



STATE OF NORTH CAROLINA

COUNTY OF CATAWBA

## ASSIGNMENT OF LEASES

THIS AGREEMENT, made and entered into this the 26th day of July, 1993, by and between F&H COMPANIES, INC., a North Carolina corporation with principal office and place of business at 3536 Vest Mill Road, Winston-Salem, North Carolina, hereinafter known as the "Assignor"; and SAGEBRUSH OF WINSTON, INC., a North Carolina corporation with principal office and place of business at 112 Main Street, Claremont, North Carolina, hereinafter known as "Assignee";

## W I T N E S S E T H:

WHEREAS, by that certain Lease dated September 1, 1980, between Food Fair of North Carolina, Inc., as Lessor and Hungry Bull, Inc., as Lessee (hereinafter, the "Food Fair Lease") the Lessor did lease to the Lessee certain real property adjoining 2905 Reynolda Road, Winston-Salem, North Carolina (hereinafter, the "Food Fair Premises", a complete description of which appears as Exhibit A hereto and is incorporated herein by reference) for a period of 15 years from September 1, 1980; and

WHEREAS, by Assignment of Lease dated September 1, 1980, Hungry Bull, Inc. did assign the Food Fair Lease to Wisco Diversified America, Inc.; and

WHEREAS, by Assignment of Lease dated July 13, 1985, Wisco Diversified of America, Inc. did assign the Food Fair Lease to the Assignor; and this Assignment is recorded in Book 1791, Page 3344, Forsyth County Registry; and

WHEREAS, by that certain Lease dated July 16, 1980, between Hungry Bull, Inc., as Lessor and Wisco Diversified of America, Inc. as Lessee, as amended by Amendment to Lease dated October 30, 1980 (hereinafter, the "Hungry Bull Lease") the Lessor did lease to the Lessee certain real property located at 2905 Reynolda Road, Winston-Salem, North Carolina (hereinafter, the "Hungry Bull Premises", a complete description of which appears as Exhibit B hereto and is incorporated

herein by reference) for a period of 15 years from September 1, 1980, and two successive renewal terms of five years each (the "Term"); and

WHEREAS, by Assignment of Lease dated June 13, 1985, Wisco Diversified of America, Inc. did assign said Hungry Bull Lease to the Assignor; and this Assignment is recorded in Book 1791, Page 3344, Forsyth County Registry; and

WHEREAS, the Assignor desires to assign the Hungry Bull Lease and the Food Fair Lease (hereafter the "Leases") to the Assignee, upon the terms and conditions set forth herein and operate a restaurant on the Hungry Bull Premises and the Food Fair Premises (hereinafter the "Premises");

NOW, THEREFORE, in consideration of the premises, and the mutual covenants contained herein, the parties hereto are agreed as follows:

1. Assignment. Assignor hereby sells, assigns, and transfers to Assignee any and all of Assignor's right, title and interest in and to the Leases.

2. Acceptance and Indemnification. Assignee hereby accepts the foregoing sale, assignment, and transfer and promises to pay all rent and contingent rent and to faithfully perform all other covenants, stipulations, agreements and obligations under the Leases accruing on and after July 26, 1993 (the "Takeover Date"), or otherwise attributable to the period commencing on said date and continuing thereafter, and Assignor shall be responsible for the period prior thereto. Assignee shall indemnify and save Assignor harmless from any and all claims, demands, actions, causes of action, suits, proceedings, damages, liabilities and costs and expenses of every nature whatsoever which relate to the Leases or the Premises arising on or after the Takeover Date, and Assignor shall indemnify and save Assignee harmless from any and all claims, demands, actions, causes of action, suits, proceedings, damages, liabilities and costs and expenses of every

3. Modification of Lease. Assignor agrees that the various Lessors and Assignee may change, modify, or amend the Leases in any way, including the rental to be paid thereunder, and that further assignments may be made, without notice to or consent of Assignor and without in any manner releasing or relieving Assignor from liability under the Leases as originally executed by the parties thereto, and Assignor shall remain liable under all the terms, covenants, and conditions of the Leases as originally executed to the end of the term thereof.

4. Warranties of Assignor. The Assignor hereby warrants, covenants and represents to the Assignee as follows:

(a) That there are no liens and encumbrances upon the Premises known to the Assignor other than the mortgage mentioned in Article XXXII of the Hungry Bull Lease, and the mortgage mentioned in Paragraph 10 of the Food Fair Lease.

(b) That Assignor has clear and unencumbered title to, and there are no liens and encumbrances upon, the leasehold estate, nor upon the furnishings, fixtures, equipment, smallwares and leasehold improvements upon the Premises.

(c) That Assignor is in full and complete compliance with all terms and conditions of the Leases, and there are no past or present defaults which could result in future terminations.

(d) The Assignor has paid for all taxes, insurance premiums, repairs and maintenance due upon the Premises, and has paid all bills that may result in liens or judgments against the leasehold estates, furnishings, fixtures, equipment and leasehold improvements upon the Premises.

~~(e) That there has been no damage to the leasehold estates, furnishings, fixtures, equipment and leasehold improvements upon~~

the Premises. All such assets are in good condition and repair, there is no termite or wood-destroying insect infestation. *and*  
*don*

(f) That the Assignor is unaware of any hazardous substances that are located upon or have been disposed upon the Premises and that the Assignor is not subject, pursuant to CERCLA or any similar state law, to a claim, an administrative order or other request to take "removal" or "remedial" action, as defined in CERCLA, or to pay for any costs related thereto, concerning the Premises.

(g) That the execution, delivery and performance of this Assignment by the Assignor and the consummation by the Assignee of the transactions contemplated hereby will not (with or without the giving of notice or the lapse of time or both) (i) violate or require any consent or approval under any provision of law applicable to the Assignor; (ii) require any consent or approval under and will not conflict with, result in the breach or termination of any provision of, constitute a default under, or result in the acceleration of the performance of, any obligations of the Assignor; or (iii) result in the creation of a lien, charge or encumbrance upon any of the properties, assets or business of the Assignor pursuant to its articles of incorporation or bylaws, or any indenture, mortgage, deed of trust, lease, licensing agreement, contract, instrument or other agreement or any order, judgment or decree to which the Assignor is a party or by which it or any of its assets or properties is bound.

(h) That the statements made and information given the Assignee relative to the transaction covered by this agreement are true and accurate to the best knowledge of the Assignor, and no material fact has been withheld from the Assignee; and Assignor has no knowledge of any development or threatened development which would have a material adverse effect upon the Assignee's use of the Premises as a restaurant; and that no warranty herein given

contains any untrue statement of any material fact, or omits to state a material fact necessary to make the statements contained herein not misleading.

5. Division of Expenses. The parties hereto agree herein as follows:

(a) Taxes. The parties hereto agree to divide 1993 ad valorem property taxes on the Premises on a pro-rata basis based upon the Takeover Date.

(b) Operating Expenses. All operating expenses incurred before the Takeover Date shall be the responsibility of the Assignor, and all operating expenses incurred on or after the Takeover Date shall be the responsibility of the Assignee. All license taxes, intangibles or inventory taxes, sales taxes, unemployment taxes, federal and state withholding taxes and FICA taxes shall also be divided in this manner.

6. Assignee's Expenses. All taxes and other governmental charges and fees, including, without limitations, any and all transfer taxes, stamp taxes, sales taxes, and recording fees, relating to the transaction evidenced by this agreement shall be paid by Assignee.

7. Binding Effect. This agreement shall be binding upon the successors and assigns of the parties. The parties shall execute and deliver such further and additional instruments, agreements, and other documents as may be necessary to evidence or carry out the provisions of this agreement.

8. Entire Agreement. This Agreement supersedes all agreements previously made between the parties relating to its subject matter. There are no other understandings or agreements between them.

14. It is acknowledged between Assignor and Assignee that there exists a building on a portion of the land that is covered by the subject lease which was constructed by J.C.Faw as a leasehold improvement. The leasehold improvement and the related lease between J.C.Faw and Dickson Clinic is not being transferred by this assignment and remains the property of J.C.Faw. All parking rights now

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available to Dickson Clinic shall continue and not be changed in anyway by this agreement.

9. Notices. All notices or other documents under this Agreement shall be in writing and delivered personally or mailed by certified mail, postage prepaid, addressed to the parties at their last known addresses.

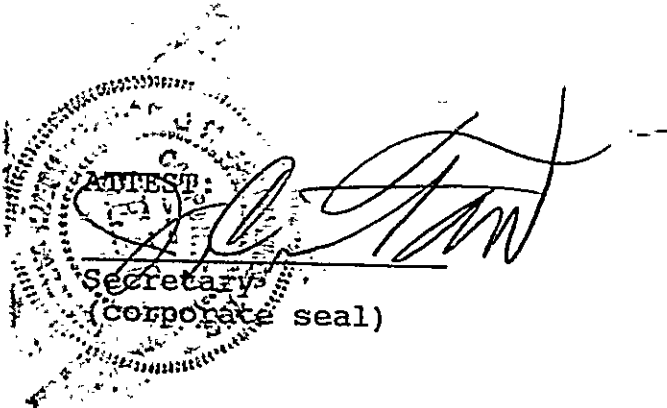
10. Non-Waiver. No delay or failure by either party to exercise any right under this Agreement, and not partial or single exercise of that right, shall constitute a waiver of that or any other right, unless otherwise expressly provided herein.

11. Headings. Headings in this Agreement are for convenience only and shall not be used to interpret or construe its provisions.

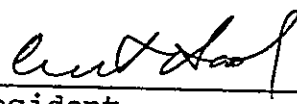
12. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of North Carolina.

13. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

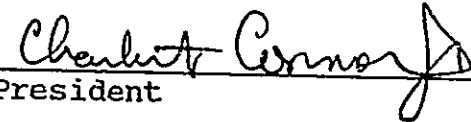
IN WITNESS WHEREOF, the parties hereto have hereunto caused these presents to be executed as of the day and year first above written.

  
Secretary  
(Corporate seal)

ASSIGNOR:  
F&H COMPANIES, INC.

By:   
President

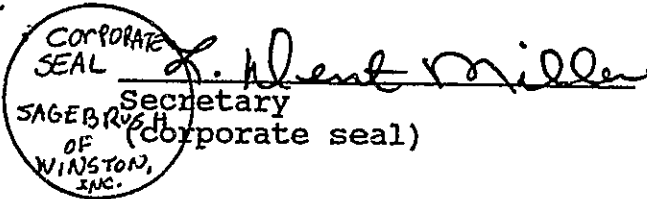
ASSIGNEE:  
SAGEBRUSH OF WINSTON, INC.

By:   
President

(SIGNATURES CONTINUED ON NEXT PAGE)

BK1793 P0626

ATTEST:



STATE OF NORTH CAROLINA  
COUNTY OF Wilkes

I, Gail H. Laws, Notary Public for said County and State,  
certify that J.C. Law personally appeared before me  
this day and acknowledged that he is Secretary of F&H Company, Inc., a  
North Carolina corporation, and that by authority duly given and as the  
act of the corporation, the foregoing instrument was signed in its name  
by Cecil Hash, its President, sealed with its  
corporate seal and attested by him as its Secretary.

Witness my hand and seal, this 14<sup>th</sup> day of July, 1993.

Gail H. Laws  
NOTARY PUBLIC

My Commission Expires: 5-30-97

GAIL H. LAWS  
Notary Public  
For Wilkes County, NC  
My Commission Expires 5-30-97

STATE OF NORTH CAROLINA  
COUNTY OF Iredell

I, Jane Carol Jordan, Notary Public for said County and State, certify that L. Dent Miller personally appeared before me this day and acknowledged that he is Secretary of Sagebrush of Winston, Inc., a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by Charles F. Connor, Jr., its President, sealed with its corporate seal and attested by him as its Secretary.



Witness my hand and seal, this the 16<sup>th</sup> day of July, 1993.

Jane Carol Jordan  
NOTARY PUBLIC

My Commission Expires: May 12, 1997

STATE OF NORTH CAROLINA, County of FORSYTH

The foregoing certificate of Paul H. Lawler N.P. Wilkes Co NC and Jane Carol Jordan N.P. Iredell Co NC are certified to be correct. This instrument was presented for registration this 20 day of Aug, 1993, at        A.M.P.M., and duly recorded in the office of the Register of Deeds of FORSYTH County, North Carolina, in Book       , Page       . This the 20 day of Aug, 1993

REGISTER OF DEEDS

By: Jesse Golder  
Assistant, Deputy Register of Deeds

PRESENTED FOR  
REGISTRATION  
AND RECORDED

'93 AUG 20 110:30

L.E. SPEAS  
REGISTER OF DEEDS  
FORSYTH CO. N.C.

\$24.00 pd Deborah Rial



## EXHIBIT A

TRACT NO. 1:

BEGINNING at an iron stake in the western right-of-way line of Oldtown Drive, said iron stake being the Northeast corner of Crown Central Petroleum Corporation; and running thence along the northern boundary line of Crown Central Petroleum Corporation, North 61° 40' West 177.30 feet to an iron stake in the eastern boundary line of Hungry Bull, Inc.; thence along the line of Hungry Bull, Inc., North 41° 35' East 125.09 feet to an iron stake, the easternmost corner of the Hungry Bull, Inc. lot; thence North 77° 39' East 32.97 feet to an iron stake in the western right-of-way line of Oldtown Drive; thence along the western right-of-way line of Oldtown Drive the three following courses and distances: South 16° 31' East 117.13 feet, South 41° 14' East 15.19 feet and South 2° 23' West 61.10 feet to the point and place of BEGINNING; same containing 0.344 acres, more or less.

TRACT NO. 2:

BEGINNING at an iron stake in the western right-of-way line of Oldtown Drive, said iron stake being North 16° 31' West 40.0 feet from the northernmost corner of Tract No. 1 hereinabove described, and running thence along the western right-of-way line of Oldtown Drive the five following courses and distances: North 16° 31' West 15.20 feet, North 66° 25' East 10.00 feet, North 11° 46' West 106.38 feet, and North 04° 01' West 93.03 feet to an iron stake, and North 02° 23' East 22.00 feet, more or less, to a point; thence=leaving the right of way and running South 41° 35' West 174.5 feet, more or less, to an iron in the northern line of a 35-foot non-exclusive easement for ingress and egress, said point being North 41° 35' East 35.00 feet from the northernmost corner of a parcel conveyed by Food Fair of N. C., Inc. to Syntek Corporation by deed recorded in Book 1263 at page 341 in the Office of the Register of Deeds of Forsyth County, North Carolina; thence with the northern boundary of said 35 foot easement South 48° 21' East 163.57 feet to an iron stake; Thence North 77° 39' East 15.78 feet to the point and place of BEGINNING.

## EXHIBIT B

BEGINNING at an iron stake in the northern right of way of Reynolda Road, the southwest corner of Crown Central Petroleum Corporation, said stake being located 200 feet northwestwardly along the right of way of Reynolda Road from its intersection with Oldtown Drive; running thence with the northern right of way of Reynolda Road the 2 following courses and distances: N. 48° 17' W, 96.70 feet to an iron stake; thence N. 48° 25' W, 90.84 feet to an iron stake, the southeast corner of First Union National Bank property; running thence with the eastern line of said Bank property and falling in with the line of Food Fair of North Carolina, Inc. N 41° 35' E, 250 feet to an iron stake; thence with the line of Food Fair of North Carolina, Inc. S 48° 21' E, 187.40 feet to an iron stake; thence with the line of Food Fair of North Carolina, Inc. and falling in with the line of Crown Central Petroleum Corporation S 41° 35' W, 250 feet to the place of BEGINNING. Containing 1.08 acres more or less, according to a survey dated May 11, 1978, prepared by Joyce Engineering & Mapping Company for Bilco Corporation designated Map No. 2397D.

Together with the above described conveyance of real property, Landlord hereby gives, grants, and conveys unto Tenant an easement for the purpose of establishing a driveway for ingress and egress to and from the above described property over a strip of land which is more particularly described as follows:

BEGINNING at the northeast corner of the above described property and running thence with the northern line of said tract N 48° 21' W, 187.40 feet to an iron stake; running thence with the lands of Food Fair of North Carolina, Inc. the 3 following courses and distances: N 41° 35' E, 35 feet to an iron stake; S 48° 21' E, 163.57 feet to an iron stake; thence N 77° 39' E, 15.78 feet to an iron stake in the western right of way of Oldtown Drive; thence with the right of way of said Oldtown Drive S 16° 31' E, 40 feet to an iron stake; thence across the lands of Food Fair of North Carolina, Inc. S 77° 39' W, 32.97 feet to the place of Beginning. Containing 0.16 acres, more or less, according to the survey map by Joyce Engineering & Mapping Company designated No. 2-397-D.