

Bell-Box



ATTORNMEN T AND SUBORDINATION AGREEMENT

THIS AGREEMENT is made and entered into this 27 day of April, 1989, by and between J&H Corporation of Kernersville (hereinafter called the "Tenant") and PINEY GROVE PLAZA LIMITED PARTNERSHIP (hereinafter called the "Landlord") for the benefit of METROPOLITAN INSURANCE AND ANNUITY COMPANY, a Delaware corporation (hereinafter called the "Lender");

W I T N E S S E T H:

WHEREAS, on or about the date hereof, Landlord has entered into and delivered that certain Deed of Trust and Security Agreement in favor of Lender to be recorded in the Office of the Register of Deeds of Forsyth County, North Carolina (said Deed of Trust and Security Agreement being hereinafter called the "Security Deed"), conveying the property described therein, which is located in Kernersville, Forsyth County, North Carolina and commonly known as Piney Grove Shopping Center, to secure the payment of the indebtedness described in the Security Deed;

WHEREAS, Landlord and Tenant made and entered into that certain Lease, dated the 16th day of March, 1987, with respect to certain premises therein described, known as Suite-No. Drugstore (said Lease being hereinafter called the "Lease"; said premises being hereinafter called the "Leased Premises"); and

WHEREAS, the parties hereto desire to enter into this Attornment and Subordination Agreement;

NOW, THEREFORE, for and in consideration of the mutual covenants hereinafter set forth, Lender, Tenant and Landlord hereby covenant and agree as follows:

1. Attornment. If the interests of the lessor under the Lease shall be transferred by reason of the exercise of the foreclosure remedies contained in the Security Deed, or by any foreclosure or other proceeding for enforcement of the Security Deed, the lessee thereunder shall be bound to the purchaser (the "Purchaser") under all of the terms, covenants and conditions of the Lease for the balance of the term thereof and any extensions or renewals thereof which may be effected in accordance with any option therefor in the Lease, with the same force and effect as if the Purchaser were the lessor under the Lease, and Tenant, as

lessee under the Lease, does hereby attorn to the Purchaser, including the Lender if it be the Purchaser, as its lessor under the Lease. Said attornment shall be effective and self-operative without the execution of any further instruments upon the succession by Purchaser to the interest of the lessor under the Lease. The respective rights and obligations of Purchaser and of the lessee under the Lease upon such attornment, to the extent of the then remaining balance of the term of the Lease and any such extensions and renewals, shall be and are the same as now set forth in the Lease except as otherwise expressly provided herein.

2. Subordination. Tenant hereby subordinates all of its right, title and interest as lessee under the Lease to the right, title and interest of the Lender under the Security Deed, and Tenant further agrees that the Lease now is and shall at all times continue to be subject and subordinate in each and every respect to the Security Deed and to any and all increases, renewals, modifications, extensions, substitutions, replacements and/or consolidations of the Security Deed.

3. Notice of Default by Lessor. Tenant, as lessee under the Lease, hereby covenants and agrees to give Lender written notice properly specifying wherein the lessor under the Lease has failed to perform any of the covenants or obligations of the lessor under the Lease, simultaneously with the giving of any notice of such default to the lessor under the provisions of the Lease. Tenant agrees that Lender shall have the right, but not the obligation, within thirty (30) days after receipt by Lender of such notice (or within such additional time as is reasonably required to correct any such default) to correct or remedy, or cause to be corrected or remedied, each such default before the lessee under the Lease may take any action under the Lease by reason of such default. Such notices to Lender shall be delivered in duplicate to:

Metropolitan Insurance and Annuity Company
One Madison Avenue
New York, New York 10010
Attn: Executive Vice President
Real Estate Investments

and

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Metropolitan Insurance and Annuity Company
400 Perimeter Center Terrace, NE
Suite 900
Atlanta, Georgia 30346
Attn: Vice President

or to such other address as the Lender shall have designated to Tenant by giving written notice to Tenant at _____
505 Nelson Street, Kernersville, NC 27284 or to
such other address as may be designated by written notice
from Tenant to Lender.

4. No Further Subordination. Landlord and Tenant covenant and agree with Lender that there shall be no further subordination of the interest of lessee under the Lease to any lender or to any other party without first obtaining the prior written consent of Lender. Any attempt to effect a further subordination of lessee's interest under the Lease without first obtaining the prior written consent of Lender shall be null and void.

5. As to Landlord and Tenant. As between Landlord and Tenant, Landlord and Tenant covenant and agree that nothing herein contained nor anything done pursuant to the provisions hereof shall be deemed or construed to modify the Lease.

6. As to Landlord and Lender. As between Landlord and Lender, Landlord and Lender covenant and agree that nothing herein contained nor anything done pursuant to the provisions hereof shall be deemed or construed to modify the Security Deed.

7. Title of Paragraphs. The titles of the paragraphs of this agreement are for convenience and reference only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this agreement.

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

9. Provisions Binding. The terms and provisions hereof shall be binding upon and shall inure to the benefit of the heirs, executors, administrators, successors and permitted assigns, respectively, of Lender, Tenant and Landlord. The reference contained to successors and assigns of Tenant is not intended to constitute and does not

constitute a consent by Landlord or Lender to an assignment by Tenant, but has reference only to those instances in which the lessor under the Lease and Lender shall have given written consent to a particular assignment by Tenant thereunder.

IN WITNESS WHEREOF, the parties have hereunto set their respective hands and seals as of the day, month and year first above written.

T E N A N T:

J & H Corporation of Kernersville

By: Hampton F. Langdon
Title: President

Attest: Gene R. Langdon (Secretary)
Title:

[CORPORATE SEAL]

L A N D L O R D:

PINEY GROVE PLAZA
LIMITED PARTNERSHIP, a North
Carolina limited partnership

BY: Kernersville Shopping
Center, Inc., a North
Carolina corporation,
General Partner

By: [Signature]
Title:

Attest: [Signature]
Title: Secretary

[CORPORATE SEAL]

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STATE OF NORTH CAROLINA

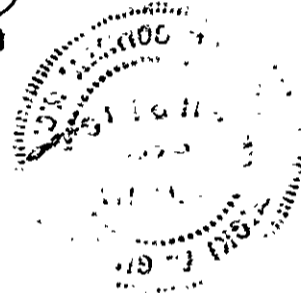
COUNTY OF Mecklenburg

I, Vicki A. Murley, a Notary Public, hereby certify that Joe Looney personally came before me this day being by me duly sworn, and acknowledged that he is the President of Kernersville Shopping Center, Inc., a North Carolina corporation, which corporation is the sole general partner of Piney Grove Plaza Limited Partnership, a North Carolina limited partnership, and that by authority duly given and as the act of said corporation and on behalf of Piney Grove Plaza Limited Partnership, the foregoing instrument was signed and sealed with its name on behalf of said corporation and attested and acknowledged by Marc Hagler, as its Secretary.

Witness my hand and notary seal, this 16th day of March, 1989.

Vicki A. Murley
NOTARY PUBLIC
My Commission Expires December 13, 1991
My commission expires:

[NOTARIAL SEAL]



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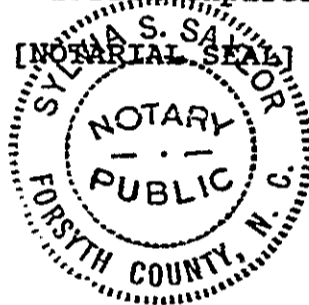
STATE OF NORTH CAROLINA
COUNTY OF Forsyth

I, Sylvia S. Saylor, a Notary Public,
hereby certify that Hampton P. Langdon,
personally came before me this day, being by me duly sworn,
and acknowledged that he is the President of
J & H Corporation, Inc., a North Carolina
corporation, and that by authority duly given and as the act
of said corporation, the foregoing instrument was signed and
sealed with its name on behalf of said corporation and
attested and acknowledged by Gene R. Langdon, as its
Secretary.

Witness my hand and notary seal, this 9th day of
March, 1989.

Sylvia S. Saylor
NOTARY PUBLIC

My commission expires: 12/13/91



STATE OF NORTH CAROLINA--Forsyth County

The foregoing (or annexed) certificate of Vicki A. Busley N.P. Mecklenburg
(here give name and official title of the officer signing the certificate passed upon)
Cy N.C. + Sylvia S. Saylor N.P. Forsyth Co N.C.

(are) certified to be correct. This the REGISTRATION day of April 1989
AND RECORDED

APR 24 8 38 AM '89

L. E. Speas, Register of Deeds

By Jessie Holden Deputy ~~Agent~~

Probate and Filing Fee \$ 16.00 L.E. SPEAS
REGISTER OF DEEDS
FORSYTH CTY. N.C.

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PR