

ASSIGNMENT OF RENTS AND LEASES

Made By

GRAY PROPERTY 7102, LLC, a Virginia limited liability company

and

GRAY LUMBER COMPANY,
a Virginia corporation

and

GRAYLAND COMPANY, L.P.,
a Virginia limited partnership

To

WACHOVIA BANK, NATIONAL ASSOCIATION,
a national banking association

Date: March 31, 2006

This instrument was prepared by
and upon recordation should be
returned to:

Steven D. Delaney, Esquire
LeClair Ryan, A Professional Corporation
951 East Byrd Street, Eighth Floor
Richmond, Virginia 23219

ASSIGNMENT OF RENTS AND LEASES

THIS ASSIGNMENT OF RENTS AND LEASES (this "Assignment"), made this ____ day of March, 2006, by GRAY PROPERTY 7102, LLC, a Virginia limited liability company, GRAY LUMBER COMPANY, a Virginia corporation, and GRAYLAND COMPANY, L.P., a Virginia limited partnership, (hereinafter, jointly and severally referred to as "Assignor"), to WACHOVIA BANK, NATIONAL ASSOCIATION, a national banking association (hereinafter referred to as "Assignee").

ARTICLE I

ASSIGNMENT

Assignor, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby transfer and assign unto Assignee, its successors and assigns, all right, title and interest of Assignor in, to and under any and all leases relating to or affecting the property described in Exhibit "A" attached hereto as a part hereof (hereinafter referred to as the "Premises"), or any part thereof, now existing or which may be executed at any time in the future prior to the expiration or termination of this Assignment and all amendments, extensions and renewals thereof (hereinafter collectively referred to as the "Leases" or singularly as a "Lease") together with any and all guarantees of the obligations of the lessees under the Leases, (hereinafter such lessees are collectively referred to as the "Lessees" or singularly as a "Lessee"), and all rents, income and profits which may now or hereafter be or become due or owing under the Leases, or any of them, or on account of the use and/or occupancy of the Premises. The rights assigned hereunder shall include all of the Assignor's right and power, except as hereinafter provided, to modify any Lease, to terminate the term thereof, to accept a surrender thereof, to waive or release the Lessee thereunder from the performance or observance by such Lessee of any obligation or condition thereof, and to anticipate rents thereunder for more than one (1) month prior to accrual.

ARTICLE II

PURPOSES

2.1 Payment of Indebtedness. This Assignment is made for the purpose of securing the payment of the indebtedness (including any extensions or renewals thereof) evidenced by a revolving credit line promissory note, made by Gray Property 7102, LLC to the order of Assignee, of even date herewith, in the original principal amount of Fifteen Million Seven Hundred Ninety Five Thousand and 00/100 Dollars (\$15,795,000.00) (hereinafter referred to as the "Note") and secured by, among other things, a certain Revolving Credit Line Mortgage and Security Agreement of even date herewith granted by Assignor upon the Premises (hereinafter referred to as the "Mortgage").

2.2 Other Sums. This Assignment also secures the payment of all other sums with interest thereon becoming due and payable to Assignee under the provisions of the Mortgage or any other instrument constituting security for the Note.

2.3 Other Obligations. This Assignment further secures the performance and discharge of each and every obligation, covenant and agreement of Assignor contained herein or in the Note, the Mortgage or any other Loan Document (as defined in the Mortgage).

ARTICLE III

COVENANTS AND WARRANTIES OF ASSIGNOR

3.1 Priority. Assignor is the sole and exclusive owner and possessor of the lessor's interest in the Leases. Except for the assignment, if any, contained in the Mortgage, Assignor has not and will not make or execute any other assignment of any of the Leases, or the rents, income and profits accruing from the Premises. Assignor has not and will not perform any acts or omit to do any acts, or execute any other instruments, which will or might prevent Assignee from fully exercising Assignee's rights under any of the terms, covenants and conditions of this Assignment.

3.2 Existing Leases. All Leases now existing have been heretofore delivered to Assignee for approval by Assignee. All such Leases are valid and enforceable in accordance with their terms (subject only to applicable bankruptcy and insolvency laws). Except as disclosed in writing by the Assignor, there are no material defaults now existing under any of such Leases and no state of facts now exists which, with the giving of notice or the lapse of time, or both, would constitute a material default or event of default except as heretofore disclosed to Assignee in writing. Such Leases have not been altered, modified, amended, terminated or renewed, nor have any of the terms and conditions thereof been waived in any manner, except as heretofore disclosed to Assignee in writing. Except as prudent in the ordinary course of business, no Leases will be hereafter altered, modified, or amended in any material respect, or terminated or renewed, nor will any material term or condition thereof by the Lessee to be kept, observed or performed be waived, nor will the Lessee be released from the observance or performance of any duties or obligations thereunder, without the prior written approval of Assignee, which approval shall not be unreasonably delayed or withheld.

3.3 Subsequent Leases. All Leases hereafter entered into shall be in substantially the same form as previously approved by Assignee. Except as prudent in the ordinary course of business, no such Lease will be altered, modified, or amended in any material respect, or terminated or renewed, nor will any material term or condition thereof by the Lessee to be kept, observed or performed be waived, nor will the Lessee be released from the observance and performance of any duties or obligations thereunder, without the prior written approval of Assignee (which approval shall not be unreasonably delayed or withheld, except as prudent in the ordinary course of business).

3.4 Performance. Assignor will keep, observe and perform each and every condition and covenant of the Leases by Assignor to be kept, observed or performed. Assignor, at its sole cost and expense, will enforce, short of termination, the performance and observance of each and every material covenant and condition of each Lease by the Lessee thereunder to be kept, observed and performed. Assignor, at its sole cost and expense, will appear in and defend any and all actions growing out of, or in any manner related to, any of the Leases or the obligations, rights, or liabilities of Assignor or any of the Lessees thereunder.

3.5 Collection of Rents. Assignor has not and will not collect, or accept payment of, rent under any of the Leases for more than one (1) month in advance. The prepayment of the last month's rent under any Lease as a security deposit shall not violate the provisions of this Section 3.5. The prepayment of all last month's rent under any Lease as a security deposit shall not violate the limitation of this section.

3.6 Further Assurances. Assignor will execute and deliver to the Assignee at the request of Assignee all such further assurances and assignments as Assignee shall from time to time require or deem necessary.

3.7 No Restraints. Assignor is not prohibited by or under any agreement with any other person or party or under any judgment or decree, from the execution and delivery of this Assignment or from the performance of each and every covenant of Assignor hereunder.

3.8 No Litigation. No litigation or other action has been brought or, to the best of Assignor's knowledge, threatened by or against Assignor or any person or party claiming by, through or under Assignor, which would interfere with the right of Assignor to execute this Assignment or to perform any or all of Assignor's duties and obligations hereunder.

ARTICLE IV

COVENANTS OF ASSIGNOR

4.1 Collection of Rents. So long as there shall exist no Event of Default, as hereinafter defined, on the part of Assignor, the Assignor shall have the right to collect, but not more than one (1) month prior to accrual, all rents, issues and profits from the Premises and to retain, use and enjoy the same. The prepayment of all last month's rent under any Lease as a security deposit shall not violate the limitation of this Section 4.1.

4.2 Release. Upon the payment in full of all indebtedness secured hereby, as evidenced by the recording or filing of an instrument of satisfaction or full release of the Mortgage, this Assignment shall be and become null, void and of no further force or effect.

ARTICLE V

FURTHER COVENANTS, WARRANTIES AND AGREEMENTS

5.1 Event of Default. Each of the following shall constitute an "Event of Default" hereunder by Assignor:

(i) the failure by the Assignor to keep, observe or perform any covenant, agreement or obligation of Assignor contained in this Assignment which failure continues for a period of fifteen (15) days following receipt of written notice of such default by Assignor pursuant to the terms of the Mortgage in the event of monetary default or for a period of thirty (30) days following receipt of written notice of such default by Assignor pursuant to the terms of the Mortgage in the event of a non-monetary default;

(ii) any representation or warranty of Assignor herein contained shall prove untrue or misleading in any material respect;

(iii) any Event of Default shall occur in or under the Note or any other instrument evidencing any debt secured by this Assignment and shall continue beyond any applicable cure period; or

(iv) any Event of Default shall occur in or under the Mortgage or any other instrument securing any debt secured by this Assignment and shall continue beyond any applicable cure period.

5.2 Remedies. If an Event of Default occurs, Assignee may at Assignee's option, without notice to Assignor, do any one or more of the following:

(i) declare the total indebtedness due by Assignor to Assignee and secured by this Assignment immediately due and payable;

(ii) enter upon, take possession of, lease and operate the Premises, without becoming a mortgagee in possession; take possession of all personal property, fixtures, documents, books, records, papers and accounts of Assignor relating thereto, and exclude the Assignor, its agents and servants, therefrom;

(iii) perform any and all obligations of Assignor under any of the Leases, and exercise any and all rights of Assignor therein contained, as fully as Assignor could, without regard to the adequacy of security for the indebtedness hereby secured, with or without the bringing of any legal action or the causing of any receiver to be appointed by any court;

(iv) make, enforce, modify and accept the surrender of any Lease;

- (v) retain and/or evict any Lessee as and when permitted under its Lease;
- (vi) fix or modify rent with respect to all or any portion of the Premises;
- (vii) sue for or otherwise collect and receive all rents, issues and profits with respect to all or any portion of the Premises, and apply the same in the manner provided in Section 5.3 hereof; and
- (viii) do all other acts which Assignee may deem necessary or proper to protect Assignee's security.

5.3 Power of Attorney. Assignor hereby appoints Assignee the true and lawful attorney-in-fact of Assignor, with full power of substitution, in Assignor's name and/or in Assignee's name, after an Event of Default hereunder, to sue for or make such settlement of claims as Assignee may deem necessary or desirable, or otherwise demand, collect and receive, all rents, issues and profits emanating from or related to the Premises, or any part thereof, or any of the Leases, and to apply the same: first, to and against all costs and expenses of operation of the Premises (including, but not limited to, the payment of taxes, special assessments, insurance premiums, damage claims, and costs of maintaining, repairing, rebuilding and restoring the improvements on the Premises) or of making the same rentable, of the performance of Assignor's obligations under the Leases, and of collection (including reasonable attorneys' fees) of such rents, issues and profits; second, to interest on, and then to the principal of, the indebtedness secured hereby; and third, to any other indebtedness or charge secured hereby or by the Mortgage. This power of attorney shall be deemed to be coupled with an interest, shall be irrevocable, and shall not terminate on the disability of the Assignor. The Lender's right to exercise the power of attorney conferred hereunder shall cease upon written waiver of the Event of Default which may be given, in its sole discretion. However, in the event of any different or subsequent Event of Default, Lender's right to exercise its power of attorney conferred hereunder shall reaccrue to Lender. It is the intention of Assignor that all persons and parties may rely upon this power of attorney, and continue to rely upon it, unless and until this Assignment has become null and void pursuant to Section 4.2 hereof.

5.4 Payment by Lessees to Assignee. The Lessees are authorized and directed upon written demand by Assignee and Assignee's representation that any Event of Default has occurred to pay any and all amounts due to Assignor under or pursuant to the Leases to Assignee, or to such nominee as Assignee may designate in writing delivered to and received by such Lessees. The Lessees are hereby expressly relieved of any and all duty, liability or obligation to Assignor in respect of all payments so made.

5.5 Assignee Not Liable for Performance under Leases. Assignee shall be under no obligation to exercise or prosecute any of the rights or claims assigned to Assignee hereunder, or to perform or carry out any of the obligations of Assignor under any of the Leases, and Assignee

does not assume any liabilities in connection with or arising or growing out of the covenants and agreements of Assignor in the Leases. This Assignment shall not operate to place responsibility for the control, care, management or repair of the Premises, or any part thereof, upon Assignee, nor shall it operate to make Assignee liable for the performance of any of the terms and conditions of any of the Leases, or for any waste of the Premises by the Lessees or by any other party, or for any dangerous or defective condition of the Premises, or for any negligence in the management, upkeep, repair or control of the Premises, resulting in loss, injury or death of any of the Lessees, or to any other person or party.

5.6 Indemnity. Assignor hereby agrees to indemnify and hold Assignee harmless from any and all liability, loss, damage, cost or expense, including reasonable attorneys' fees, which may be incurred by Assignee under any of the Leases, or by reason of this Assignment, and from any and all claims and demands whatsoever which may be asserted against Assignee by reason of any alleged obligations or undertakings on Assignee's part to perform or discharge any of the terms, covenants or agreements contained in any of the Leases, other than any liability, loss, damage, claim or demand arising solely from the gross negligence or willful misconduct of Assignee.

5.7 No Merger. The Assignor, without the prior written consent of the Assignee, will not cause or permit the leasehold estate under any Lease to merge with the Assignor's reversionary interest.

5.8 Present Assignment. This Assignment is intended to be an absolute, present assignment from Assignor to Assignee and not merely the passing of a security interest. The rents, issues and profits are hereby assigned absolutely by Assignor to Assignee contingent only upon the occurrence of an Event of Default.

ARTICLE VI

MISCELLANEOUS PROVISIONS

6.1 No Waiver. The entry upon and taking possession of the Premises by Assignee, the collection of rents and the application thereof, or the exercise of any other right or remedy by Assignee herein provided, shall not operate to cure or waive any default or event of default under any instrument made or given by Assignor to Assignee, or prohibit the taking of any other action by Assignee under any such instrument, or at law or in equity, to enforce payment of the indebtedness secured hereby, or to realize on or enforce any other security for such indebtedness.

6.2 Releases, etc. Assignee may take or release other security for the indebtedness secured hereby, release any party primarily or secondarily liable for any such indebtedness, grant extensions, renewals, or indulgences with respect to such indebtedness, and apply any other security therefor held by Assignee to the satisfaction of such indebtedness, without prejudice to any of Assignee's rights hereunder.

6.3 Performance by Assignee. Should Assignor fail to perform or observe any covenant or to comply with any condition contained in any of the Leases, then Assignee (without obligation so to do and without notice to or demand on Assignor or releasing Assignor from Assignor's obligation so to do and without the lapse of any applicable cure period) may perform such covenant or condition and, to the extent that Assignee shall incur any costs or expenses in connection therewith (including any costs or expenses of litigation), then such costs, expenses or payments shall be included in the indebtedness secured hereby and shall bear interest from the date thereof at the rate then in effect under the Note.

6.4 Waiver by Assignee. Neither acquiescence by Assignee nor failure of Assignee to insist upon strict performance by Assignor of any condition, obligation, warranty or agreement in this Assignment, shall constitute a waiver of such default or any subsequent or other default, nor, in the event Assignor is unable to cure such default, shall any such acquiescence or failure preclude Assignee from thereafter declaring such default to be an Event of Default as herein provided. Any waiver by Assignee of any condition, obligation, warranty or agreement herein contained shall be effective only if evidenced in a written instrument signed by Assignee and delivered to Assignor.

6.5 Rights Cumulative. The rights and remedies of Assignee under this Assignment are cumulative and are not in lieu of, but are in addition to all other rights or remedies which Assignee shall have under the Note, the Mortgage or any other instrument constituting security for the Note, or in law or equity, all of which rights and remedies may be exercised concurrently.

6.6 Severability. If any term of this Assignment, or the application thereof to any person or circumstance, shall, to any extent, be invalid or unenforceable, the remainder of this Assignment, or the application of such term to persons or circumstances other than those as to which such term is invalid or unenforceable, shall not be affected thereby, and each term of this Assignment shall be valid and enforceable to the fullest extent permitted by law.

6.7 Notices. All notices to be given pursuant to this Assignment shall be in writing and shall be deemed to have been sufficiently given or served if presented or made in the manner provided in the Mortgage.

6.8 Word Meanings. The term "Assignor" and "Assignee" shall be construed to include the heirs, executors, legal representatives, administrators, successors and assigns thereof. The pronouns used herein shall include, when appropriate, either gender and both singular and plural, and the grammatical construction of sentences shall conform thereto. The term and expression "indebtedness secured hereby" shall mean and include each and every indebtedness referred to in Article II and in Section 6.3 hereof.

6.9 Amendments. This Assignment contains the entire agreement by the parties with respect to the subject matter hereof and may not be amended, modified or changed except by an

instrument in writing, signed by the party against whom enforcement of any such waiver, amendment, change, modification or discharge is sought and delivered to the other party.

6.10 Captions. The captions herein are for reference purposes only.

6.11 Time. Time is of the essence of this Assignment.

6.12 Governing Law. This Assignment shall be deemed to be made under the laws of the State of Alabama, without regard to principles of conflict of laws.

6.13 Recourse Provision. Except as provided below, Assignee will enforce collection of amounts due from the Assignor under this Assignment solely against the Property (as defined in the Mortgage) and any other collateral under the Loan Documents (as defined in the Mortgage) all rents, issues, profits, proceeds, revenues, insurance proceeds and awards and other income from the collateral. Except as provided below, the Assignor shall not be personally liable either at law or in equity for the repayment of the indebtedness secured by this Assignment. Nothing contained in this paragraph shall limit the enforceability of any of the Loan Documents or the liability of Gray Holdings, LLC under the Guaranty (as defined in the Mortgage) or the Environmental Indemnity Agreement of even date herewith by Assignor and Gray Holdings, LLC for the benefit of Assignee.

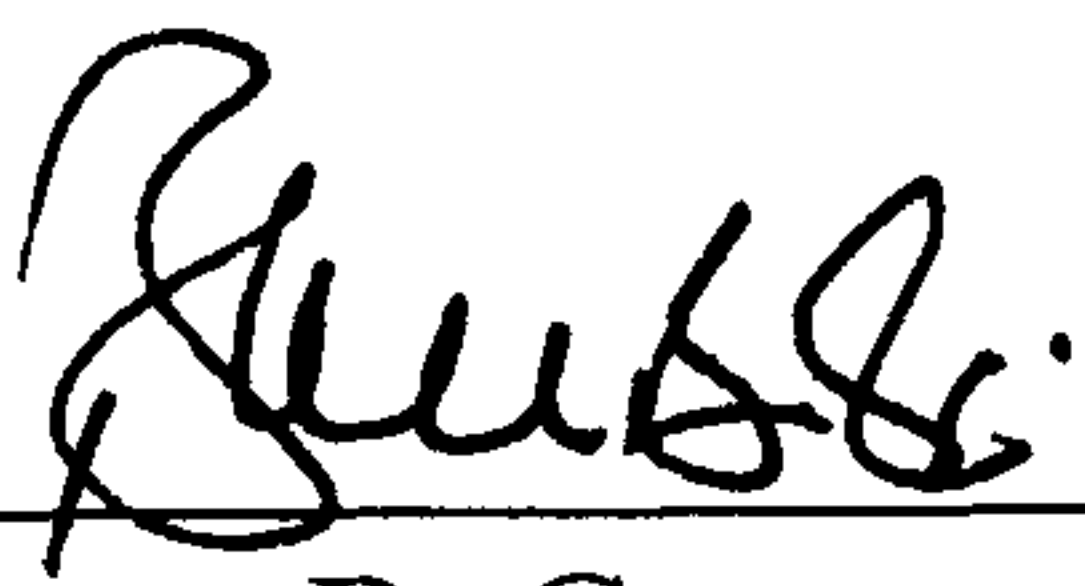
[SIGNATURES TO FOLLOW ON NEXT PAGE]

IN WITNESS WHEREOF, Assignor has caused this instrument to be signed and sealed
as of the date first above written.

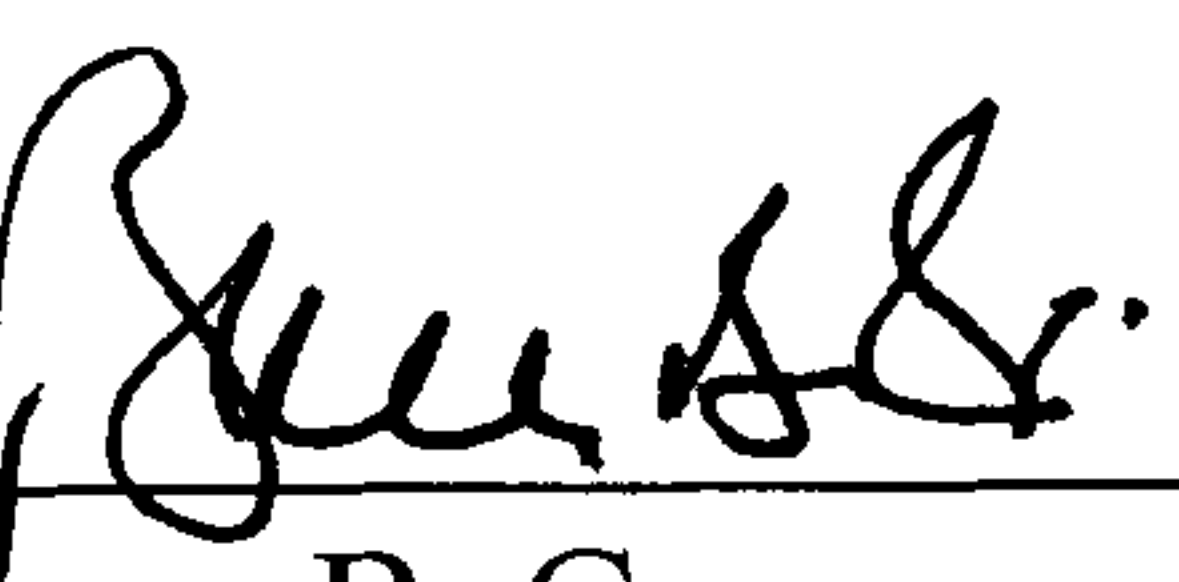
ASSIGNOR:

GRAY PROPERTY 7102, LLC, a Virginia limited liability
company

By: Gray Holdings, LLC, its sole member

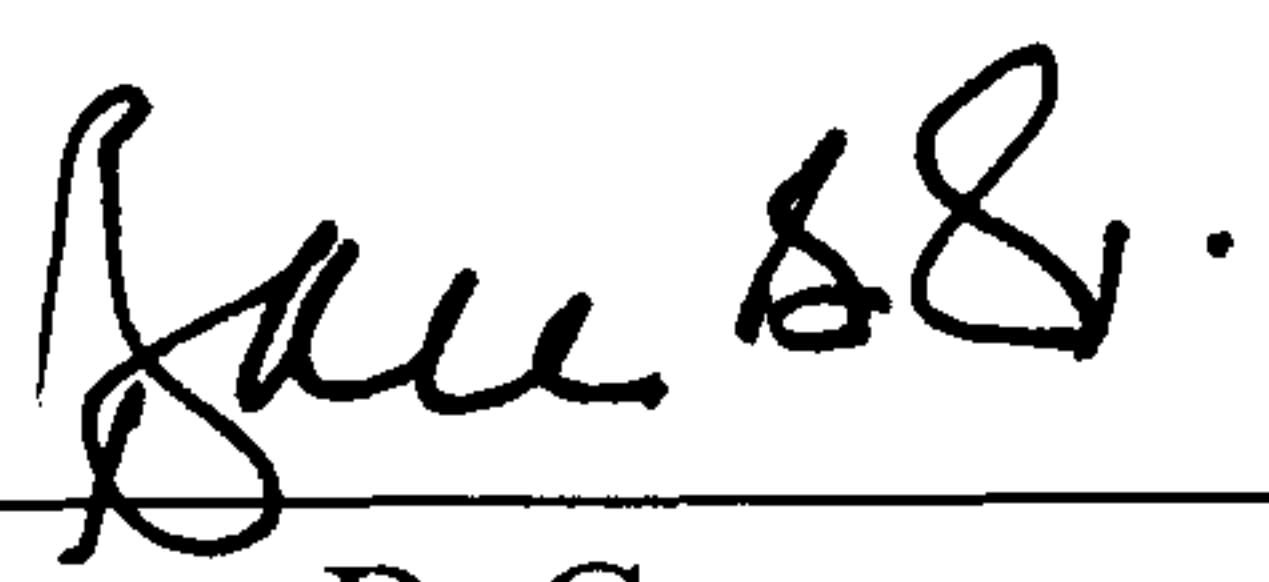
By: 
Name: Bruce B. Gray
Title: Vice President

GRAY LUMBER COMPANY, a Virginia corporation

By: 
Name: Bruce B. Gray
Title: Vice President

GRAYLAND COMPANY, L.P., a Virginia limited
partnership

By: Grise, LLC, its general partner

By: 
Name: Bruce B. Gray
Title: Vice President

COMMONWEALTH OF VIRGINIA)
) to-wit:
COUNTY OF HENRICO)

I Debra C. Shultz, a notary for the aforesaid county and state, hereby certify that on this 29 day of March, 2006, came Bruce B. Gray, in his capacity as Vice President of Gray Holdings, LLC, the sole member of Gray Property 7102, LLC, a Virginia limited liability company, and acknowledged the execution of the foregoing instrument on behalf of the limited liability company.

Debra C. Shultz
Notary Public
(Notarial Seal)

My Commission Expires: June 30 2007

Commission Expiration Date:

(NOTARIAL SEAL)

COMMONWEALTH OF VIRGINIA)
) to-wit:
COUNTY OF HENRICO)

I Debra C. Shultz, a notary for the aforesaid county and state, hereby certify that on this 29 day of March, 2006, came Bruce B. Gray, in his capacity as Vice President of Gray Lumber Company, a Virginia corporation, and acknowledged the execution of the foregoing instrument on behalf of the corporation.

Debra C. Shultz
Notary Public
(Notarial Seal)

My Commission Expires: 6/30/07

Commission Expiration Date:

(NOTARIAL SEAL)

COMMONWEALTH OF VIRGINIA)

) to-wit:

COUNTY OF HENRICO)

20060403000151360 12/13 \$48.00
Shelby Cnty Judge of Probate, AL
04/03/2006 08:54:52AM FILED/CERT

I Debra C. Shultz, a notary for the aforesaid county and state, hereby certify that on this 29 day of March, 2006, came Bruce B. Gray, in his capacity as Vice President of Grise, LLC, general partner of Grayland Company, L.P., a Virginia limited partnership, and acknowledged the execution of the foregoing instrument on behalf of the limited partnership.

Debra C. Shultz

Notary Public
(Notarial Seal)

My Commission Expires: 6/30/07

Commission Expiration Date:

(NOTARIAL SEAL)

EXHIBIT A
(Legal Description)

Part of Section 35, Township 18 South, Range 2 West and Section 2, Township 19 South, Range 2 West, Shelby County, Alabama and being more particularly described as follows:

Commence at the Northeast corner of the Southeast quarter of the Southeast quarter of Section 35, Township 18 South, Range 2 West, Shelby County, Alabama and run North $88^{\circ} 48' 03''$ West along the North line of same 734.25 feet; thence run South $41^{\circ} 25' 52''$ West 1019.03 feet to the point of beginning, said point being on the Southeasterly right of way of Inverness Parkway; thence the following courses paralleling the existing paved drive to the Lake Heather boat launch, South $49^{\circ} 19' 19''$ East, 44.63 feet to the point of curve of a curve to the right, having a radius of 50.00 feet and a central angle of $60^{\circ} 20' 45''$; thence run South $19^{\circ} 08' 56''$ East along the chord of said curve 50.26 feet to the point of tangent; thence run South $11^{\circ} 01' 26''$ West, 96.35 feet; thence South $19^{\circ} 53' 48''$ West, 72.94 feet to the point of curve of a curve to the left, having a radius of 213.40 feet and a central angle of $87^{\circ} 13' 13''$; thence run South $23^{\circ} 42' 48''$ East along the chord of said curve 294.38 feet to the point of tangent; thence run South $67^{\circ} 19' 24''$ East, 84.72 feet; thence North $48^{\circ} 34' 32''$ East, 58.21 feet to a point on the 496.00 elevation contour, being the mean water elevation of Lake Heather; thence run in a general Southerly direction along the meanderings of said 496.00 contour 2283.6 feet, more or less to a point on the Northerly boundary of the proposed Inverness Cove Garden Home development, not yet recorded; thence the following courses along the Northerly boundary of said proposed subdivision South $62^{\circ} 27' 53''$ West, 70.91 feet; thence run North $36^{\circ} 25' 48''$ West, 133.59 feet; thence run South $64^{\circ} 00' 15''$ West, 148.44 feet; thence run North $44^{\circ} 32' 37''$ West, 48.97 feet; thence run South $80^{\circ} 43' 18''$ West, 88.09 feet; thence run North $39^{\circ} 17' 36''$ West, 35.87 feet; thence run North $54^{\circ} 04' 01''$ East, 141.72 feet; thence run North $35^{\circ} 08' 09''$ West, 73.08 feet; thence run North $53^{\circ} 32' 36''$ West, 192.86 feet; thence run North $80^{\circ} 58' 43''$ West, 200.08 feet; thence run South $58^{\circ} 30' 01''$ West, 94.92 feet to a point on the Southeasterly right of way of Inverness Parkway; thence run North $49^{\circ} 38' 52''$ East along said right of way 444.74 feet to the point of curve of a curve to the left, having a radius of 1254.79 feet and a central angle of $18^{\circ} 36' 00''$; thence run North $40^{\circ} 20' 52''$ East along the chord of said curve, 405.56 feet to the point of tangent; thence run North $31^{\circ} 02' 52''$ East along said right of way, 324.91 feet to the point of curve of a curve to the right, having a radius of 2087.94 feet and a central angle of $10^{\circ} 23' 00''$; thence run North $36^{\circ} 14' 22''$ East along the chord of said curve, 377.87 feet to the point of tangent; thence run North $41^{\circ} 25' 52''$ East along said right of way, 69.32 feet to the point of beginning.