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Box: Doughton & Newton/attn Mr. Newton

NORTH CAROLINA)
FORSYTH COUNTY)

ASSIGNMENT OF LEASES

THIS ASSIGNMENT, made this 26th day of January, 1979, by
H & A COMPANY, party of the first part (hereinafter called "Assignor"), to
PIEDMONT FEDERAL SAVINGS AND LOAN ASSOCIATION, of Winston-Salem, North Carolina,
party of the second part (hereinafter called "Assignee");

W I T N E S S E T H :

For value received and as additional security for the loan hereinafter
mentioned, 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 following described
property:

BEGINNING at an iron stake in the east line of Cherry Street,
88 feet northwardly from an iron stake at the northeast inter-
section of Cherry and Fourth Streets, said beginning corner being
62 feet southwardly from the northwest corner of Lot 147 on the
Plat of Salem and Winston; running thence eastwardly and parallel
to Fourth Street 161.83 feet to an iron stake in the west line of
Lot 142; thence northwardly with the west line of Lots 142 and
143 and parallel to Cherry Street 44 feet to an iron stake; thence
westwardly on a new line, parallel to Fourth Street 161.83 feet to an
iron stake on the east side of Cherry Street 18 feet southwardly
from the northwest corner of said Lot 147; thence southwardly with
the east line of Cherry Street 44 feet to the BEGINNING.

Being informally known as 411 North Cherry Street, Winston-Salem,
North Carolina 27101.

Being in all respects the same property as that described in the
deed from Norman Stockton, Inc., to H & A Company, a general part-
nership, as duly recorded in the Forsyth County Registry.

Being known and designated as Lot 102, Block 28, in the tax
records for Winston Township as the same are now constituted.

And to that end, Assignor hereby assigns and sets over unto Assignee, its successors
and assigns, all leases of the said premises now made, executed or delivered, whether
written or verbal, or to be hereafter made as the 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, includ-
ing specifically without limiting the generality hereof, the following leases:

Lease agreement dated January 31, 1979, between H & A Company, a
general partnership, as Lessor; and Hatfield and Allman, a general partner-
ship, as Lessee, memorandum of which lease is recorded in Book 1262,
page 658, Forsyth County Registry.

Lease agreement dated January 31, 1979, between H & A Company,
a general partnership, as Lessor; and Norman Stockton, Inc., as Lessee,
memorandum of which lease is recorded in Book 1262, page 656,
Forsyth County Registry.

And Assignor does hereby authorize and empower 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,

Drawn by:

DOUGHTON & NEWTON

By: Bobby L. Newton

upon demand for payment thereof by 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 the said deed of trust or default in meeting the terms and conditions appearing in the said deed of trust or upon the filing a petition as against the party of the first part in receivership, bankruptcy or proceeding in arrangement, whether it be voluntary or involuntary, or upon adjudication of Assignor in receivership, bankruptcy or proceeding in arrangement; and until such demand is made, Assignor is authorized to collect or continue collection the said rents, issues, profits, revenues, royalties, rights and benefits; but that such privilege to collect or continue collecting, as aforesaid, by Assignor shall not operate to permit the collection by Assignor, its successors or assigns, of any installment of rent in advance of the date prescribed in the said leases for the payment thereof, without the prior written consent of Assignee. Anything to the contrary notwithstanding, Assignor hereby assigns to Assignee any award made hereafter to it in any court procedure 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. 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 promissory note in the principal amount of \$225,000.00 payable to Piedmont Federal Savings and Loan Association, or any extension or renewal thereof, or the deed of trust securing the said note, dated January 31, 1979, made, executed and delivered by H & A Company, a general partnership, covering the above-described property shall have been fully paid and satisfied, or until the expiration of the period of redemption, if any, at which times this assignment is to be fully satisfied, cancelled and released, and the releasing of said deed of trust of record 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 the deed 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 the said deed of trust.

Assignor, in the event of default in performance of any of the terms and conditions of the said note and the deed of trust hereby authorizes 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, evict 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 Assignee, in its discretion, may deem proper.

The receipt by Assignee of any rents, issues or profits pursuant to this instrument after the institution of foreclosure proceedings under the said deed of trust shall not cure such default nor affect such proceedings or any sale pursuant thereto.

Assignee shall not be liable for laches, or failure to collect the said rents, issues, profits, revenue, royalties, rights and benefits, and it is understood that Assignee is to account only for such sums as are actually collected, and Assignee shall not be obligated to perform or discharge any obligation or duty to be performed or discharged by Assignor under any of the said leases, and Assignor hereby agrees to indemnify Assignee for, and to save it harmless from, any and all liability arising from any of the said leases or from this assignment, and this assignment shall not place responsibility for the control, care, management or repair of the said premises upon Assignee, or make Assignee responsible or liable for any negligence in the management, operation, upkeep, repair or control of the said premises resulting in loss or injury or death to any tenant, licensee, employee or stranger.

Assignor covenants and represents that it has full right and title to assign the said leases and the rents, issues, profits, revenue, royalties and benefits due or to become due thereunder, that the terms of the said lease have not been changed from

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those in the copies of the said leases submitted to 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 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 leasees' interest in them without the prior written consent of Assignee.

Assignor hereby authorizes Assignee to give notice in writing of this assignment at any time to any tenant under any of the said leases.

Violation of any of the covenants, representations and provisions contained herein by Assignor shall be deemed a default under the terms of the said note and the deed of trust.

Default by Assignor under any of the terms of the leases assigned herein shall be deemed a default under the terms of the said note and the deed of trust. Any expenditures made by Assignee in curing such a default on Assignor's behalf, with interest thereon at the rate provided for in the said note and the 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 the said rents, issues, profits, revenues, royalties, rights and benefits hereunder, shall be construed as a waiver by 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 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 undersigned two general partners have full power and authority under the articles of partnership of Assignor to execute this assignment on behalf of Assignee.

IN WITNESS WHEREOF, Assignor has signed and sealed these presents by and through two of its general partners, as undersigned, on the day and the year first hereinabove written.

H & A Company, a general partnership
By: [Signature] (SEAL)
General Partner
By: C. Edwin Allman (SEAL)
General Partner

North Carolina - Forsyth County

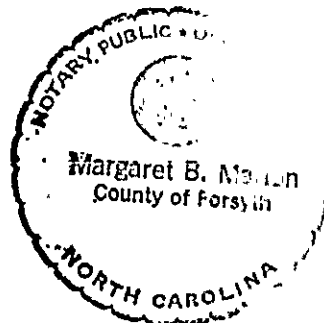
I, Margaret B. Marion, a Notary Public of Forsyth County, North Carolina, do certify that Weston P. Hatfield, General Partner of H & A Company; and C. Edwin Allman, General Partner of H & A Company; personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

This 26th day of January, 1979, witness my hand and notarial seal.

Margaret B. Marion
Notary Public

My commission expires:

June 18, 1981



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STATE OF NORTH CAROLINA—Forsyth County

The foregoing (or annexed) certificate of Margaret L. Marion, N.C. Forsyth Co. NC
(here give name and official title of the officer signing the certificate, placed upon)

is (are) certified to be correct. This the 31 day of Jan 19 79.

PRESENTED FOR
REGISTRATION
AND RECORDED

Eunice Ayers, Register of Deeds

Probate fee \$1.00 paid.

By J. W. Smith Deputy Assistant

JAN 31 11 48 AM '79

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

QMS \$6.00

BOOK 1262 P 0663