

FORSYTH CO. NC 191 FEE: \$ 18.00
PRESENTED & RECORDED: 11/27/1996 1:48PM
JOHN HOLLEMAN REGISTER OF DEEDS BY WILLIAT

Prepared by A. L. Collins, Attorney at Law
Return to: BB&T
3307 Battleground Avenue
Greensboro, NC 27410
STATE OF NORTH CAROLINA
COUNTY OF FORSYTH

ASSIGNMENT OF LEASES AND RENTS

THIS ASSIGNMENT OF LEASES AND RENTS ("Assignment") is made this 27th day of November, 19 96, by and from P & L ENTERPRISES, a North Carolina General Partnership ("Assignor"), to and for BRANCH BANKING AND TRUST COMPANY, a North Carolina banking corporation, having a branch office in Greensboro, North Carolina ("Assignee").

Assignor is the sole owner of that certain real property located in the City of Kernersville, County of Forsyth, State of North Carolina described in Exhibit "A" attached hereto and by this reference incorporated herein (the "Property") subject to that certain Deed of Trust dated as of November 27, 19 96, conveyed by Assignor to Jerome C. Herring, Trustee, for the benefit of Assignee and recorded concurrently herewith in the Forsyth County Registry (the "Deed of trust").

For good and valuable consideration, Assignor hereby absolutely assigns and transfers to Assignee: (a) the income, rents (including, if applicable, all hotel room rents), receivables, security or similar deposits, revenues, issues, royalties, profits, earnings, products and proceeds from any and all of the Property (collectively, the "rents, issues and profits") together with the right, power and authority to collect the same; (b) all leases, written or oral, now in existence or hereafter arising, all other agreements for the use and occupancy of all or any portion of the Property, and any and all extensions or renewals of any thereof, including without limitation all leases listed on Exhibit "B" hereto, (individually "Lease" and collectively, the "Leases"), together with the right, power and authority of Assignor to alter, modify or change the terms thereof, or surrender, cancel or terminate the same; and (c) any and all guarantees of any obligations of any lessee (the "lessee") under each of the leases. Assignor irrevocably appoints Assignee its true and lawful attorney-in-fact, at any time and from time to time, at the option of the Assignee, to demand, receive and enforce payment of rent, to give receipts, releases and satisfactions; and to sue, in the name of Assignor or Assignee, for all the rents, issues and profits and to apply the same to the indebtedness secured; provided, however, that Assignor shall have the right and license to collect the rents, issues and profits prior to any event of default hereunder, the Deed of Trust, the Note (as defined herein), any loan agreement or any other loan document evidencing or securing the indebtedness (collectively the "Loan Documents"). The assignment of the rents, issues and profits in this Assignment is an absolute assignment from Assignor to Assignee and not merely the passing of a security interest.

This Assignment is made for the purpose of securing:

A. Payment of the principal sum, interest and indebtedness evidenced by a certain promissory note or notes (including any amendments, extensions, renewals, or substitutions thereof, collectively the "Note"), in the original aggregate principal sum of FIVE HUNDRED THOUSAND & 00/100 Dollars (\$ 500,000.00 -----) made by Assignor payable to order of Assignee dated the 27th day of November, 19 96.

B. Payment of all other sums with interest becoming due and payable to Assignee under the provisions of this Assignment and the Loan Documents.

C. The performance and discharge of each and every obligation, covenant and agreement of the Assignor contained herein or in the Loan Documents, or in any other obligation of Assignor to Bank, and all costs of collection including reasonable attorney's fees as provided in the Note.

The indebtedness and obligations described in A, B, and C above are collectively referred to herein as the "Indebtedness".

THE ASSIGNOR WARRANTS to Assignee that the Assignor is the sole owner of its entire interest, as Lessor, in the Leases; that the Leases are valid and enforceable and have not been altered, modified or amended in any manner whatsoever except as previously disclosed in writing to Assignee; that no lessee named therein is in default under any of the terms, covenants or conditions thereof, that no rent reserved in any Lease has been assigned or anticipated, that no rent for any period subsequent to the date of this Assignment has been collected more than one month in advance of the time when the same became due under the terms of any Lease; that it has full right and title to assign the Leases and all rents, issues and profits thereunder; and no other assignment of any interest therein has been made.

THE ASSIGNOR COVENANTS AND AGREES with the Assignee to observe and perform all obligations imposed under the Leases; to give prompt notice to the Assignee of any notice of default under any Leases received or given by the Assignor together with a complete copy of any such notice; at the sole cost and expense of the Assignor, to enforce, short of termination of any Lease, the performance or observance of each and every covenant and condition thereof by all parties thereto; and not to do or permit to be done anything to impair the security thereof; not to pay or collect any of the rent, issues and profits arising or accruing under the Leases or from the Property in advance of the time when the same shall become due; not to execute any other assignment of interest in the Leases or assignment of rents arising or accruing from the Leases or from the Property; not to subordinate any Lease to any other encumbrance or permit, consent or

agree to such subordination without Assignee's prior written consent; not to alter, modify or change the terms of any Lease or give any consent or exercise any option required or permitted by such terms without the prior written consent of Assignee or cancel or terminate any Lease or accept a surrender thereof or convey or transfer or suffer or permit a conveyance or transfer of the leased premises thereby or of any interest therein so as to effect, directly or indirectly, a merger of the estates and rights of, or a termination or diminution of the obligations of, any party thereunder; not to alter, modify or change the terms of any guaranty of any Lease or cancel or terminate such guaranty without the prior written consent of the Assignee; not to consent to any assignment of or subletting under any Lease, whether or not in accordance with its terms, without the prior written consent of the Assignee; at the Assignee's request to assign and transfer to the Assignee any and all subsequent leases upon all or any part of the premises described in such Leases or the Deed of Trust, and to execute and deliver at the request of the Assignee all such further assurances and assignments in the Property as the Assignee shall from time to time require.

THIS ASSIGNMENT is made on the following additional terms, covenants and conditions:

1. At any time and for any reason the Assignor shall have the right and obligation to collect and receive at the time of but not prior to, the date provided for the payment thereof, all rents, issues and profits arising under the Leases. Upon the occurrence of an event of default hereunder or under the Loan Documents, the Assignee may, at its option, without notice and without regard to the adequacy of the security for the indebtedness, either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court, take possession of the premises described in any Lease or in the Deed of Trust and have, hold, manage, lease and operate the same on such terms and for such period of time as the Assignee may deem proper and either with or without taking possession of such premises in its own name, demand, sue for or otherwise collect and receive all rents, issues and profits of the Property or pay the same including those past due and unpaid with full power to make from time to time all alterations, renovations, repairs or replacements thereto or thereof as may seem proper to the Assignee, and to apply any such collected rents, issues and profits to the payment of: (a) all expenses of managing the Property, including, without being limited thereto, the salaries, fees and wages, of a managing agent and such other employees as the Assignee may deem necessary or desirable, and all expenses of operating and maintaining the Property, including, without being limited thereto, all taxes, charges, claims, assessments, water rents, sewer rents and any other liens, and premiums for all insurance which the Assignee may deem necessary or desirable, and the costs of all alterations, renovations, repairs or replacements, and all expenses incident to taking and retaining possession of the Property; and (b) the indebtedness together with all costs and attorneys' fees, in such order of priority as to any of the items mentioned in this paragraph, as the Assignee in its sole discretion may determine, any statute, law, custom or use to the contrary notwithstanding. The exercise by the Assignee of the option granted it in this paragraph and the collection of the rents, issues and profits and the application thereof as herein provided shall not be considered a waiver of any default by the Assignor under this Assignment, the Note, the Deed of Trust, under any Lease.

2. The Assignee shall not be liable for any loss sustained by the Assignor resulting from any act or omission of the Assignee or from managing the Property unless such loss is caused by the willful misconduct or gross negligence of the Assignee. The Assignee shall not be obligated to perform or discharge, nor does the Assignee hereby undertake to perform or discharge, any obligation, duty or liability under any Lease or under or by reason of this Assignment, and the Assignor shall, and does hereby agree, to indemnify the Assignee for, and to hold the Assignee harmless from, any and all liability, loss or damage which may or might be incurred under any Lease or under or by any reason of this Assignment, and from any and all claims and demands whatsoever which may be asserted against the Assignee by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in any Lease. Should the Assignee incur any such liability under any Lease or under or by reason of this Assignment or in defense of any such claims or demands, the amount thereof, including costs, expenses and a reasonable attorney's fee shall be secured hereby and the Assignor shall reimburse the Assignee therefor immediately upon demand, and upon the failure of the Assignor to do so, The Assignee may, at its option, declare the indebtedness immediately due and payable. This Assignment shall not operate to place responsibility for the control, care, management or repair of the Property or any portion thereof upon the Assignee, nor for the carrying out of any of the terms and conditions of any Lease; nor shall it operate to make the Assignee responsible or liable for any waste committed on the Property by any parties, or for any dangerous or defective condition of the Property or any portion thereof or for any negligence of the Assignor or its agents in the management, upkeep, repair or control of the Property or any portion thereof resulting in loss or injury or death to any tenant, licensee, employee or stranger.

3. The Assignee shall have the right to assign the Assignor's right, title and interest in the Leases to any subsequent holder or the Deed of Trust subject to the provisions of this instrument, and to assign the same to any person acquiring title to the Property through foreclosure or otherwise. After the Assignor shall have been barred and forecloses of all right, title and interest and equity of redemption in the Property no assignee of the Assignor's interest in the Leases shall be liable to account to the Assignor for the rents, issues and profits thereafter accruing.

4. Upon payment and performance in full of the indebtedness, this Assignment shall become and be void and of no effect, but the affidavit, certificate, letter or statement of any officer, agent or attorney of the Assignee showing any part of the indebtedness to remain unpaid or unperformed shall be and constitute conclusive evidence of the validity, effectiveness, and continuing force of this Assignment and any person may, and is hereby authorized to, rely thereon. The Assignor, as the lessor under any Lease, hereby authorizes and directs the lessee named in any such Lease or any other or future lessee or occupant of the premises described therein upon receipt from the Assignee of written notice that the Assignee is then the holder of the Note to pay over to the Assignee all rents, issues, and profits arising or accruing under such Leases or from the premises described therein and to continue so to do until otherwise notified by the Assignee.

5. The Assignee may take or release other security for the payment of the indebtedness may release any party primarily or secondarily liable therefor and may apply any other security held by it to the satisfaction of the indebtedness without prejudice to any of its rights under this Assignment.

6. Nothing contained in this Assignment and no act done or omitted by the Assignee pursuant to the powers and rights granted it hereunder shall be deemed to be a waiver by the Assignee of its rights and remedies under the Loan Documents and this Assignment is made and accepted without prejudice to any of the rights and remedies possessed by the Assignee under the terms of the Loan Documents. The right of the Assignee to collect the indebtedness and to enforce any other security therefor held by it may be exercised by the Assignee either prior to, simultaneously with, or subsequent to any action taken by it hereunder.

7. Assignor hereby assigns to Assignee any portion of an award payable by reason of condemnation action under the right of eminent domain, and directs that such award shall be paid directly to Assignee.

8. Any guaranty of payment and performance of any Lease shall not be released, modified, or limited in any manner without the prior written consent of the Assignee.

9. This Assignment is made, executed and delivered in the State of North Carolina and shall be governed by the laws of the State of North Carolina. Each provision of this Assignment shall be interpreted in such a manner as to be effective and valid under the applicable law, but if any provision hereof shall be prohibited by or invalid under the applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Assignment.

10. In case of any conflict between the terms of this instrument and the terms of the Deed of Trust, the terms of this Assignment shall control.

THIS ASSIGNMENT, together with the covenants and warranties herein contained, shall inure to the benefit of the Assignee and any subsequent holder of the Note and Deed of Trust and shall be binding upon the Assignor, its successors and assigns and any subsequent owner of the Property.

IN WITNESS WHEREOF, the assignor has hereunto set his hand and seal, or caused this agreement to be executed by its duly authorized officers, and the corporate seal hereunto affixed this the day first above shown.

ATTEST:

(CORPORATION)

By: _____

By: _____

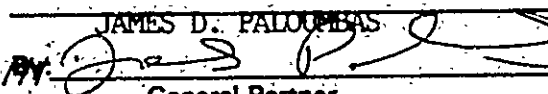
Title: _____

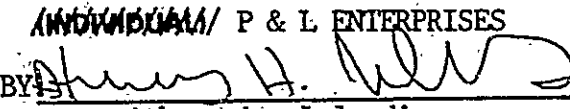
Title: _____

(Corporate Seal)

(PARTNERSHIP) P & L ENTERPRISES

(SEAL)

JAMES D. PALOUMBAS
By:  (SEAL)
General Partner

(INDIVIDUAL) P & L ENTERPRISES
By:  (SEAL)
Athanasios Leloudis,
General Partner
(LIMITED LIABILITY COMPANY)

(SEAL)

By: _____ (SEAL)
Manager

STATE OF NORTH CAROLINA
COUNTY OF _____

I, _____, a Notary Public of the County and State aforesaid, certify
that _____ personally appeared before me this day and
acknowledged the execution of the foregoing instrument.

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

My commission expires: _____

Notary Public

(Seal)

STATE OF NORTH CAROLINA
COUNTY OF _____

I, _____, a Notary Public of the County and State aforesaid, certify that
_____ personally came before me this day and acknowledged that
he is _____ Secretary of _____

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 its _____ President, sealed with its corporate seal and attested
by _____ as its _____ Secretary.

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

My commission expires: _____

Notary Public

(Seal)

STATE OF NORTH CAROLINA
COUNTY OF FORSYTH

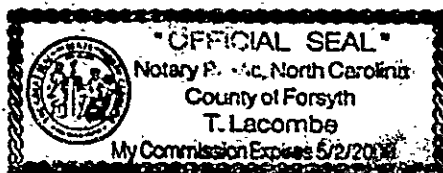
I, T. LACOMBE, a Notary Public of the County and State aforesaid, certify
that JAMES D. PALOUMBAS & ATHANASIOS/LELOUDIS personally appeared before me this day and acknowledged
that he is a general partner of P & L ENTERPRISES
a NORTH CAROLINA GENERAL partnership and further acknowledged the due execution of
this instrument on behalf of the partnership.

Witness my hand and official stamp or seal, this 27th day of November, 19 96.

My commission expires: May 2, 2000

Notary Public

(Seal)



STATE OF NORTH CAROLINA-Forsyth County

The foregoing (or annexed) certificate _____ of T. Lacombe, N.P.
(there give name and official title of the officer signing the certificate _____ passed upon)

is (are) certified to be correct. This the 27 day of Nov. 19 96.

John Holleman, Register of Deeds

By _____ Deputy Assistant

Probate and Filing Fee \$ _____ paid

EXHIBIT A

(Here set forth the entire legal description of the Property covered by the Deed of Trust granted by the Assignor to Assignee.)

BEGINNING at a PK nail set in the northern margin of the right of way of Plaza South Drive, as it intersects N.C. Highway 66, (said nail being the northwestern terminus of Plaza South Drive as it intersects with North Carolina Highway No. 66); thence from said beginning point with the eastern margin of the right of way of North Carolina Highway No. 66, North 06 degrees 42 minutes 08 seconds East 121.04 feet to an existing iron pipe; thence continuing with the eastern margin of the right of way of North Carolina Highway No. 66 North 05 degrees 30 minutes 57 seconds East 140.37 feet to a PK nail set in the eastern margin of the right of way of North Carolina Highway No. 66, corner with property deeded unto Roadway Express, Inc., in Deed Book 812 at Page 177 Forsyth County Registry; thence with the southern line of Roadway property, South 86 degrees 39 minutes 14 seconds East 336.52 feet to a new iron pipe, corner with property deeded unto Tommy Leloudis in Deed Book 1016 Page 295 Forsyth County Registry; thence with the western line of Leloudis property, South 04 degrees 16 minutes 13 seconds West 140.76 feet to a PK nail; thence continuing with the western line of property deeded unto Leloudis in Deed Book 1016 at Page 295 South 04 degrees 16 minutes 13 seconds West 117.74 feet to a new iron pipe lying in the northern margin of the right of way of Plaza South Drive; thence with the northern margin of the right of way of Plaza South Drive, North 87 degrees 06 minutes 13 seconds West 344.78 feet to a PK nail set in the northern margin of the right of way of Plaza South Drive, the point and place of BEGINNING and containing 2.027 acres, more or less, according to an unrecorded map and survey of the property by Larry L. Callahan Surveying Co., Inc., dated 11-20-96 and being designated as Job No. 3238-3.

3603

EXHIBIT B

(Describe any specific leases being assigned.)

MEMORANDUM OF COMMERCIAL LEASE AGREEMENT recorded in Deed Book 1598 at
Page 1338 Forsyth County Registry.