

RETURN TO: HOUSE & BLANCO, P.A.--Box at Register of Deeds' Office
DRAFTED BY: DAVID B. BLANCO, ESQ.

NORTH CAROLINA :

FORSYTH COUNTY :

ASSIGNMENT OF LEASES, RENTS AND PROFITS

THIS ASSIGNMENT, made this the 26th day of November, 1990, by and between J & F PARTNERS, a North Carolina General Partnership, (hereinafter referred to as "ASSIGNOR") to SALEM TRUST BANK (hereinafter referred to as "ASSIGNEE").

W I T N E S S E T H :

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 the 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 agreed, however, that no such demand shall be made unless and until there has been a default in the payment of the indebtedness secured by the Deed of Trust herein mentioned, or default in the payment of any other sums secured by said Deed of Trust, or default in meeting the terms and conditions appearing in said deed of trust, or after the filing of a petition as against the ASSIGNOR in receivership, bankruptcy or proceeding in arrangement, whether it be voluntary or involuntary, 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 ASSIGNOR shall not operate to permit the collection by the ASSIGNOR, its successors or assigns, of any installment of rent in advance of the date prescribed in said lease or leases for the payment thereof, 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 proceeding involving any of the leases in 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.

The term of this assignment shall be until that certain Note and that certain Deed of Trust, or any extension or renewal thereof, dated of even date hereof, made, executed and delivered by ASSIGNOR to ASSIGNEE, covering the above-described property for the total sum of ONE HUNDRED SIXTY THOUSAND AND 00/100 DOLLARS (\$160,000.00) 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, cancelled and released, and the releasing of said Deed 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 Note and Deed of Trust described above (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 Deed of Trust.

In the event of default in performance of any of the terms and conditions of said Note and Deed of Trust, 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 relet 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 of said 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 said leases or from this assignment, and this assignment shall not place responsibility for the control, care, management or repair of said premises under the 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.

The ASSIGNOR covenants and represents that said ASSIGNOR has full right and title to assign said leases and rents, issues, profits, revenue, royalties and benefits due or to become due thereunder, that the terms of said leases have not been changed from the terms in the copies of said 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, 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 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 to any tenant under any of said leases.

Violation of any of the covenants, representations and provisions contained herein by the ASSIGNOR shall be deemed a default under the terms of said 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 said Note and Deed of Trust. Any expenditures made by the ASSIGNEE in curing such a default on the ASSIGNOR's behalf, with interest

thereon at the rate provided for in said Note and Deed of Trust, shall become part of the debt secured by these presents.

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 hereinabove mentioned, in strict accordance with the terms and provisions of the Note and Deed of Trust for which this assignment is given as additional security.

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.

The designation "ASSIGNOR" and "ASSIGNEE" as used herein shall include said parties, their heirs, successors and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.

IN WITNESS WHEREOF, the ASSIGNOR has hereunto set his hand and seal, as of the day and year first above written.

ASSIGNOR:

J & F PARTNERS, a North Carolina
General Partnership

By: J. Frank Morris (SEAL)
J. Frank Morris

By: James L. Morris (SEAL)
James L. Morris

STATE OF NORTH CAROLINA - COUNTY OF FORSYTH

I, a Notary Public of Surry County and State aforesaid, certify that J. FRANK MORRIS and JAMES L. MORRIS, General Partners of J & F PARTNERS, a North Carolina General Partnership, personally appeared before me this day and acknowledged the due execution of the foregoing instrument for and on behalf of said Partnership.

WITNESS my hand and Notarial Seal or Stamp, this the 26th day of November, 1990.

My commission expires:

SEPTEMBER 29, 1993

COUNTY OF SURRY
NOTARY PUBLIC/STAMP:
My Commission Expires
September 29, 1993

STATE OF NORTH CAROLINA - COUNTY OF FORSYTH

The foregoing (or annexed) certificate of Pat Mickey
DP, Surry Co, NC
is certified to be correct. THIS the 26 day of November, 1990.

L. E. SPEAS, Register of Deeds

BY: Robert Liddle
Deputy Assistant
AND RECORDED

Probate: \$1.00

Nov 26 3 01 PM '90

REGISTER OF DEEDS
FORSYTH COUNTY, NC

A:ALRP.14/pam

81059D

"EXHIBIT A"

Description of Property

That certain tract or parcel of land lying and being in Forsyth County, North Carolina, more particularly described as follows:

BEING KNOWN AND DESIGNATED as Lot 23D, as shown on the Map of Vest Mill Office Plaza, Section 2, as recorded in Plat Book 29, Page 57, in the Office of the Register of Deeds of Forsyth County, North Carolina, to which Map reference is hereby made for a more particular description.

Lot 23D, Block 3826C of the Forsyth County Tax Maps.

Street Address: 3611 Westgate Center Circle
Winston-Salem, NC 27103