only for such sums as are actually collected, and said Assignee shall not be obligated to perform or discharge any obligation or duty to be performed or discharged by Assignor under any of said leases, and the Assignor hereby agrees to indemnify the Assignee for, and to save it harmless from, any and all liability arising from any of said leases or from this assignment arising out of acts or omissions of Assignor occurring prior to Assignee's exercise of its rights hereunder, and this assignment shall not place responsibility for the control, care, management or repair of said premises upon Assignee, or make the Assignee responsible or liable for any negligence in the management, operation, upkeep, repair or control of said premises resulting in loss or injury or death to any tenant, licensee, employee or stranger prior to the time Assignee exercises its rights hereunder.

The Assignor covenants and represents that said Assignor has full right and title to assign said leases and the rents, issues, profits, revenue, royalties and benefits due or to become due thereunder, that other than in the exercise by Assignor of its reasonable business judgment in connection with unit-tenant leases, the material terms of the unit-tenant leases have not been changed from the terms in the form of said leases submitted to the Assignee for approval, that no other assignment of any interest therein has been made, that other than as expressly permitted herein or otherwise in the Loan Documents there are no existing defaults under the provisions thereof, that there has been no anticipation or prepayment of any rents by any tenants occupying the above described premises or by any of the lessees in any of the said leases, and that other than in the exercise by Assignor of its reasonable business judgment in connection with unit-tenant leases, the Assignor will not hereafter cancel, surrender or terminate any of said leases, exercise any option which might lead to such termination or change, amend, alter or modify them or consent to the release of any party liable thereunder or to the assignment of the lessees' interest in them without the prior written consent of the Assignee.

Assignor hereby authorizes the Assignee to give notice in writing of this assignment at any time following an Event of Default by Assignor under the Loan Documents to any tenant under any of said leases.

Violation of any of the covenants, representations and provisions contained herein by the Assignor shall be deemed a default under the terms of said Note and Deed of Trust.

IT IS UNDERSTOOD AND AGREED that neither the existence of this Assignment nor the exercise of its privilege to collect said rents, issues, profits, revenues, royalties, rights and benefits hereunder, shall be construed as a waiver by the Assignee, or its successors and assigns, of the right to enforce payment of the debt hereinabove mentioned, in strict accordance with the terms and provisions of the Note and Deed of Trust for which this Assignment is given as additional security.

This assignment applies to and binds the parties hereto and their respective heirs, administrators, executors, successors and assigns as well as any subsequent owner of the real estate described herein and any Assignee of the Deed of Trust referred to herein.

IN WITNESS WHEREOF, the party of the first part has executed this instrument as of the day and year first above written.

Assignor:

S. B. ASSOCIATES, A North
Carolina Limited Partnership (SEAL)

(See separate signature pages
attached hereto and made a part
hereof)

c:col-asgn.sba/ram/jh

BK1722 P2352

SEPARATE SIGNATURE PAGE
TO
ASSIGNMENT OF LEASES, RENTS AND PROFITS
FROM
S. B. ASSOCIATES, A NORTH CAROLINA GENERAL PARTNERSHIP
TO
SALEM TRUST BANK

S. B. ASSOCIATES, a North Carolina
General Partnership (SEAL)
By: B & D INVESTMENTS, a North Carolina
Carolina General Partnership (SEAL)

By: Paul H. Bailey (SEAL)
Paul H. Bailey,
General Partner

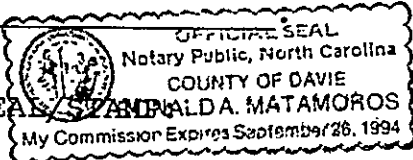
STATE OF NORTH CAROLINA - COUNTY OF FORSYTH

I, a Notary Public of Dave County and State aforesaid,
certify that PAUL H. BAILEY, a General Partner of
B & D INVESTMENTS, a North Carolina General Partnership, which is a
General Partner of S. B. ASSOCIATES, a North Carolina General
Partnership, personally appeared before me this day and
acknowledged the due execution of the foregoing instrument for and
on behalf of said Partnership.

WITNESS my hand and Notarial Seal or Stamp, this the 1 day
of August, 1991.

My commission expires:

Paul H. Bailey
Notary Public

NOTARIAL SEAL/STAMP

OFFICIAL SEAL
Notary Public, North Carolina
COUNTY OF DAVIE
PAULA D. MATAMOROS
My Commission Expires September 26, 1994

A:SB5.39/pam

BK1722 P2353

SEPARATE SIGNATURE PAGE
TO
ASSIGNMENT OF LEASES, RENTS AND PROFITS
FROM
S. B. ASSOCIATES, A NORTH CAROLINA GENERAL PARTNERSHIP
TO
SALEM TRUST BANK

S. B. ASSOCIATES, a North Carolina
General Partnership (SEAL)
By: FHS ASSOCIATES, a North Carolina
Carolina General Partnership (SEAL)
By: Billy J. Shoaf (SEAL)
Billy J. Shoaf,
General Partner

STATE OF NORTH CAROLINA - COUNTY OF FORSYTH

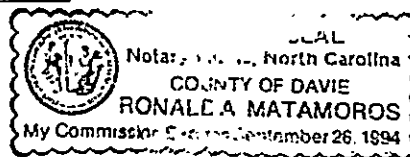
I, a Notary Public of Davie County and State aforesaid,
certify that BILLY J. SHOAF, a General Partner of FHS ASSOCIATES, a
North Carolina General Partnership, which is a General Partner of
S. B. ASSOCIATES, a North Carolina General Partnership, personally
appeared before me this day and acknowledged the due execution of
the foregoing instrument for and on behalf of said Partnership.

WITNESS my hand and Notarial Seal or Stamp, this the 25 day
of July, 1991.

My commission expires:

Rh W L
Notary Public

NOTARIAL SEAL/STAMP:



A:SB6.39/pam

BK1722 P2354

SEPARATE SIGNATURE PAGE
TO
ASSIGNMENT OF LEASES, RENTS AND PROFITS
FROM
S. B. ASSOCIATES, A NORTH CAROLINA GENERAL PARTNERSHIP
TO
SALEM TRUST BANK

S. B. ASSOCIATES, a North Carolina
General Partnership (SEAL)

By: [Signature] (SEAL)
Stephen H. Homer,
General Partner

STATE OF NORTH CAROLINA - COUNTY OF FORSYTH

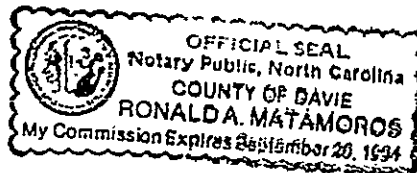
I, a Notary Public of Dave County and State aforesaid,
certify that STEPHEN H. HOMER, a General Partner of
S. B. ASSOCIATES, a North Carolina General Partnership, personally
appeared before me this day and acknowledged the due execution of
the foregoing instrument for and on behalf of said Partnership.

WITNESS my hand and Notarial Seal or Stamp, this the 29 day
of July, 1991.

My commission expires:

[Signature]
Notary Public

NOTARIAL SEAL/STAMP:



A:SB4.39/pam

BK1722 P2355

SEPARATE SIGNATURE PAGE
TO
ASSIGNMENT OF LEASES, RENTS AND PROFITS
FROM
S. B. ASSOCIATES, A NORTH CAROLINA GENERAL PARTNERSHIP
TO
SALEM TRUST BANK

S. B. ASSOCIATES, a North Carolina
General Partnership (SEAL)
By: FHS ASSOCIATES, a North Carolina
Carolina General Partnership (SEAL)
By: [Signature] (SEAL)
Stephen H. Homer,
General Partner

STATE OF NORTH CAROLINA - COUNTY OF FORSYTH

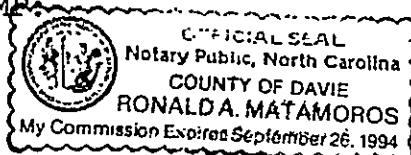
I, a Notary Public of Davie County and State aforesaid,
certify that STEPHEN H. HOMER, a General Partner of FHS ASSOCIATES,
a North Carolina General Partnership, which is a General Partner of
S. B. ASSOCIATES, a North Carolina General Partnership, personally
appeared before me this day and acknowledged the due execution of
the foregoing instrument for and on behalf of said Partnership.

WITNESS my hand and Notarial Seal or Stamp, this the 29 day
of July, 1991.

My commission expires:

[Signature]
Notary Public

NOTARIAL SEAL/STAMP



A:SB6.39/pam

BK1722 P2356

SEPARATE SIGNATURE PAGE
TO
ASSIGNMENT OF LEASES, RENTS AND PROFITS
FROM
S. B. ASSOCIATES, A NORTH CAROLINA GENERAL PARTNERSHIP
TO
SALEM TRUST BANK

S. B. ASSOCIATES, a North Carolina
General Partnership (SEAL)

By: Patricia Lynn Potter (SEAL)
Patricia Lynn Potter,
General Partner

STATE OF NORTH CAROLINA - COUNTY OF FORSYTH

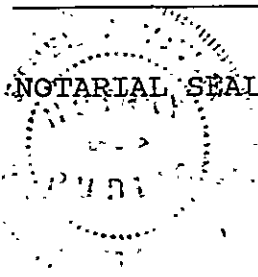
I, a Notary Public of Mecklenburg County and State aforesaid,
certify that PATRICIA LYNN POTTER, a General Partner of
S. B. ASSOCIATES, a North Carolina General Partnership, personally
appeared before me this day and acknowledged the due execution of
the foregoing instrument for and on behalf of said Partnership.

WITNESS my hand and Notarial Seal or Stamp, this the 5 day
of July, 1991.

My commission expires:
My Commission Expires March 31, 1996

Ethel M. McNeill
Notary Public

NOTARIAL SEAL/STAMP:



A:SB4.39/pam

BK1722 P2357

SEPARATE SIGNATURE PAGE
TO
ASSIGNMENT OF LEASES, RENTS AND PROFITS
FROM
S. B. ASSOCIATES, A NORTH CAROLINA GENERAL PARTNERSHIP
TO
SALEM TRUST BANK

S. B. ASSOCIATES, a North Carolina
General Partnership (SEAL)

By: Mary H. Martone (SEAL)
Mary H. Martone,
General Partner

STATE OF Illinois - COUNTY OF Cook

I, a Notary Public of Cook County and State aforesaid,
certify that MARY H. MARTONE, a General Partner of
S. B. ASSOCIATES, a North Carolina General Partnership, personally
appeared before me this day and acknowledged the due execution of
the foregoing instrument for and on behalf of said Partnership.

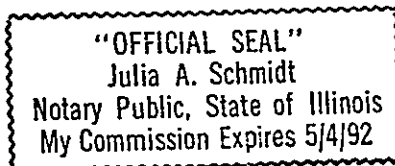
WITNESS my hand and Notarial Seal or Stamp, this the 6th day
of August, 1991.

My commission expires:

5-4-92.

Julia A. Schmidt
Notary Public

NOTARIAL SEAL/STAMP:



A:SB4.39/pam

BK1722 P2358

SEPARATE SIGNATURE PAGE
TO
ASSIGNMENT OF LEASES, RENTS AND PROFITS
FROM
S. B. ASSOCIATES, A NORTH CAROLINA GENERAL PARTNERSHIP
TO
SALEM TRUST BANK

S. B. ASSOCIATES, a North Carolina
General Partnership (SEAL)
By: FHS ASSOCIATES, a North Carolina
Carolina General Partnership (SEAL)
By: John E. Faulk, General Partner (SEAL)
John E. Faulk,
General Partner

STATE OF NORTH CAROLINA - COUNTY OF ~~FORSYTH~~ Mecklenburg

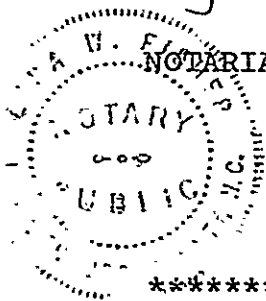
I, a Notary Public of Mecklenburg County and State aforesaid,
certify that JOHN E. FAULK, a General Partner of FHS ASSOCIATES, a
North Carolina General Partnership, which is a General Partner of
S. B. ASSOCIATES, a North Carolina General Partnership, personally
appeared before me this day and acknowledged the due execution of
the foregoing instrument for and on behalf of said Partnership.

WITNESS my hand and Notarial Seal or Stamp, this the 6th day
of August, 1991.

My commission expires:

August 14, 1995.

Lisa J. Fisher
Notary Public



NOTARIAL SEAL/STAMP:

A:SB6.39/pam

BK1722 P2359

SEPARATE SIGNATURE PAGE
TO
ASSIGNMENT OF LEASES, RENTS AND PROFITS
FROM
S. B. ASSOCIATES, A NORTH CAROLINA GENERAL PARTNERSHIP
TO
SALEM TRUST BANK

S. B. ASSOCIATES, a North Carolina
General Partnership (SEAL)

By: Cyrus W. Bazemore, Jr. (SEAL)
Cyrus W. Bazemore, Jr.,
General Partner

STATE OF NORTH CAROLINA - COUNTY OF FORSYTH

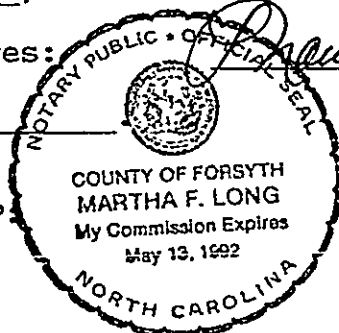
I, a Notary Public of Forsyth County and State aforesaid,
certify that CYRUS W. BAZEMORE, JR., a General Partner of
S. B. ASSOCIATES, a North Carolina General Partnership, personally
appeared before me this day and acknowledged the due execution of
the foregoing instrument for and on behalf of said Partnership.

WITNESS my hand and Notarial Seal or Stamp, this the 9 day
of August, 1991.

My commission expires:

May 13, 1992

NOTARIAL SEAL/STAMP



Notary Public

A:SB4.39/pam

RK1722 P2360

SEPARATE SIGNATURE PAGE
TO
ASSIGNMENT OF LEASES, RENTS AND PROFITS
FROM
S. B. ASSOCIATES, A NORTH CAROLINA GENERAL PARTNERSHIP
TO
SALEM TRUST BANK

S. B. ASSOCIATES, a North Carolina
General Partnership (SEAL)

By: Michael F. Fina (SEAL)
Michael F. Fina,
General Partner

STATE OF NORTH CAROLINA - COUNTY OF FORSYTH

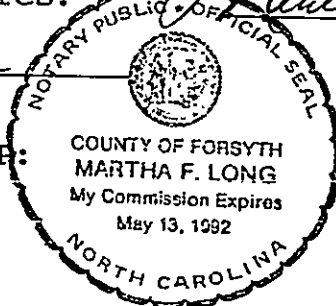
I, a Notary Public of Forsyth County and State aforesaid,
certify that MICHAEL F. FINA, a General Partner of
S. B. ASSOCIATES, a North Carolina General Partnership, personally
appeared before me this day and acknowledged the due execution of
the foregoing instrument for and on behalf of said Partnership.

WITNESS my hand and Notarial Seal or Stamp, this the 5 day
of August, 1991.

My commission expires:

May 13, 1992

NOTARIAL SEAL/STAMP:



Martha F. Long
Notary Public

A:SB4.39/pam

BK1722 P2361

SEPARATE SIGNATURE PAGE
TO
ASSIGNMENT OF LEASES, RENTS AND PROFITS
FROM
S. B. ASSOCIATES, A NORTH CAROLINA GENERAL PARTNERSHIP
TO
SALEM TRUST BANK

S. B. ASSOCIATES, a North Carolina
General Partnership (SEAL)
By: B & D INVESTMENTS, a North Carolina
Carolina General Partnership (SEAL)
By: [Signature] (SEAL)
Larry Drombetta,
General Partner

STATE OF OHIO - COUNTY OF Roanoke
VIRGINIA

I, a Notary Public of Roanoke County and State aforesaid,
certify that LARRY DROMBETTA, a General Partner of
B & D INVESTMENTS, a North Carolina General Partnership, which is a
General Partner of S. B. ASSOCIATES, a North Carolina General
Partnership, personally appeared before me this day and
acknowledged the due execution of the foregoing instrument for and
on behalf of said Partnership.

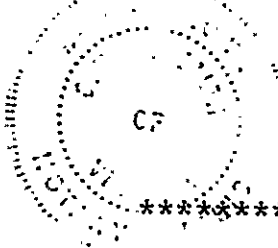
WITNESS my hand and Notarial Seal or Stamp, this the 31st day
of July, 1991.

My commission expires:

My Commission Expires May 31, 1994

[Signature]
Notary Public

NOTARIAL SEAL/STAMP:



A:SB5.39/pam

RK1722 P2362

SEPARATE SIGNATURE PAGE
TO
ASSIGNMENT OF LEASES, RENTS AND PROFITS
FROM
S. B. ASSOCIATES, A NORTH CAROLINA GENERAL PARTNERSHIP
TO
SALEM TRUST BANK

S. B. ASSOCIATES, a North Carolina
General Partnership (SEAL)

By: Claude R. Horn, Jr. (SEAL)
Claude R. Horn, Jr.
General Partner

STATE OF NORTH CAROLINA - COUNTY OF FORSYTH

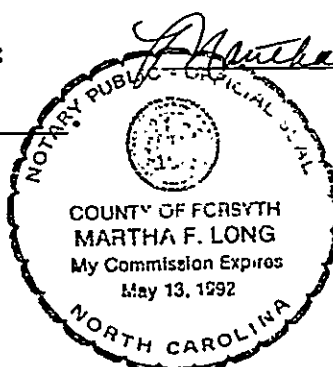
I, a Notary Public of Forsyth County and State aforesaid,
certify that CLAUDE R. HORN, JR., a General Partner of
S. B. ASSOCIATES, a North Carolina General Partnership, personally
appeared before me this day and acknowledged the due execution of
the foregoing instrument for and on behalf of said Partnership.

WITNESS my hand and Notarial Seal or Stamp, this the 31 day
of July, 1991.

My commission expires:

May 13, 1992

NOTARIAL SEAL/STAMP:



A:SB4.39/pam

BK1722 P2363

SEPARATE SIGNATURE PAGE
TO
ASSIGNMENT OF LEASES, RENTS AND PROFITS
FROM
S. B. ASSOCIATES, A NORTH CAROLINA GENERAL PARTNERSHIP
TO
SALEM TRUST BANK

S. B. ASSOCIATES, a North Carolina
General Partnership (SEAL)

By: Roger Kenny Kerley (SEAL)
Roger Kenny Kerley,
General Partner

STATE OF NORTH CAROLINA - COUNTY OF FORSYTH

I, a Notary Public of Surry County and State aforesaid,
certify that ROGER KENNY KERLEY, a General Partner of
S. B. ASSOCIATES, a North Carolina General Partnership, personally
appeared before me this day and acknowledged the due execution of
the foregoing instrument for and on behalf of said Partnership.

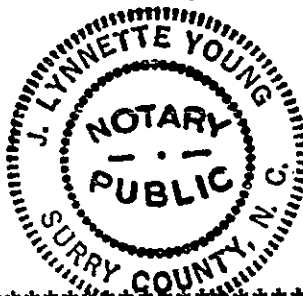
WITNESS my hand and Notarial Seal or Stamp, this the 14th day
of August, 1991.

My commission expires:

April 17, 1993

J. Lynnette Young
Notary Public

NOTARIAL SEAL/STAMP:



STATE OF NORTH CAROLINA—Forsyth County

The foregoing (or annexed) certificate of RONALD A. MATAMOROS, NP, DAVIS CO, NC
(here give name and official title of the officer signing the certificate passed upon)
ETHEL M. MCNUTT, NP, MECKLENBURG CO, NC, JULIA A. SCHMIDT, NP, COCK CO, IL.,
LISA W. FISHER, NP, MECKLENBURG CO, NC, MARTHA E. KOLB, NP, FORSYTH CO, NC,
DORIS BROWN, NP, RANDOLPH CO, VA ; J. LYNNETTE YOUNG, NP, SURRY CO, NC
is (are) certified to be correct. This the 16TH day of AUGUST 1991.

I, E. Speas, Register of Deeds

By Mark R. R. R. Deputy ~~Assistant~~

Probate and Filing Fee \$_____ paid.

BK1722 P2364

EXHIBIT A

LEGAL DESCRIPTION

ALL that tract or parcel of land lying and being in Forsyth County, North Carolina, and being more particularly described as follows:

BEING KNOWN AND DESIGNATED as Lot Nos. 1, 2, 3, 13 and 14 as shown on the Plat of "Springbrook, Sec. 2, Phase One," which plat appears of record in Plat Book 30, Page 76 in the Office of the Register of Deeds of Forsyth County, North Carolina, to which reference is hereby made for a more particular description, and

TOGETHER with all rights and easements appurtenant to said lots as specifically enumerated in the Declaration of Covenants, Conditions and Restrictions issued by Shugart Development Co., Inc., and recorded in Deed Book 1509 , Page 257 , Forsyth County Registry of Deeds.