

(North Carolina)

Harrington Box

FORSYTH COUNTY

29

DRAWN OUTSIDE
OF STATE

ASSIGNMENT OF LESSOR'S INTEREST IN LEASES
AND
GUARANTEES

THIS ASSIGNMENT, made as of the 9th day of April, 1987, by B & BB LIMITED PARTNERSHIP, 6158 Greenbelt Road, Greenbelt, Maryland, 20770, a limited partnership duly organized and existing under the laws of the State of Maryland (hereinafter sometimes called the "Assignor") and THE BANK OF BALTIMORE, a body corporate duly organized and existing under the laws of the State of Maryland, Baltimore and Charles Streets, Baltimore, Maryland 21202 (hereinafter sometimes called the "Assignee"),

WITNESSETH:

FOR VALUE RECEIVED, the Assignor hereby grants, transfers, and assigns to the Assignee, its successors and assigns all of the right, title and interest of the Assignor in and to those certain two (2) Leaseback Lease Agreements dated as of March 1, 1985, between LZ Co. ("LZ"), as Landlord, and Circle K General, Inc., as Tenant ("lessee"), which were duly assigned by LZ, as Landlord, to Assignor on or about August 1, 1986 (collectively, the "Lease", which term as used herein refers to each and every such Leaseback Lease Agreement), and Assignor succeeded to all of the right, title, and interest of LZ in and to the Lease, which Lease demises and rents to Tenant two (2) Circle K store locations in the State of North Carolina (hereinafter collectively called the "Premises") all as more particularly described and set forth on Schedule A, attached hereto and made a part hereof,

TOGETHER with any modifications, amendments, renewals and extensions thereof and any guarantees of the lessee's obligations under any thereof, specifically including but not limited to that certain Guaranty Agreement dated as of March 1, 1985, by The Circle K Corporation, for the benefit of Assignor as successor in interest to LZ which Guaranty Agreement absolutely and unconditionally guarantees to Assignor the payment of all Base Rent and Contingent Rent under the Lease (which Lease, together with any such guarantees, modifications, amendments, renewals and extensions, being hereinafter severally referred to as the "Lease"),

FOR THE PURPOSE OF SECURING:

ONE: Payment of the indebtedness evidenced by (i) an Amended and Restated Promissory Note and (ii) a Promissory Note, both of even date herewith, (hereinafter collectively called the "Note") (which term shall include any modifications, amendments, replacements, substitutions, extensions or renewals thereof) in the aggregate principal sum of Nineteen million seven hundred thousand Dollars (\$19,700,000.00) executed by Assignor, payable to the order of the Assignee and secured by this Assignment and deeds of trust, deeds to secure debt, and mortgages (hereinafter collectively called the "Deeds of Trust") of the same date covering the Premises.

TWO: Payment of all other sums with interest thereon becoming due and payable to the Assignee under the provisions hereof or under the provisions of said Note and Deeds of Trust.

THREE: Performance and fulfillment of each and every term, covenant and condition herein and in said Note and Deeds of Trust contained.

A. THE ASSIGNOR COVENANTS AND AGREES WITH RESPECT TO THE LEASE:

1. To faithfully abide by, perform and fulfill each and every material term, covenant and condition of the Lease by lessor to be performed or fulfilled; at the sole cost and expense of Assignor, to enforce or secure the performance of each and every material term, covenant and condition of the Lease by the lessee to be performed or fulfilled; not to modify, extend or in any way alter any term, covenant or condition of the Lease; not to consent to an assignment of the lessee's interest in the Lease, except to the extent that Assignor is obligated to do so under the Lease; not to anticipate the rents thereunder or to waive, excuse, condone or in any manner release or discharge the lessee thereunder of or from the material terms, covenants or conditions by said lessee to be performed or fulfilled, including the obligation to pay the rental called for thereunder in the manner and at the place and time specified therein, and Assignor does by these presents expressly release, relinquish and surrender unto Assignee all Assignor's right, power and authority to amend, modify, or in any way alter the terms or provisions of the Lease, and any attempt on the part of Assignor to exercise any such right without the written authority and consent of the Assignee thereto being first had and obtained shall constitute a breach of the terms hereof entitling the Assignee to declare all sums secured hereby immediately due and payable.

2. That Assignor shall not distrain, repossess the Premises, declare the Lease terminated nor exercise any other right available to it upon breach by the lessee, without the prior written authority and consent of the Assignee.

3. At Assignor's sole cost and expense to appear in and defend any action or proceeding arising under, growing out of or in any manner connected with the Lease or the obligations, duties or liabilities of lessor, lessee and any guarantor under the Lease or under any guaranty and to pay all costs and expenses of the Assignee, including attorney's fees in a reasonable sum in any action or proceeding in which the Assignee may appear.

4. That should the Assignor fail to make any payment or to do any act as herein provided, then the Assignee, but without obligation so to do and without notice to or demand on Assignor, and without releasing Assignor from any obligation hereof, may make or do the same in such manner and to such extent as the Assignee may deem necessary to protect the security hereof, including specifically, without limiting its general powers, the right to appear in and defend any action or proceeding purporting to affect the security hereof or the rights, privileges or powers of the Assignee, and also the right to perform and discharge each and every term, covenant and condition of Assignor in the Lease contained; and in exercising any such powers to pay necessary costs and expenses, employ counsel and incur and pay reasonable attorney's fees.

5. To pay immediately upon demand all sums expended by the Assignee under the authority hereof, together with interest thereon at the rate of one percent (1%) per annum above the rate from time to time, as set forth in the Note.

6. Not to cause or permit the leasehold estate under the Lease to merge with Assignor's reversionary interest, without the prior written authority and consent of the Assignee.

B. IT IS MUTUALLY AGREED THAT:

1. So long as there shall exist no "Event of Default", as defined in the Deeds of Trust, Assignor shall have the right to collect upon, but not prior to accrual, all rents, issues and profits from the Premises, where such rents, issues and profits shall include "Base Rent" and "Contingent Base Rent" as such terms are defined in the Lease.

2. Upon or at any time after the occurrence of an Event of Default, the Assignee (which term shall include the representatives and agents of the Assignee) may declare all sums secured hereby immediately due and payable, and may, at its option, without notice, and without regard to the adequacy of security for the indebtedness hereby secured, either in person or by agent with or without bringing any action or proceeding, or by a receiver to be appointed by a court, enter upon, take possession of, manage and operate the Premises or any part thereof; make, cancel, enforce or modify leases; obtain and evict tenants, and fix or modify rents, and do any acts which the Assignee deems proper to protect the security hereof, and either with or without taking possession of the Premises, in its own name sue for or otherwise collect and receive such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including just and reasonable compensation for all its employees and other agents (including, without limitation, reasonable attorney's fees and management and rental commissions), upon any indebtedness secured hereby, and in such order as the Assignee may determine. The entering upon and taking possession of the Premises, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or waive, modify or effect notice of default under said Deeds of Trust or invalidate any act done pursuant to such notice, and the Assignee may continue to so possess and collect even after any such default has been cured. Assignee may exercise its right and privileges under this Assignment as often as any default shall occur under this Assignment.

The Assignee is not obligated to maintain or repair the Premises but it is entitled to do so to the extent it believes necessary or appropriate, in its sole discretion, including, without limitation, the purchase of furniture, equipment and other personal property and the costs thereof including all taxes imposed thereon or therefor shall be part of the aforesaid costs and expenses of operation.

The Assignee may act upon any notice, request, consent, demand, statement, note or other paper or document believed by it to be genuine and to have been signed by the party or parties purporting to sign the same. The Assignee shall not be liable for any error of judgment, nor for any act done or step

taken or omitted, nor for any mistake of law or fact, nor for anything which it may do or refrain from doing in good faith nor generally shall it have any accountability hereunder except for its own wilful default or gross negligence. The entering upon and taking possession of the Premises, the collection of such rents, issues and profits and the application thereof and other acts as aforesaid, shall not cure or waive any default or waive, modify or affect any notice of default under the Deeds of Trust or invalidate any act done pursuant to such notice.

Assignor hereby authorizes and directs any lessee under a Lease of space in the Premises, whether or not such lessee is specifically listed on Schedule A hereto, to pay all rent to the Assignee, and to treat Assignee as lessor under such Lease with all of the rights, powers and privileges granted by Assignor to Assignee hereunder or by lessee to Assignor under the Lease, after receiving written instructions to do so from Assignee notwithstanding any instructions to the contrary from Assignor. Such lessee and any other party shall be entitled to rely upon any notice, request, consent, demand, statement, or other paper or documents believed by it to be genuine and to have been signed by the party or parties purporting to sign same.

By its acceptance of this Assignment, Assignee agrees that it will not instruct lessee or any other party to make payments in the name of the Assignee unless and until the occurrence of an Event of Default.

If a Lease is rejected by Assignor (or by Assignor in its capacity as debtor-in-possession or by a trustee for the bankruptcy estate of Assignor) under Section 365(h) of the Bankruptcy Code, 11 U.S.C. Section 365(h), or as successor thereto, no tenant shall elect to treat the Lease as terminated under 11 U.S.C. Section 365(h)(i), or any successor thereto, in the absence of Assignee's prior written consent.

3. The Assignee shall not be obligated to perform or fulfill, nor does it hereby undertake to perform or fulfill, any term, condition or covenant under the Lease, or under or by reason of this Assignment, and Assignor shall and does hereby agree to indemnify and to hold the Assignee harmless of and from any and all liability, loss or damage which it may or might incur under the Lease or under or by reason of this Assignment and of and from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligations or undertaking on its part to perform or discharge any of the terms, covenants or conditions contained in the Lease; should the Assignee incur any such liability, loss or damage under the Lease or under or by reason of this assignment, or in the defense of any such claims or demands, the amount thereof, including costs, expenses and reasonable attorney's fees, shall be secured hereby, and Assignor shall reimburse the Assignee therefor immediately upon demand, with interest at the rate of one percent (1%) per annum above the rate from time to time as set forth in said note, and upon the failure of Assignor so to do the Assignee may declare all sums secured hereby immediately due and payable.

4. Assignor covenants and agrees to keep the Premises leased at good and sufficient rental and to transfer and assign to the Assignee any and all subsequent leases upon

all or any part of the Premises upon the same or substantially the same terms and conditions as are herein contained, and to make, execute and deliver to the Assignee, upon demand, any and all instruments that may be necessary therefor.

5. Upon the payment in full of all indebtedness secured hereby and the release of record of the Deeds of Trust, this Assignment shall become and be void and of no effect, but the affidavit of the Assignee or any officer of the Assignee showing any part of said indebtedness to remain unpaid shall be and constitute conclusive evidence of the validity, effectiveness and continuing force of this Assignment, and any person may and is hereby authorized to rely thereon. Any person may rely on an affidavit of Assignee or any officer of Assignee stating a fact, including a statement that a default has occurred under the Deeds of Trust or Lease.

6. Assignor covenants, warrants and represents (a) no payments have been made on account of the Lease thereof by lessee, except such rents as may have become due and been paid prior to the date hereof; (b) it has not done anything which might prevent Assignee from or limit Assignee in acting under any of the provisions hereof; (c) it has not breached any term, covenant or condition of the Lease; and (d) lessee has no right of counterclaim or set-off under the Lease.

7. Any notice or demand upon Assignor which may be given or made hereunder shall be a sufficient notice or demand if made in writing and delivered to, or if deposited in any United States Government mail receptacle, enclosed in a postpaid envelope, sent by certified mail, addressed to Assignor at:

Sidney J. Brown, Esquire
Suite 714
4200 Massachusetts Avenue, N.W.
Washington, D.C. 20016

with a copy by certified mail to:

Sidney J. Brown, Esquire
6158 Greenbelt Road
Greenbelt, Maryland 20770

Mailed notices shall be considered to have been given three days after the time they are deposited. Notwithstanding the aforesaid procedures, any notice or demand upon Assignor, in fact received, shall be sufficient notice or demand.

8. The rights, powers, privileges and discretions specifically granted to the Assignee are not in limitation of but in addition to those to which the Assignee is entitled under any general or local law relating to such assignments in the State of Maryland, or in each such state where the Premises are located, and now or hereafter existing. The rights, powers, privileges and discretions (hereinafter collectively called the "rights") to which the Assignee may be entitled shall inure to the benefit of its successors and assigns. All the rights of the Assignee are cumulative and not alternative and may be enforced successively or concurrently. Failure of the Assignee to exercise any of its rights shall not impair any of its

rights nor be deemed a waiver thereof and no waiver of any of its rights shall be deemed to apply to any other such rights nor shall it be effective unless in writing and signed by the Assignee.

The terms and conditions agreed to by Assignor and the covenants of Assignor shall be binding upon the successors and assigns of Assignor, but this provision does not waive any prohibition of assignment or any requirement of consent to an assignment under the other provisions of this Assignment; any consent to an assignment shall not be consent to any further assignment, each of which must be specifically obtained in writing. Wherever used herein the singular shall include the plural and the plural the singular and the use of any gender shall include all genders.

Time is of the essence.

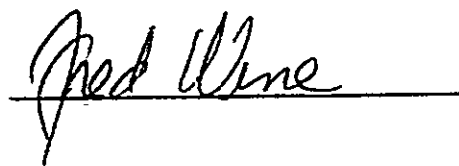
This Assignment shall be construed according to the laws of the State of Maryland (excluding Maryland conflict of laws), but the rights of the parties with regard to procedural matters to the extent enforced in North Carolina shall be governed by the laws of the State of North Carolina.

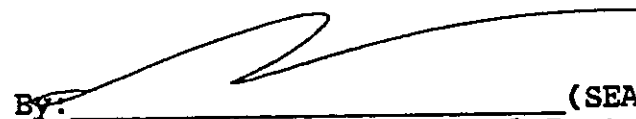
The liability of Assignor or any partner of Assignor shall be limited to the security described in the Deeds of Trust securing the Note, and the right, title, and interest assigned to Assignee evidenced by this Assignment of Lessor's Interests in Leases and Guarantees, including without limitation, insurance proceeds and proceeds from condemnation or eminent domain proceedings; provided, however, the foregoing provisions shall not in any way impair the validity of the indebtedness secured hereby, affect or impair the lien of the Deed of Trust or the right of Assignee to foreclose the Deed of Trust or avail itself of any other remedy it may have hereunder or under the Deed of Trust upon the occurrence of an Event of Default under the Deed of Trust or impair the personal liability of other parties who may become liable for the payment of the Note.

IN WITNESS WHEREOF, the Assignor has caused this Assignment to be duly executed on its behalf and its seal hereunto affixed.

WITNESS:

- B & BB LIMITED PARTNERSHIP
A Maryland limited partnership



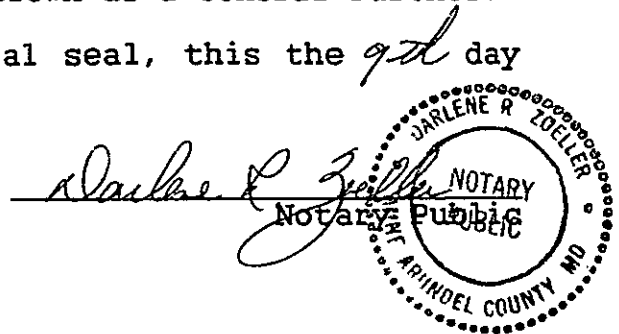
By:  (SEAL)
Sidney J. Brown, General Partner

STATE OF MARYLAND, City of Baltimore to wit:

I, a Notary Public of the State of Maryland, do hereby certify that Sidney J. Brown personally came before me this day and acknowledged that he is one of the two General Partners of B & BB Limited Partnership, a Maryland limited partnership, the within named Assignor, and that by authority duly given and as the act of the limited partnership, the foregoing instrument was signed in its name by Sidney J. Brown as a General Partner.

Witness my hand and official seal, this the 9th day of April, 1987.

My commission expires: July 1, 1990



STATE OF NORTH CAROLINA—Forsyth County

The foregoing (or annexed) certificate of Darlene R. Zoeller, NP (here give name and official title of the officer signing the certificate passed upon)

Anne Arundel Co., MD
is ~~not~~ certified to be correct. This the 28th day of April, 1987
PRESENTED FOR REGISTRATION AND RECORDED

APR 28 10 43 AM '87

L. E. SPEAS, Register of Deeds

By L. E. SPEAS

Deputy [Signature]

Probate and Filing Fee \$ 17.00 paid.

REGISTER OF DEEDS
FORSYTH CO., N.C.

BOOK 1605 P 0100

SCHEDULE A

NORTH CAROLINA STORES

	<u>STATE</u>	<u>COUNTY</u>	<u>STORE NUMBER</u>	<u>ADDRESS</u>
1.	North Carolina	Forsyth	4358	2121 Clemmons ville Rd. Winston Salem, NC
2.	North Carolina	Guilford	4839	6118 W. Market Street Greensboro, NC

The properties described above are more particularly described as follows:

I

All of that certain lot, piece or parcel of land, with the buildings and improvements erected thereon, situate, lying and being in the City of Winston Salem, County of Forsyth and State of North Carolina and more particularly described as follows:

BEGINNING at an iron stake at the Northeast corner of Clemmons ville Road and Ebert Street; thence along the East side of Ebert Street N 06°-36'-56" E, 305.00 feet to an iron stake; thence along the Southern line of Laurel L. Robbins S 88°-19'-09" E, 206.41 feet to an iron stake passing over an iron stake 6.00 feet from the corner; thence S 03°-30'-56" W, 190.04 feet to an iron stake; thence N 84°-47'-44" W, 27.86 feet to an iron stake; thence S 21°-19'-58" W, 215.39 feet to a nail and cap in the pavement of Waughtown-Clemmons ville Road. Said line passing over an iron stake 16.00 feet back from the corner; thence N 53°-41'-54" W, 153.50 feet to a nail and cap in the pavement the point of beginning containing 1.531 acres and being lots 4-A and 5-E, Block 2308, Forsyth County, N.C. tax map and being also the same property described in Deed Book 742, page 246, Forsyth County, N.C. Registry, which property was conveyed by LZ Co. to B & BB Limited Partnership by deed dated July 31, 1986 and recorded at Book 1560, Page 1056 at the Forsyth County Registry, Forsyth County, North Carolina, being known as 2121 Clemmons ville Road, which property is subject to the terms and conditions of a certain Memorandum of Lease between LZ Co., lessor, and Circle K General, Inc., tenant, dated March 1, 1985 and recorded at the Registry of Forsyth County at Book 1478, Page 698, as assigned by an Assignment and Assumption of Lease from LZ Co. to B & BB Limited Partnership, dated July 31, 1986 and recorded at the Registry of Forsyth County at Book 1560, Page 1058.

II

All of that certain lot, piece or parcel of land, with the buildings and improvements erected thereon, situate, lying and being in the City of Greensboro, County of Guilford and State of North Carolina and more particularly described as follows:

BEGINNING at a point in the northern margin of U.S. Highway 1421, Friendship Township, Guilford County, North Carolina:

Said Beginning point being measured South 87° 55' 10" West 456.63 feet from the southwest corner of the property of Custom Stamping, Inc. and running thence with the U.S. Highway 421, South 87° 55' 10" West 200 feet to a point; thence North 04° 13' 00" East 200 feet to a point; thence North 87° 55' 10" East 200 feet to a point; thence South 04° 13' 00" West 200 feet to the place of Beginning. The same being all of Parcel 3 of the property of Kanco Petroleum Marketers, Inc., a plat of which is recorded in Plat Book 64, Page 81, of the Guilford County Public Registry, which parcel was conveyed by LZ Co. to B & BB Limited Partnership by deed dated July 31, 1986 and recorded at Book 3525, Page 1069, Guilford County Registry, being known as 6118 Market Street, which property is subject to the terms and conditions of a certain Memorandum of Lease between LZ Co., lessor, and Circle K General, Inc., tenant, dated March 1, 1985 and recorded at the Registry of Guilford County at Book 3433, Page 1546, as assigned by an Assignment and Assumption of Lease from LZ Co. to B & BB Limited Partnership, recorded at the Registry of Guilford County at Book 3525, Page 1067.

AND any lease of space in the Premises whether or not such lease is specifically listed above and whether or not executed or in effect on the date hereof or subsequent hereto.