

under the Principal Lease to Noteholder, without regard to Assignor's consent thereto.

To protect the security of this assignment, Assignor COVENANTS AND AGREES:

1. To observe, perform and discharge all obligations, covenants and warranties provided for under the terms of the Leases to be kept, observed and performed by Assignor, and to give prompt notice to Noteholder in the event Assignor fails to observe, perform and discharge same;
2. To notify in writing each lessee or occupant of the Mortgaged Properties or any part thereof, if Noteholder shall so require, that any security deposits or other deposits heretofore delivered to Assignor have been retained by Assignor or assigned and delivered to Noteholder as the case may be;
3. To enforce or secure in the name of the Noteholder the performance of each and every obligation, term, covenant, condition and agreement to be performed by any lessee under the terms of the Leases;
4. To appear in and defend any action or proceeding arising under, occurring out of, or in any manner connected with the Leases or the obligations, duties or liabilities of Assignor and any lessee thereunder, and, upon request by Noteholder, to do so in the name and on behalf of Noteholder but at the expense of Assignor, and to pay all costs and expenses of Noteholder, including reasonable attorney's fees, in any action or proceeding in which Noteholder may appear;
5. To forward to Noteholder immediately any notices or other written advices sent to Assignor by any lessee or sent to any lessee by Assignor, the subject of which notice or advice is a lease of a portion of the Mortgaged Properties or the landlord-tenant relationship of the parties sending and receiving such notice or advice;

BERRY, PATRICK, FARMER & NICHOLSON, CHARLOTTE, N. C.

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