

Pls return to GLAZE BOX

Prepared by: Branch Banking and Trust Company BK 1865 1538 (2)



STATE OF NORTH CAROLINA
COUNTY OF FORSYTH

46

ASSIGNMENT OF RENTS AND LEASES

THIS ASSIGNMENT, made this 24th day of July, 1995, by and between P&O Properties, LLC party of the first part (hereinafter collectively referred to as the "Assignor") to BRANCH BANKING & TRUST COMPANY, party of the second part (hereinafter referred to as the "Assignee").

WITNESSETH:

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 agree, 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 loans to Assignor in the total maximum principal amount of Two Hundred Thousand and no/100 Dollars (\$200,000.00) loan to Assignor (the "Loan Documents") in the payment of the indebtedness secured by the Deeds of Trust herein mentioned or any Event of Default in the payment of any other sums secured by any of said Deeds of Trust, or Event of Default in meeting the terms and conditions appearing in any of said Deeds of Trust, or after the filing of a voluntary petition by assignor in receivership or 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 or assigns, of any installment of rent more than two 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 those certain Notes and Deeds of Trust, or any extensions or renewals thereof, dated of even date hereof, made, executed and delivered by Assignor to Assignee, covering the above described property and other property both within and without the State of North Carolina, for the sum of Two Hundred Thousand and no/100 Dollars (\$200,000.00) 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, canceled and released, and the releasing of the last to be released of said Deeds 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 Notes and Deeds 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 Deeds of Trust.

In the event of default in performance of any of the terms and conditions of said Notes and Deeds 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 re-let said premises or any part thereof, to cancel and modify leases, eject tenants, bring or defend any suits in connection with possession 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 said lease, 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. Violations of any of the covenants, representations and provisions contained herein by the Assignor shall be deemed a default under the terms of said Notes and Deeds 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 herein above mentioned, in strict accordance with the terms and provisions of the Notes and Deeds of Trust for which this Assignment is given as additional security.

BK1865 P1540

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.

P&O Properties, LLC

BY: [Signature]

BY: [Signature] For & For LARS DW Phillips

By: [Signature] Joseph K. Oppermann

By: [Signature] Langdon Edmunds

STATE OF NORTH CAROLINA

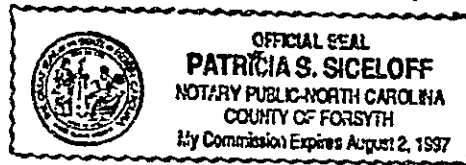
COUNTY OF FORSYTH

I, Patricia S. Siceloff, a Notary Public of Forsyth County, State of North Carolina, certify that Charles A. Phillips, Joseph K. Oppermann, and Langdon Edmunds personally appeared before me this day and acknowledged the execution of the foregoing instrument.

WITNESS my hand and official stamp or seal, this 24th day of July, 1995.

[Signature]
Notary Public

My Commission Expires: August 2, 1997



RK1865 P1541

STATE OF NORTH CAROLINA -- COUNTY OF FORSYTH

I, Patricia S. Siceloff, a Notary Public of said State and County, do hereby certify that Charles A. Phillips, Attorney in Fact for Laura A. W. Phillips, personally appeared before me this day and, being by me duly sworn, says that he executed the foregoing and annexed instrument for and in behalf of Laura A. W. Phillips, and that his authority to execute and acknowledge said instrument is contained in an instrument duly executed, acknowledged, and recorded in the Office of the Register of Deeds of Forsyth County, North Carolina, on July 24, 1995, in Book 1865, Page 1524, and that this instrument was executed under and by virtue of the authority given by said instrument granting him power of attorney; that the said Charles A. Phillips acknowledged the due execution of the foregoing and annexed instrument for the purposes therein expressed for and in behalf of the said Laura A. W. Phillips.

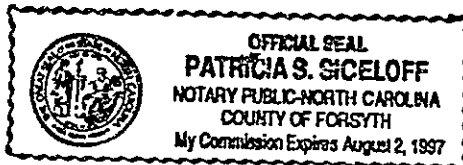
I do further certify that I am not a party to the attached instrument.

WITNESS my hand and notarial seal or stamp, this the 24th day of July, 1995.

Patricia S. Siceloff
Notary Public

My Commission Expires:

August 2, 1997



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PRESENTED FOR
REGISTRATION
AND RECORDED

STATE OF NORTH CAROLINA--Forsyth County

The foregoing (or annexed) certificate of Patricia S. Siceloff NP
(here give name and official title of the officer signing the certificate passed upon)

John Holleman
Register of Deeds
Forsyth County, NC
is (are) certified to be correct. This the 25th day of July, 1995.

John Holleman

Register of Deeds

By Hilda Groom Deputy Assistant

Probate and Filing Fee \$ 16.00 paid.

Reedman

EXHIBIT A

BEGINNING at the Southwest Corner of that Building known as 537 North Trade Street, said Building Corner being the Southwest Corner of that property conveyed to Winston-Salem Trade Center Associates by Deeds recorded in Book 1662, Page 3730 and Book 1662, Page 3734, Forsyth County Registry and also being the Northwest corner of that property conveyed to Wolf Pond Development Corporation in Book 1836, Page 2709, Forsyth County Registry; running thence North $00^{\circ} 45' 00''$ West 59.96 feet to a Building Corner; thence North $88^{\circ} 48' 33''$ East 90.10 feet to a Building Corner; thence North $75^{\circ} 43' 55''$ East 12.87 feet to a Set PK Nail; thence North $88^{\circ} 26' 02''$ East 41.99 feet to a Set PK Nail; thence South $00^{\circ} 47' 05''$ East 18.11 feet to a point; thence South $00^{\circ} 47' 05''$ East 13.00 feet to a Set PK Nail; thence North $89^{\circ} 12' 55''$ East 5.00 feet to a Set PK Nail; thence South $00^{\circ} 47' 05''$ East 13.00 feet to a point; thence South $00^{\circ} 47' 05''$ East 18.50 feet to a point; thence South $88^{\circ} 26' 02''$ West 36.86 feet to a Building Corner; thence South $87^{\circ} 56' 10''$ West 22.65 feet to a Building Corner; thence South $81^{\circ} 51' 45''$ West 90.13 feet to a Building Corner, the POINT AND PLACE OF BEGINNING.

The above description was taken from a survey prepared for Charles A. Phillips and wife, Laura A. W. Phillips & Joseph K. Opperman and wife, Langdon Edmunds Opperman by Thomas A. Riccio, R.L.S., dated April 20, 1995.