

NORTH CAROLINA
FORSYTH COUNTY

SUBORDINATION, ATTORNMENT AND
NON-DISTURBANCE AGREEMENT

THIS AGREEMENT is entered into this 19th day of January, 19 77,

by and between R & M Sporting Goods, Inc., a(n)

North Carolina corporation, hereinafter called "Tenant", and CONNECTICUT GENERAL LIFE INSURANCE COMPANY, a Connecticut corporation, hereinafter called "Company".

RECITALS

A. Tenant is the lessee under a lease for space in Hanes Mall Shopping Center, Winston-Salem, North Carolina, which lease is dated January 19, 197 7, and, together with any supplements or amendments thereto, is hereinafter referred to as the "Lease".

B. Winston-Salem Joint Venture, a partnership (hereinafter called "Borrower"), landlord under the Lease, has requested Company to make to Borrower a mortgage loan to be secured by a deed of trust from Borrower to Company (the "Mortgage"), conveying the property wherein the premises demised by the Lease are located.

C. Company has agreed to make the requested mortgage loan on Borrower's undertaking to procure this Agreement by Tenant.

AGREEMENT:

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, and in order to induce Company to make the requested mortgage loan, Tenant and Company hereby agree and covenant as follows:

1. The Lease and the estate conveyed thereby are and shall at all times continue to be subject and subordinate in all respects to the Mortgage and to all renewals, modifications and extensions thereof, subject to the terms and conditions hereinafter set forth in this Agreement.

2. So long as Tenant is not in default (beyond any period given Tenant to cure such default) in the payment of Fixed Minimum Rent, Percentage Rent or Additional Rent or in the performance of any of the other terms, covenants or conditions of the Lease on Tenant's part to be performed, Tenant's possession under the Lease and Tenant's rights and privileges thereunder, or under any extensions or renewals thereof which may be exercised in accordance with any option contained in the Lease, shall not be diminished or interfered with by Company and Tenant's occupancy shall not be disturbed by Company during the term of the Lease or any such extensions or renewals thereof.

3. If the interest of Borrower in the demised premises shall be acquired by Tenant, such acquisition, for purposes of this agreement, shall not result in the merger of the lesser leasehold estate into the greater estate, but as between Company and Tenant the obligation of Tenant to pay rentals and to otherwise fulfill its leasehold obligations shall abate only for such time as there shall exist no default in the full performance by the obligor of all obligations under Company's loan, but upon the happening of any such event of default, Tenant, upon the demand of Company that it do so, shall thenceforth and immediately commence payment of all rentals stipulated by the Lease, notwithstanding its legal termination by merger, and Tenant shall otherwise fulfill all its obligations under said Lease until all loan defaults are cured or the debt to Company is paid in full.

4. If the interest of Borrower shall be acquired by Company by reason of foreclosure of the Mortgage or other proceedings brought to enforce the rights of the holder of the Mortgage, or by deed in lieu of foreclosure or by any other method, and Company succeeds to the interests of Borrower under the Lease, the Lease and the rights of Tenant thereunder shall continue in full force and effect and shall not be terminated or disturbed except in accordance with the terms of the Lease and Tenant shall be bound to Company 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 exercised in accordance with any option contained in the Lease, with the same force and effect as if Company were the lessor under the Lease, and Tenant does hereby attorn to Company as its lessor, said attornment to be effective and self-operative without the execution of any

other instruments on the part of either party hereto immediately upon Company's succeeding to the interest of Borrower under the Lease, provided, however, that Tenant shall be under no obligation to pay rent to Company until Tenant receives written notice from Company that it has succeeded to the interests of Borrower under the Lease. The respective rights and obligations of Tenant and Company upon such attornment, to the extent of the then remaining balance of the term of the Lease and any extensions or renewals, shall be and are the same as now set forth in the Lease, it being the intention of the parties hereto for this purpose to incorporate the Lease into this Agreement by reference with the same force and effect as if set forth at length herein.

5. If Company shall succeed to the interests of Borrower under the Lease, Company shall be bound to Tenant under all of the terms, covenants and conditions of the Lease, and Tenant shall from and after Company's succession to the interests of Borrower under the Lease, have the same remedies against Company for the breach of any agreement contained in the Lease that Tenant might have had under the Lease against Borrower if Company had not succeeded to the interests of Borrower; provided further, however, that Company shall not be:

- (a) liable for any act or omission of any prior landlord (including Borrower); or
- (b) subject to any offsets or defenses which Tenant might have against any prior landlord (including Borrower); or
- (c) bound by any Fixed Minimum Rent or Additional Rent which Tenant might have paid for more than the then current month to any prior landlord (including Borrower); or
- (d) bound to any agreement or modification of the Lease made without Company's consent.

6. This Agreement may not be modified orally or in any other manner other than by an agreement in writing signed by the parties hereto or their respective successors in interest. Tenant further agrees to send to Company at the following address copies of all notices given to Landlord pursuant to the terms of the aforesaid Lease at the same time such notice is given to Landlord: Connecticut General Life Insurance Company, Mortgage and Real Estate Department, Hartford, Connecticut 06152.

This Agreement shall inure to the benefit of and be binding upon the parties hereto, their respective successors and assigns, it being expressly understood that all references herein to Company and to Tenant shall be deemed to include not only Company and Tenant, respectively, but also to their successors and assigns.

C. Ross Rivers, Jr. and Barbara D. Rivers*, Guarantor of Tenant on the Lease joins in the execution of this Agreement for itself, its successors and assigns, to evidence its consent hereto and Guarantor agrees to be bound by all the terms hereof which may or might affect the rights and obligations of Tenant and/or Guarantor under the Lease and the Guarantee.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

*and James C. McCuiston and Glenda H. McCuiston
CONNECTICUT GENERAL LIFE INSURANCE
COMPANY

Attest:

By Robert E. Raymond
Robert E. Raymond, Second Vice President

Wm. C. Tobin
Wm. C. Tobin, Assistant Secretary

In the Presence of:

James C. McCuiston
Secretary

TENANT: R & M SPORTING GOODS, INC.

By C. Ross Rivers
President

And _____

C. Ross Rivers, Jr. & Barbara D.
GUARANTOR: Rivers (Husband and Wife) and
James C. and Glenda H.
McCuiston (Husband and Wife)

By James C. McCuiston

And Glenda H. McCuiston
Glenda H. McCuiston

C. Ross Rivers, Jr.
C. Ross Rivers, Jr.
Barbara D. Rivers
Barbara D. Rivers

STATE OF CONNECTICUT
COUNTY OF HARTFORD

This 10th day of February, 197 7, personally came before me Robert E. Raymond who, being by me duly sworn, says that he is the Second Vice President of Connecticut General Life Insurance Company and that the seal affixed to the foregoing instrument in writing is the corporate seal of the Company, and that said writing was signed and sealed by him, in behalf of said Company, by its authority duly given. And the said ~~XXXXXX~~ acknowledged the said writing to be the act and deed of said corporation.
Robert E. Raymond

Jeannette M. Souza
Jeannette M. Souza, NOTARY PUBLIC

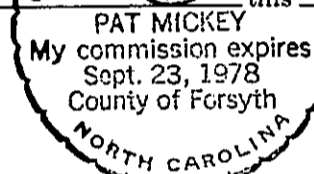
My Commission Expires:

3/31/80

STATE OF NORTH CAROLINA
COUNTY OF FORSYTH } ss:

BEFORE ME, a Notary Public in and for said County and State, personally appeared C. Ross Rivers and James C. McCulston known to me to be the President and Secretary respectively of R & M SPORTING GOODS, INC., the Corporation which executed the foregoing instrument, who acknowledged that they did sign and seal the foregoing instrument for and on behalf of said Corporation, being thereunto duly authorized by its Board of Directors; that the same is their free act and deed as such officers and the free act and deed of said Corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal at Winston-Salem, N. C. this 14th day of January, 197 7.



Pat Mickey
NOTARY PUBLIC

STATE OF _____
COUNTY OF _____ } ss:

BEFORE ME, a Notary Public in and for said County and State, personally appeared _____ and _____ respectively of _____, the Corporation which executed the foregoing instrument, who acknowledged that they did sign and seal the foregoing instrument for and on behalf of said Corporation, being thereunto duly authorized by its Board of Directors, that the same is their free act and deed as such officers and the free act and deed of said Corporation.

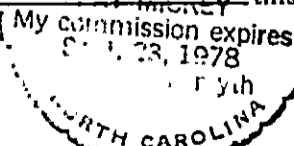
IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal at _____ this _____ day of _____, 197 7.

NOTARY PUBLIC

STATE OF NORTH CAROLINA
COUNTY OF FORSYTH } ss:

BEFORE ME, a Notary Public in and for said County and State, personally appeared C. ROSS RIVERS, JR., BARBARA C. RIVERS, JAMES C. McCULSTON and _____ who acknowledged that they did sign the foregoing instrument and that the same is their free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal at Winston-Salem, N. C. this 14th day of January, 197 7.



Pat Mickey
NOTARY PUBLIC

STATE OF NORTH CAROLINA—Forsyth County

The foregoing (or annexed) certificate of Joannette M. Souza N. P. State of Conn.
A. Pat Mickey N. P. Forsyth Co, N.C.
(here give name and official title of the officer signing the certificate—placed upon)

is (are) certified to be correct. This the 22 day of March 19 77.

Probate fee 50¢ paid

\$5.00 pd

PRESENTED FOR
REGISTRATION
AND RECORDED

Eunice Ayers, Register of Deeds

By Jessie Holden Deputy-Assistant

MAR 22 3 12 PM '77

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

JB. \$5.00 pch.

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