DRAWN BY: ROBERT W. PORTER/Box

Centura Bank

132 Assignment of Leases, Rents and Profits

BK1831 P0778

STATE OF NORTH CAROLINA

COUNTY OF FORSYTH

THIS ASSIGNMENT OF LEASES, RENTS AND PROFITS ("Assignment") is made this 22nd day of July, 19 94, by and between G&F INVESTMENTS, A NORTH CAROLINA GENERAL PARTNERSHIP (which, together with any successors and assigns, is hereinafter referred to as the "Assignor") to CENTURA BANK, a banking corporation with its principal office and place of business in Rocky Mount, North Carolina (which, together with any successors and assigns, is hereinafter referred to as the "Assignee").

WITNESSETH:

For value received and as additional security for the loan hereinafter mentioned. The Assignor hereby sells, transfers and assigns unto the Assignee all the rights, title and interest of the Assignor in and to the rents, issues, profits, revenues, royalties, rights and benefits (the "Rents and Other Benefits") from the following described real property and any improvements now or at any time hereafter erected thereon (the "Property"):

LEGAL DESCRIPTION

(Insert below description of real estate appearing in the Deed of Trust)

TRACT NO. ONE:
BEING KNOWN AND DESIGNATED AS Unit 1-B, as shown on the Plat of Silas Creek Executive Park, as recorded in Condominium File Book 2, Pages 177 through 179, inclusive, in the Office of the Register of Deeds of Forsyth County, North Carolina, reference to which is hereby made for a more particular description. For further reference, see Deed Book 1539, Page 1452, Forsyth County Registry.

TOGETHER WITH AND SUBJECT TO those rights and easements and restrictions recorded in Deed Book 1480, Page 1373, which are incorporated herein by reference as though set forth in their entirety.

BEING INFORMALLY KNOWN AS Tax Lot 1-B, Block 6110, Winston Township, Forsyth County Tax Records.

PROPERTY ADDRESS: 2200 Silas Creek Parkway, Suite 1-B
Winston-Salem NC 27103

TRACT NO. TWO:
BEING KNOWN AND DESIGNATED AS Unit 2-B, as shown on the Plat of Silas Creek Executive Park, as recorded in Condominium File Book 2, Pages 177 through 179, inclusive, in the Office of the Register of Deeds of Forsyth County, North Carolina, reference to which is hereby made for a more particular description. For further reference, see Deed Book 1486, Page 740, Forsyth County Registry.

TOGETHER WITH AND SUBJECT TO those rights and easements and restrictions recorded in Deed Book 1480, Page 1373, which are incorporated herein by reference as though set forth in their entirety.

BEING INFORMALLY KNOWN AS Tax Lot 2-B, Block 6110, Winston Township, Forsyth County Tax Records.

PROPERTY ADDRESS: 2200 Silas Creek Parkway, Suite 2-B
Winston-Salem NC 27103

And to that end, the Assignor hereby assigns and sets over unto the Assignee all leases of the Property now or hereafter made, executed or delivered (whether written or verbal) (the "Leases") as the Leases may have been (or may from time to time be hereafter) modified, extended or renewed, with all Rents and Other Benefits due and becoming due thereon and all security deposits held in connection therewith, including specifically, without limiting the generality hereof, the Leases and such leases as may be specified below.

1. **Assignment Given as Security.** This Assignment is given as additional security for the performance of the obligations and covenants of the certain promissory note(s) in the principal amount of $136,500.00 dated July 22, 1994, executed and delivered by the Assignor to the Assignee (the "Note") and that certain deed of trust dated July 22, 1994, executed and delivered by the Assignor for the benefit of the Assignee as security for the Note (the "Deed of Trust") (including any extension or renewal therof). The amounts collected hereunder, less any expenses of collection, shall be applied first to the costs and expenses of collecting or receiving Rents and other Benefits and then in reduction of the indebtedness from time to time outstanding and secured by the Deed of Trust. The term of this Assignment shall be until the Note and the Deed of Trust (or any extension or renewal therof) shall have been fully paid and satisfied, and the cancellation or releasing of the Deed of Trust shall constitute a release hereof.

2. **Collection of Rents and Other Benefits.** The Assignor hereby authorizes and empowers the Assignee to collect the Rents and Other Benefits, as they shall become due, and hereby directs each and all of the tenants of the Property to pay the Rents and Other Benefits (as may now be due or shall hereafter become due) to the Assignee, upon demand for payment thereof by the Assignee. The Assignee shall make no such demand unless there shall have been (1) a default in the payment of the indebtedness evidenced by the Note and secured by the Deed of Trust, (2) a default in the payment of any other sums secured by the Deed of Trust, or (3) an Event of Default, as defined in the Deed of Trust. Until such demand is made, the Assignor is authorized to collect or continue collecting the Rents and Other Benefits received in connection with the Property. The Assignor shall not collect any installment of rent more than two months in advance without the prior written consent of the Assignee. Anything to the contrary notwithstanding, the Assignor hereby assigns to the Assignee any award made hereafter in any court procedure involving any of the Leases in any bankruptcy, insolvency or reorganization proceedings in any state or federal court, and any payments made by lessees in lieu of rent. The Assignor hereby appoints the Assignee as its irrevocable attorney in fact to appear in any action and/or to collect any such award or payments. In the event of a default in the payment of the indebtedness evidenced by the Note or an Event of Default as defined in the Deed of Trust, and if there is any case law, statute or regulation requiring Assignee to take actual possession of the Property (or some action equivalent thereto, such as securing the appointment of a receiver) in order for Assignee to perfect or activate its rights and remedies as set forth herein, then Assignee waives the benefits of such law and agrees that such requirement of law may be satisfied solely by (1) Assignee sending Assignor written notice that Assignee intends to enforce, and is enforcing, its rights in and to the Property and the Rents and Other Benefits assigned herein and (2) Assignee sending written notice to any or all tenants on the Property to commence making payments under the Leases directly to Assignee or its designee as provided herein.

3. **Terms and Covenants Regarding Leases.** The Assignor covenants and represents that: (a) it has full right and title to assign the Leases and the Rents and Other Benefits due or to become due thereunder; (b) the terms of the Leases have not been changed from the terms in the copies of the Leases submitted to the Assignee for approval; (c) no other assignment of any interest in the Leases has been made; (d) there are no existing defaults under the provisions of the Leases; (e) there has been no anticipation or prepayment of any rents by any tenants occupying the Property or by any of the lessees in any of the Leases; (f) the Assignor will not hereafter cancel, surrender, or terminate any of the 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 or subletting of the leases' interest in them, without the prior written consent of the Assignee.

The Assignor hereby authorizes the Assignee at any time to give notice in writing of this Assignment to any tenant under any of the Leases.

Default by the Assignor under any of the terms of the Leases shall be deemed a default hereunder. Any expenditures made by the Assignee in curing such a default on the Assignor's behalf (including, without limitation, reasonable attorney's fees), with interest thereon at the rate provided for in the Note, shall become part of the debt secured by this Agreement.

4. **Right to Enter and Manage the Property and Improvements.** In the event of default in performance of any of the terms and conditions of the Note, the Deed of Trust or this Assignment, the Assignor hereby authorizes the Assignee, at its option, to enter and take possession of the Property and to manage and operate the same, to collect all or any Rents and Other Benefits therefrom and from the Leases, to let or re-let the Property or any part thereof, to cancel and modify the Leases, to grant rent concessions and other inducements, to evict tenants, to bring or defend any suits in connection with possession of the Property in its own name or the Assignor's name, to make repairs as the Assignee deems appropriate, and to perform such other acts in connection with the management and operation of the Property as the Assignee, in its discretion, may deem proper.

5. **Security Deposits.** In the event of default in performance or observance of any of the terms, covenants, conditions or agreements of the Note, the Deed of Trust or this Assignment, upon demand by the Assignee, the Assignor shall turn over to the Assignee or its designee the security deposits held pursuant to the Leases by the Assignor, its agents or employees. The Assignee or its designee shall hold and apply the security desposits received in connection with the Leases to the purposes specified in the Leases, in accordance with the terms and conditions thereof. Except to the extent required by law or the Leases, the Assignee shall not be obligated for the payment of interest or security deposits delivered to it. The Assignor shall maintain the security deposits made or to be made with respect to Leases of the Property in a separate bank account maintained by the Assignor and designated as the account for the deposit of security deposits. The Assignor shall provide to the Assignee within 30 days of the end of each of the Assignor's fiscal years a written verification of the amount of security deposits maintained in the account together with a list of the Leases with respect to which the deposits are maintained.

6. **Limitation on Accountability of Assignee.** The Assignee shall not be liable for laches or the failure to collect the Rents and Other Benefits. The Assignee is obligated to account only for such sums as are actually collected and shall not be obligated to perform or discharge any obligation to be performed or discharged by the Assignor under any of the Leases. The Assignor hereby agrees to indemnify the Assignee for, and to save it harmless from, any and all liability arising from the Leases or from this Assignment. This Assignment shall not place responsibility for the control, care, management or repair of the Property or Improvements upon the Assignee, or make the Assignee responsible or liable for any negligence in the management, operation, upkeep, repair or control of the Property resulting in loss or injury or death to any tenant, licensee, employee or stranger.

7. **Consequences of Receipt of Rents and Other Benefits.** The receipt by the Assignee of any Rents and Other Benefits pursuant to this Agreement after the institution of foreclosure proceedings under the Deed of Trust shall not cure such default nor affect such proceedings or any sale pursuant thereto. Neither the existence of this Assignment nor the exercise of its privilege to collect the Rents and Other Benefits, shall be construed as a waiver by the Assignee, of the right to enforce payment of the debt hereby secured in strict accordance with the terms and provisions of the Note and the Deed of Trust.

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 Property and any assignee of the Deed of Trust.

IN WITNESS WHEREOF, this Assignment is executed (i) if by individuals, by hereunto setting their hands and seals, (ii) if by a corporation, by the duly authorized officers of the corporation on its behalf under seal by adoption of the facsimile seal printed hereon for such purpose or, if an impression seal appears hereon, by affixing such impression seal, or (iii) if by a partnership, by the duly authorized partners of the partnership on its behalf under seal by adoption of the word "SEAL" appearing next to the name of the partnership and/or the signatures of the partners, on the day and year first above written.

G&F INVESTMENTS, A NORTH CAROLINA GENERAL PARTNERSHIP

_____ (SEAL)
(NAME OF CORPORATION OR PARTNERSHIP)

By: _____ (SEAL)
HARRIS B. GUPTON, Partner (TITLE)

By: _____ (SEAL)
KENNETH L. FOSTER, Partner

_____ (SEAL)

_____ (SEAL)

_____ (SEAL)

Attest:

_____
_____ Secretary

CORP
SEAL

NORTH CAROLINA, County of _____

I, _____, a Notary Public, do hereby certify that _____ personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and official seal or stamp, this _____ day of _____, 19____.

My Commission expires: _____

_____
Notary Public

NORTH CAROLINA, County of _____

I, _____, a Notary Public, do hereby certify that _____ personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and official seal or stamp, this _____ day of _____, 19____.

My Commission expires: _____

_____
Notary Public

NORTH CAROLINA, County of _____

I, _____, a Notary Public, do certify that _____ personally appeared before me and acknowledged that he is the _____ Secretary of _____, a Corporation, and that by authority duly given and as the act of the Corporation, the foregoing instrument was signed in its name by its _____ President, _____, sealed with its Corporate Seal, and attested by himself as its _____ Secretary.

WITNESS my hand and official seal or stamp, this _____ day of _____, 19____.

My Commission expires: _____

_____
Notary Public

NORTH CAROLINA, County of Forsyth

I, Jody H. Welch, a Notary Public, do certify that HARRIS B. GUPTON and KENNETH L. FOSTER personally appeared before me and acknowledged that ~~he~~ they are the General Partners of G&F INVESTMENTS, A NORTH CAROLINA GENERAL PARTNERSHIP, a Partnership, and that by authority duly given and as the act of the Partnership, the foregoing instrument was signed and sealed in its name by ~~him~~ them as its General Partners.

WITNESS my hand and official seal or stamp, this 22nd day of July, 19 94.

My Commission expires: October 10, 1997

OFFICIAL SEAL
Notary Public, North Carolina
COUNTY OF FORSYTH
JODY H. WELCH
My Comm. Exp. Oct. 10, 1997

Jody H. Welch
Notary Public

NORTH CAROLINA, County of Forsyth

The foregoing or annexed certificate of Jody H. Welch, Notary Public, Forsyth County, NC

~~Notary(ies) Public~~ is (~~are~~) certified to be correct. This instrument was presented for registration and recorded in this office at Book _____, Page _____.

This 22nd day of July, 1994, At _____ o'clock _____ M.

L.E. SPEAS, Register of Deeds

BY: _____ - Deputy
Register of Deeds

PRESENTED FOR
REGISTRATION
AND RECORDED

'94 JUL 22 P2:21

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

#14.00