

Prepared by:
John E. Taylor
Jones, Day, Reavis & Pogue
245 Peachtree Center Avenue
Suite 2600
Marquis One Tower
Atlanta, Georgia 30303-1200

Bell Boy

56

AK1751 P0812
PRESENTED FOR
REGISTRATION
AND RECORDED.

82406 92 JUL 28 AM 11:15

J. E. SPEAR
REGISTER OF DEEDS

SUBORDINATION, NONDISTURBANCE AND ATTORNEY'S AGREEMENT

THIS AGREEMENT, made and entered into this 22nd day of July, 1992, by and between James L. Lineback d/b/a
A J & B RACING SOUVENIRS (hereinafter referred to as the "Tenant")
whose address is 5371 Shattalon Drive, Winston-Salem, NC 27106, SHATTALON DRIVE
ASSOCIATES LIMITED PARTNERSHIP, a North Carolina limited
partnership (hereinafter referred to as the "Borrower"), whose
address is 139 South Tryon Street, Suite 401, Charlotte, North
Carolina 28202 and IDS LIFE INSURANCE COMPANY, a Minnesota
corporation (hereinafter referred to as the "Lender") whose
address is 733 Marquette Avenue, Minneapolis, Minnesota 55402,
Attn: Real Estate Loan Management, Unit #401.

PRELIMINARY STATEMENT OF FACTS:

A. Lender has agreed to make a first mortgage loan (hereinafter referred to as the "Loan") to Borrower, repayment of which is to be secured by a deed of trust (hereinafter referred to as the "Deed") on certain real estate as more fully described in Exhibit "A" attached hereto and the improvements thereon (hereinafter referred to as the "Premises").

B. The Deed will be recorded in the office of the Register of Deeds of Forsyth County, North Carolina.

C. The Tenant is the present lessee under a lease dated January 27, 1992, made by Borrower, as landlord, demising a portion of the Premises (said lease and all amendments thereto being hereinafter referred to as the "Lease").

~~(D. A Short-Term Lease Agreement evidencing the Lease has been recorded in the office of the Register, County of _____, State of _____, as Document No. _____.)~~

E. As a condition precedent to Lender's disbursement of Loan proceeds, Lender has required that Tenant subordinate the Lease and its interest in the Premises in all respects to the Lien of the Deed.

F. In return, the Lender is agreeable to not disturbing the Tenant's possession of the Premises.

G. The Lender is disbursing the Loan proceeds in reliance upon the agreements contained in this instrument, but for which it would not disburse the Loan.

NOW, THEREFORE, in consideration of the sum of One and 00/100 Dollar (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each party hereto, it is hereby agreed as follows:

1. SUBORDINATION. The Lease, and the rights of Tenant in, to or under the Lease and in and to the Premises, are hereby subjected to and subordinated and shall remain in all respects and all purposes subject, subordinate and junior to the lien of the Deed and any and all amendments, supplements, modifications, renewals, extensions or replacements thereto, thereof or therefor, and to the rights and interest of the holder of the Deed, as fully and with the same effect as if the Deed had been duly executed, acknowledged and recorded, and the indebtedness secured thereby had been fully disbursed, prior to the execution of the Lease or possession of the Premises by Tenant, or its predecessors in interest.

2. PURCHASE OPTIONS. Any options or rights contained in said Lease to acquire title to the Premises are hereby made subject and subordinate to the rights of the Lender under the Deed, and any acquisition of title to the Premises made by Tenant during the term of the Lease shall be made subordinate and subject to the Deed. In any action or proceeding to foreclose the Deed, the Lender shall have the right, in its sole discretion, to extinguish any options or rights to acquire title to the Premises.

3. TENANT NOT TO BE DISTURBED. If the interests of Borrower shall be transferred to and owned by Lender by reason of foreclosure or other proceedings brought by it in lieu of or pursuant to a foreclosure, or by any other manner, and Lender succeeds to the interest of the Borrower under the Lease, and provided that Tenant is not in default (beyond any period given Tenant to cure such default) in the payment of rent or additional rent or in the performance of any of the terms, covenants or conditions of the Lease on Tenant's part to be performed, Tenant's possession of the Premises and Tenant's rights and privileges under the Lease, or any extensions or renewals thereof which may be effected in accordance with any renewal rights therefor in the Lease, shall not be diminished

or interfered with by Lender, and Tenant's occupancy of the Premises shall not be disturbed by Lender for any reason whatsoever during the term of the Lease or any such extensions or renewals thereof.

4. TENANT NOT TO BE JOINED IN FORECLOSURE. So long as Tenant is not in default (beyond any period given Tenant to cure such default) in the payment of rent or additional rent or in the performance of any of the terms, covenants or conditions of the Lease on Tenant's part to be performed, Lender will not join Tenant as a party defendant in any action or proceeding foreclosing the Deed unless such joinder is necessary to foreclose the Deed and then only for such purpose and not for the purpose of terminating the Lease.

5. TENANT TO ATTORN TO LENDER. If the interests of Borrower shall be transferred to and owned by Lender by reason of foreclosure or other proceedings brought by it in lieu of or pursuant to a foreclosure, or by any other manner, and Lender succeeds to the interest of the Borrower under the Lease, Tenant shall be bound to Lender under all of the terms, covenants and conditions of the Lease for the balance of the term thereof remaining and any extensions or renewals thereof which may be effected in accordance with any option therefor in the Lease, with the same force and effect as if Lender were the landlord under the Lease, and Tenant does hereby attorn to Lender as its landlord, said attornment to be effective and self-operative immediately upon Lender succeeding to the interest of the Borrower under the Lease without the execution of any further instruments on the part of any of the parties hereto; provided, however, that Tenant shall be under no obligation to pay rent to Lender until Tenant receives written notice from Lender that it has succeeded to the interest of the Borrower under the Lease. The respective rights and obligations of Tenant and Lender upon such attornment, to the extent of the then remaining balance of the term of the Lease and any such extensions and renewals, shall be and are the same as now set forth therein; it being the intention of the parties hereto for this purpose to incorporate the Lease in this Agreement by reference with the same force and effect as if set forth at length herein.

6. LENDER NOT BOUND BY CERTAIN ACTS OF BORROWER. If Lender shall succeed to the interest of Borrower under the Lease, Lender shall not be: (a) liable for any act or omission of any prior landlord (including Borrower); (b) subject to any offsets or defenses which Tenant might have against any prior landlord (including Borrower); (c) bound by any rent or additional rent which Tenant might have paid for more than the then current installment; (d) bound by any amendment or

modification of the Lease made without its consent; (e) bound by any provisions of the Lease regarding the commencement or completion of any construction; (f) bound by any provision of the Lease which provided for warranties of construction from the Borrower to the Tenant; (g) bound by any provisions of the Lease restricting the use of other properties owned by Lender, as landlord, for purposes which compete with Tenant; nor (h) liable for the return of any security deposit except to the extent actually received by Lender from Borrower. In the event of a default by Borrower under the Lease or an occurrence that would give rise to an offset against rent or claim against Borrower under the Lease, Tenant will use its best efforts to set off such defaults against rents currently due Borrower and will give Lender notice of such defaults or occurrence at the address of Lender as set forth above and will give Lender such time as is reasonably required to cure such default or rectify such occurrence, provided Lender uses reasonable diligence to correct the same. Tenant agrees that notwithstanding any provision of the Lease to the contrary, it will not be entitled to cancel the Lease, or to abate or offset against the rent, or to exercise any other right or remedy until Lender has been given notice of default and opportunity to cure such defaults as provided herein.

7. HAZARDOUS WASTE. Tenant: (a) is not presently engaged in nor does it presently permit; (b) has not at any time in the past engaged in nor permitted; (c) has no knowledge that any third person or entity has engaged in or permitted; and (d) will not in the future engage in or permit any operations or activities upon, or any use or occupancy of the Premises, or any portion thereof, for the purpose of or in any way involving the handling, manufacturing, treatment, storage, use, transportation, spillage, leakage, dumping, discharge or disposal (whether legal or illegal, accidental or intentional) of any hazardous substances, materials or wastes, or any wastes regulated under any local, state or federal law.

8. ASSIGNMENT OF LEASE AND RENTS. Borrower will by a separate Assignment of Leases and Rents (hereinafter referred to as the "Assignment of Leases") assign its interest in the rents and payments due under the Lease to Lender as security for repayment of the Loan. If in the future there is a default by the Borrower in the performance and observance of the terms of the Deed, the Lender may, at its option under the Assignment of Leases, require that all rents and other payments due under the Lease be paid directly to it. Upon notification to that effect by the Lender, the Borrower hereby authorizes and directs Tenant, and the Tenant agrees, to pay any payments due under the terms of the Lease to Lender. The Assignment of Leases does not diminish any obligations of the Borrower under the Lease or impose any such obligations on the Lender.

BK1751 P0816

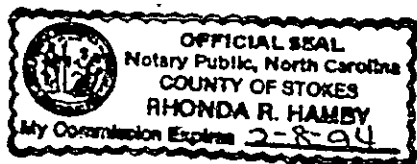
9. SUCCESSORS AND ASSIGNS. This Agreement and each and every covenant, agreement and other provision hereof shall be binding upon the parties hereto and their heirs, administrators, representatives, successors and assigns, including without limitation each and every holder of the Lease or any other person having an interest therein and shall inure to the benefit of the Lender and its successors and assigns.

10. CHOICE OF LAW. This Agreement is made and executed under and in all respects is to be governed by and construed in accordance with the laws of the State where the Premises are situate.

11. CAPTIONS AND HEADINGS. The captions and headings of the various sections of this Agreement are for convenience only and are not to be construed as confining or limiting in any way the scope or intent of the provisions hereof. Whenever the context requires or permits, the singular shall include the plural, the plural shall include the singular and the masculine, feminine and neuter shall be freely interchangeable.

12. NOTICES. Any notice which any party hereto may desire or may be required to give to any other party shall be in writing and the mailing thereof by certified mail, or equivalent, to the addresses set forth above, or to such other places any party hereto may by notice in writing designate shall constitute service of notice hereunder.

IN WITNESS WHEREOF, the parties hereto have each caused this Agreement to be executed under seal as of the date first above written.



Rhonda R Hamby
July 20, 1992

TENANT:

J. + B. Parni
a

By: James T. Hendrix [SEAL]
Printed Name: JAMES T. HENDRIX
Its: Owner
Printed Title: OWNER

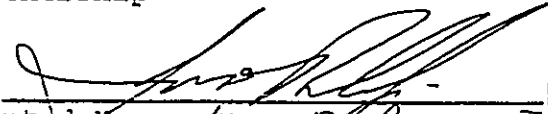
[CORPORATE SEAL]

[SIGNATURES CONTINUED ON NEXT PAGE]

BK1751 P0817

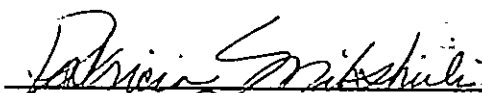
BORROWER:


SHATTALON DRIVE ASSOCIATES LIMITED
PARTNERSHIP, a North Carolina limited
partnership

By:  [SEAL]
Printed Name: Ivon D. Rohrer Jr.
Printed Title: MANAGING GENERAL PARTNER

LENDER:

IDS LIFE INSURANCE COMPANY, a
Minnesota corporation

By: 
Printed Name: Patricia Mitschulis
Title: Vice-President

JB
By: 
Printed Name: Doris A. Anfinson
Title: Assistant Secretary

[CORPORATE SEAL]

BK1751 P0818

ACKNOWLEDGMENT

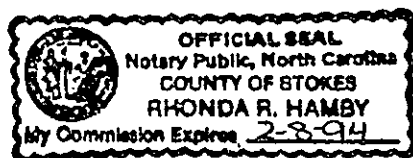
(The following acknowledgment is to be used if Tenant is an individual.)

STATE OF North Carolina

COUNTY OF Stokes

I, Rhonda R Hamby, a Notary Public for said County and State do hereby certify that James L Hineback, owner of J & B Racing personally appeared before me this 20th day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and seal this 20th day of July, 1992.



Rhonda R Hamby
Notary Public
Printed Name: Rhonda R Hamby
State of North Carolina

[NOTARIAL SEAL]

My Commission Expires: 2/8/94

BK1751 P0819

ACKNOWLEDGMENT

STATE OF NORTH CAROLINA

COUNTY OF WICKLENBURG

I, JOYCE MANN, a Notary Public for said County and State do hereby certify that IVON D. ROHRE, JR., managing general partner of Shattalon Drive Associates Limited Partnership, a North Carolina limited partnership, personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of said partnership.

WITNESS my hand and seal this 10th day of July, 1992.

Joyce Mann
Notary Public
Printed Name: JOYCE MANN
State of NORTH CAROLINA

[NOTARIAL SEAL]

My Commission Expires: SEPT. 20, 1994

RK1751 P0820

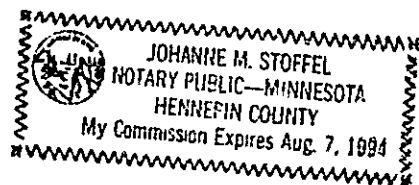
ACKNOWLEDGMENT

STATE OF MINNESOTA

COUNTY OF HENNEPIN

I, Johanne M. Stoffel, a Notary Public for said County and State do hereby certify that Patricia Mitschulis and Doris A. Anfinson, the _____ Vice President and Assistant Secretary, respectively, of IDS Life Insurance Company, a Minnesota corporation, personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of said corporation.

WITNESS my hand and seal this 22nd day of July, 1992.



Johanne M. Stoffel
Notary Public
Printed Name: Johanne M. Stoffel
State of Minnesota

[NOTARIAL SEAL]

My Commission Expires: August 7, 1994

2660T/Ack.

STATE OF NORTH CAROLINA—Forsyth County

The foregoing (or annexed) certificate S of Rhonda R. Hamby N.P. Stokes Co. NC.
(here give name and official title of the office signing the certificate, passed upon)
Joyce Mann N.P. Mecklenburg Co. NC and Johanne M. Stoffel
N.P. Hennepin Co. Minn
(are) certified to be correct. This the 28 day of July, 1992.

L. E. Speas, Register of Deeds

By Jessie Holden Deputy-~~Assistant~~

Probate and Filing Fee \$_____ paid.

✓

EXHIBIT "A"

Legal Description

Lying and being in the City of Winston-Salem, County of Forsyth, State of North Carolina, and being more particularly described as follows:

BEGINNING at an iron pin, said iron pin marking the intersection of the northern margin of the right-of-way of Shattalon Drive and the western margin of the right-of-way of Murray Road; thence running from said Beginning point with the northern margin of the aforementioned right-of-way of Shattalon Drive North 85-34-47 West 584.23 feet to an iron pin; thence leaving the aforementioned right-of-way of Shattalon Drive, running with the eastern margin of the following four (4) properties: (1) the Ethel C. Sell property (now or formerly) as described in Deed recorded in Book 1493 at Page 1336; (2) the Byron K. Hicks property (now or formerly) as described in Deed recorded in Deed Book 1435 at Page 568; (3) the Jarvis F. Flippin property (now or formerly) as described in Deed recorded in Deed Book 1197 at Page 1728; and (4) the Curtis R. Cox property (now or formerly) as described in Deed recorded in Deed Book 881 at Page 223, all of the Forsyth County Public Registry, the following two (2) courses and distances: (1) North 05-39-58 East 191.06 feet to an iron pin; and (2) North 05-13-36 East 240.97 feet to an iron pin in the southern margin of the Fred A. Hutchens property (now or formerly) as described in Deed recorded in Deed Book 501 at Page 313 of the Forsyth County Public Registry; thence running with the southern margin of the aforementioned Hutchens property South 85-54-27 East 591.13 feet to an iron pin in the western margin of the aforementioned right-of-way of Murray Road; thence running with the western margin of the aforementioned right-of-way of Murray Road South 06-19-12 West 435.58 feet to the point and place of Beginning and being approximately 5.846 acres as shown survey entitled As-Built Survey for Shattalon Station Shopping Center by A. C. Quate, R.L.S., of Millcreek Company, dated May 7, 1992, last revised June 26, 1992.