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PRESENTED FOR
REGISTRATION
AND RECORDED

BK 1779 P 3872

This instrument was prepared by Kim Kelly Mann, Esq.,
whose address is Womble Carlyle Sandridge & Rice,
P.O. Drawer 84, Winston-Salem, NC 27102

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NORTH CAROLINA, FORSYTH COUNTY

L.F. SPEAS
REGISTER OF DEEDS
FORSYTH COUNTY

ASSIGNMENT OF LEASES, RENTS AND PROFITS

KNOW ALL MEN BY THESE PRESENTS THAT TOWERGATE ASSOCIATES, a North Carolina general partnership ("Assignor"), in consideration of One Dollar paid by WACHOVIA BANK OF NORTH CAROLINA, N.A. (hereinafter called the "Assignee"), hereby conveys, transfers and assigns unto the Assignee, its successors and assigns, all the rights, interest and privileges, which the Assignor as Lessor has and may have in the leases now existing or hereafter made and affecting the real property described below or any part thereof, as said leases may have been or may from time to time be hereafter, modified, extended and renewed, with all rents, income and profits due and becoming due therefrom. The Assignor will, on request of the Assignee, execute additional assignments of any future leases affecting any part of the premises.

This Assignment is made as additional security for the payment of a certain note (the "Note") and deed of trust (the "Deed of Trust"), and all extensions or modifications thereof, made by the Assignor to the Assignee in the sum of FOUR MILLION SEVEN HUNDRED THOUSAND AND NO/100 DOLLARS (\$4,700,000.00) with interest, dated of even date herewith, covering real property situated in the County of Forsyth and State of North Carolina and described as follows:

SEE EXHIBIT "A" ATTACHED HERETO AND
INCORPORATED HEREIN BY REFERENCE,

and more particularly described in the Deed of Trust (the "Property"), and the acceptance of this Assignment and the collection of rents or the payments under the leases hereby assigned shall not constitute a waiver of any rights of the Assignee under the terms of the Note and the Deed of Trust. It is expressly understood and agreed by the parties hereto that before any default occurs under the terms of the Note and the Deed of Trust, Assignor shall have the right to collect the rents, income and profits from the aforementioned leases and to retain, use and enjoy the same, provided, however, that even before any such default occurs no rent more than one month in advance shall be collected or accepted without the prior written consent of the Assignee. Anything to the contrary notwithstanding, Assignor hereby assigns to Assignee any award made hereafter to it in any court procedure involving any of the lessees 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. Assignor hereby

appoints Assignee as its irrevocable attorney in fact to appear in any action and/or to collect any such award or payment.

Assignor hereby assigns to the Assignee all security deposits received by Assignor or any agent in respect of any leases. Prior to default hereunder or under the Note or Deed of Trust and demand by the Assignee for delivery of such security deposits to it or its designee, Assignor shall maintain the security deposits in a separate, identifiable account in a bank acceptable to Assignee. After default and upon demand by the Assignee, Assignor shall deliver such deposits to Assignee or its designee. Upon delivery of such security deposits to Assignee, the Assignee shall hold such deposits pursuant to the terms of the leases in respect of which such deposits were obtained by Assignor. Provided, however, in no event shall Assignee be liable under any lease of any part of the Property for the return of any security deposit in any amount in excess of the amount delivered to the Assignee by Assignor. Any security deposits delivered to and held by Assignee shall not bear interest.

The Assignor, in the event of default in the performance of any of the terms and conditions of the Note and Deed of Trust, hereby authorizes the Assignee, at its option, to enter and take possession of the premises and to manage and operate the same, to collect all or any rents accruing therefrom and from the leases, to let or re-let the premises or any part thereof, to cancel and modify leases, evict tenants, bring or defend any suits in connection with the possession of the 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 the 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 the Deed of Trust shall not cure such default nor affect such proceedings or any sale pursuant thereto.

Assignee shall not be obligated to perform or discharge any obligation or duty to be performed or discharged by Assignor under any of the 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 the leases or from this Assignment, and this Assignment shall not place responsibility for the control, care, management or repair of the premises upon the Assignee, or make the Assignee responsible or liable for any negligence in the management, operation, upkeep, repair or control of the premises resulting in loss or injury or death to any tenant, licensee, employee or stranger.

The Assignor covenants and represents that Assignor has full right and title to assign the leases and the rents, income and profits due or to become due thereunder, that the terms of the leases have not been changed from the terms in the copies of the leases submitted to the Assignee for approval, that no other assignment of any interest therein has been made, that there are no existing defaults under the provisions thereof, and that the Assignor will not hereafter cancel, surrender or terminate any of the leases, exercise any option which might lead to such termination or change, 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 to any tenant under any of the leases.

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

Default by the Assignor under any of the terms of the leases assigned herein shall be deemed a default under the terms of the Note and Deed of Trust. Any expenditures made by the Assignee in curing such a default on the Assignor's behalf (including, without limitation, reasonable attorneys' fees), with interest thereon at the rate specified in the Note, shall become part of the debt secured by this Assignment.

The full performance of the Deed of Trust and the cancellation as by law provided of the Deed of Trust or the duly recorded release or reconveyance of the Property shall render this Assignment void.

The net proceeds collected by the Assignee under the terms of this Assignment shall be applied in reduction of the entire indebtedness from time to time outstanding and secured by the Deed of Trust.

This Assignment is intended to be an absolute, present assignment from Assignor to Assignee and not merely the passing of a security interest. The rents, issues and profits are hereby assigned absolutely by Assignor to Assignee contingent only upon the occurrence of a default under the Note or Deed of Trust or hereunder.

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 Property and any assignee of the Deed of Trust referred to herein.

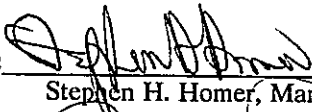
THIS ASSIGNMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NORTH CAROLINA.

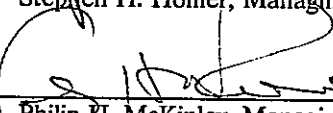
[Signatures on Following Page]

BK1779 P3875

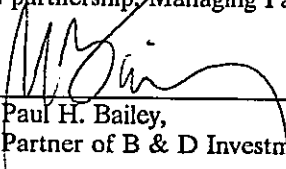
IN WITNESS WHEREOF, the said Assignor has signed and sealed this instrument as of the 29th day of April, 1993.

TOWERGATE ASSOCIATES,
a North Carolina general partnership (SEAL)

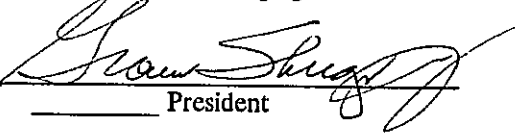
By:  (SEAL)
Stephen H. Homer, Managing Partner

By:  (SEAL)
Philip H. McKinley, Managing Partner

By: B & D Investments, a North Carolina
general partnership, Managing Partner (SEAL)

By:  (SEAL)
Paul H. Bailey,
Partner of B & D Investments

By: Shugart Enterprises, Incorporated, a North
Carolina corporation, Managing Partner

By: 
President



STATE OF NORTH CAROLINA)

COUNTY OF Forsyth)

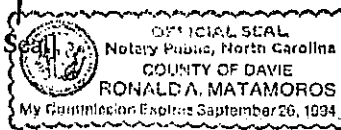
I, Ronald A. Matamoros, a Notary Public, do hereby certify that Stephen H. Homer, a Managing Partner of Towergate Associates, a North Carolina general partnership, personally appeared before me this day and acknowledged the due execution of the foregoing instrument as his act and deed and as the act and deed of the Partnership.

Witness my hand and official seal, this the 29th day of April, 1993.

My commission expires:

Ronald A. Matamoros
Notary Public

[Official Seal]



STATE OF NORTH CAROLINA)

COUNTY OF Forsyth)

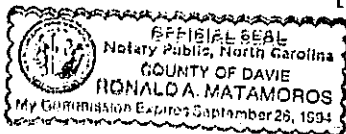
I, Ronald A. Matamoros, a Notary Public, do hereby certify that Philip H. McKinley, a Managing Partner of Towergate Associates, a North Carolina general partnership, personally appeared before me this day and acknowledged the due execution of the foregoing instrument as his act and deed and as the act and deed of the Partnership.

Witness my hand and official seal, this the 29th day of April, 1993.

My commission expires:

Ronald A. Matamoros
Notary Public

[Official Seal]



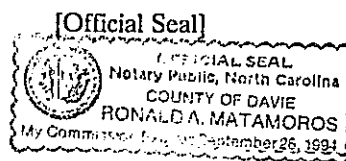
STATE OF North Carolina)
 COUNTY OF Forsyth)

I, Ronald A. Matamoros, a Notary Public, do hereby certify that Paul H. Bailey, a Partner of B & D Investments, a North Carolina general partnership, ("B & D Investments"), personally appeared before me this day and acknowledged the due execution of the foregoing instrument as his act and deed and as the act and deed of B & D Investments, and as the act and deed of Towergate Associates, a North Carolina general partnership, in which B & D Investments is a Managing Partner.

WITNESS my hand and official seal, this the 29th day of April, 1993.

My commission expires:

R A M
 Notary Public



STATE OF North Caroli)
 COUNTY OF Forsyth)

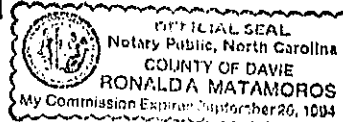
I, Ronald A. Matamoros, a Notary Public, do hereby certify that Key W. Shugart personally came before me this day and acknowledged that he/she is Secretary of Shugart Enterprises, Incorporated, a North Carolina corporation, and that, by authority duly given and as the act of the corporation acting as a Managing Partner of Towergate Associates, a North Carolina general partnership, the foregoing instrument was signed in its name by its President, sealed with its corporate seal, and attested by himself/herself as its Secretary.

Witness my hand and official seal, this the 29th day of April, 1993.

My commission expires:

R A M
 Notary Public

[Official Seal]



STATE OF NORTH CAROLINA—Forsyth County

The foregoing (or annexed) certificate S of Ronald A. Matamoros N.P.
 (here give name and official title of the officer signing the certificate — passed upon)
Davie Co NC

it (are) certified to be correct. This the 5 day of May, 1993.

L. E. Speas, Register of Deeds

By Jessie Hadden Deputy-Attestant

Probate and Filing Fee \$ _____ paid.

EXHIBIT A

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

BEGINNING at an iron pin, said iron pin being located at the northeasterly corner of the property now or formerly owned by Thurmond S. Robertson and Nancy Robertson as recorded in Book 1594, Page 1293, Forsyth County Registry of Deeds; and running thence from said point of BEGINNING South 86° 34' 52" East 969.59 feet to an iron pin located in the westerly right-of-way of Bethabara Road; running thence with said right-of-way along a curve to the left South 41° 45' 23" East a chord distance of 249.49 feet to a point; running thence along a curve to the left South 48° 42' 28" East a chord distance of 22.52 feet to a point; running thence along a curve to the left South 50° 41' 12" East a chord distance of 55.01 feet to an iron pin; running thence South 52° 19' 24" East 297.45 feet to an iron pin; running thence South 55° 35' 00" West 112.15 feet to an iron pin; running thence South 57° 10' 15" West 85.86 feet to a control corner; running thence North 87° 40' 56" West 922.40 feet to a stone; running thence North 84° 04' 19" West 389.14 feet to a control corner; running thence North 05° 16' 14" East 509.90 feet to an iron pin, the point and place of BEGINNING. Being the same property designated as "Towergate" as shown on a survey prepared by Guppton-Foster Associates, P.A., dated April 23, 1993.