

AGREEMENT dated as of April 4, 1975, among Philfree Corporation, a North Carolina corporation ("Philfree"), American Day Nurseries, Inc., a North Carolina corporation ("American Day"), and Integon Life Insurance Corporation, a North Carolina corporation ("Integon").

WHEREAS, ADN Equity Corporation, a North Carolina corporation ("ADN") and American Day entered into a certain lease dated October 1, 1969, for the lease by ADN to American Day of a commercial building located on East North Street, Greenville, South Carolina, and more particularly described therein (the "Lease"), which Lease is recorded in the R.M.C. Office for Greenville County, South Carolina, in Book _____ at page _____; and

WHEREAS, by articles filed June 5, 1972, ADN was merged into Philfree and Philfree succeeded to ADN's interest in the leased premises and in the Lease; and

WHEREAS, by assignment dated October 1, 1969, (the "Assignment") the Lease was assigned to Security Life and Trust Company (predecessor in interest to Integon) as security for a note dated October 31, 1969, in the principal sum of \$125,000 made by ADN, which Assignment is recorded in the R. M. C. Office for Greenville County, South Carolina, in Book 1220 at page 257; and

WHEREAS, pursuant to an agreement dated December 18, 1974, among Philfree, American Day, and Mini-Schools Limited (the "Agreement"), Philfree and American Day have agreed to convey substantially all of their assets to Mini-Schools Limited and Mini-Schools Limited has agreed to assume payment of the outstanding balance of the aforesaid indebtedness,

NOW, THEREFORE, in consideration of the premises, the mutual agreements hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is agreed:

1. Philfree and American Day agree that upon the closing of the transactions contemplated by the Agreement, the Lease shall terminate and neither party shall have any further rights or obligations thereunder.

2. Integon joins in this agreement for the purpose of giving its consent to the termination of the Lease as aforesaid and agrees that upon such termination its interest as assignee in the Assignment likewise shall terminate.

(CONTINUED ON NEXT PAGE)

9773

4328 RV-2