


DEED OF TRUST SECURING FUTURE ADVANCES

ENVELOPE

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 FORSYTH CO, NC FEE \$59.00
 PRESENTED & RECORDED:
 10-19-2006 03:54 PM
 DICKIE C WOOD
 REGISTER OF DEEDS
 By: BETTY C CAMPBELL DPTY
 BK: RE 2702
 PG: 2626-2641

WHEN RECORDED MAIL TO:
 Regions Loan Servicing Release
 P O Box 4897
 Montgomery, AL 36103

This Deed of Trust prepared by:
 X _____

BRENDA BROWN



DOC23500017500000810001000000

THIS DEED OF TRUST is dated October 12, 2006, among BROOKSTOWN DEVELOPMENT PARTNERS, LLC ("Grantor"); REGIONS BANK, whose address is GREENSBORO L.P.O., 2102 NORTH ELM STREET, SUITE A, GREENSBORO, NC 27408 (referred to below sometimes as "Lender" and sometimes as "Beneficiary"); and Edmund A. Hawes, whose address is 6805 Morrison Blvd., Suite 100, Charlotte, NC 28211 (referred to below as "Trustee").

CONVEYANCE AND GRANT. NOW, THEREFORE, as security for the indebtedness, advancements and other sums expended by the Beneficiary pursuant to this Deed of Trust and costs of collection (including attorneys' fees as provided in the Note) and other valuable consideration, the receipt of which is hereby acknowledged, Grantor has bargained, sold, given, granted and conveyed and does by these presents bargain, sell, give, grant and convey to Trustee, and Trustee's heirs or successors and assigns, for the benefit of Lender as Beneficiary, all of Grantor's right, title, and interest in and to the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; all easements, rights of way, and appurtenances; all water, water rights and ditch rights (including stock in utilities with ditch or irrigation rights); and all other rights, royalties, and profits relating to the real property, including without limitation all minerals, oil, gas, geothermal and similar matters, (the "Real Property") located in Forsyth County, State of North Carolina:

See EXHIBIT "A", which is attached to this Deed of Trust and made a part of this Deed of Trust as if fully set forth herein.

The Real Property or its address is commonly known as VARIOUS TRACTS, WINSTON SALEM, NC 27101.

To have and to hold said Real Property with all privileges and appurtenances thereunto belonging, to the Trustee, his heirs, successors and assigns forever, upon the trusts, terms and conditions and for the uses hereinafter set forth.

Grantor presently assigns to Lender (also known as Beneficiary in this Deed of Trust) all of Grantor's right, title, and interest in and to all present and future leases of the Property and all Rents from the Property. In addition, Grantor grants to Lender a Uniform Commercial Code security interest in the Personal Property and Rents.

THIS DEED OF TRUST, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS GIVEN TO SECURE (A) PAYMENT OF THE INDEBTEDNESS AND (B)

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PERFORMANCE OF ANY AND ALL OBLIGATIONS UNDER THE NOTE, THE RELATED DOCUMENTS, AND THIS DEED OF TRUST. THIS DEED OF TRUST IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

FUTURE ADVANCES. The Indebtedness secured by this Deed of Trust is for present and future obligations and this Deed of Trust is given to secure all present and future obligations of Grantor to Beneficiary. The period in which future obligations may be incurred and secured by this Deed of Trust is the period between the date hereof and that date which is fifteen (15) years from the date hereof. The amount of present obligations secured by this Deed of Trust is \$ 0.00 and the maximum principal amount, including present and future obligations, which may be secured by this Deed of Trust at any one time is Thirteen Million & 00/100 Dollars (\$13,000,000.00.) Any additional amounts advanced by Beneficiary pursuant to the provisions of this Deed of Trust shall be deemed necessary expenditures for the protection of the security. Each future advance need not be evidenced by a written instrument or notation signed by Grantor or any other person evidencing or stipulating that such advance is secured by this Deed of Trust. All future obligations shall be considered to be made pursuant to the requirements of North Carolina General Statutes Sections 45-67, et. seq., or any amendments thereto. Specifically, without limitation, this Deed of Trust secures a revolving line of credit, which obligates Lender to make advances to Grantor so long as Grantor complies with all the terms of the Note and the Related Documents. The principal amount of the Note may be borrowed, repaid, and reborrowed from time to time, as provided in the Note, provided that the maximum principal amount of obligations outstanding at any one time shall not exceed the maximum amount set forth above.

PAYMENT AND PERFORMANCE. Except as otherwise provided in this Deed of Trust, Grantor shall pay to Lender all amounts secured by this Deed of Trust as they become due, and shall strictly and in a timely manner perform all of Grantor's obligations under the Note, this Deed of Trust, and the Related Documents.

POSSESSION AND MAINTENANCE OF THE PROPERTY. Grantor agrees that Grantor's possession and use of the Property shall be governed by the following provisions:

Possession and Use. Until the occurrence of an Event of Default, Grantor may (1) remain in possession and control of the Property; (2) use, operate or manage the Property; and (3) collect the Rents from the Property.

Duty to Maintain. Grantor shall maintain the Property in tenantable condition and promptly perform all repairs, replacements, and maintenance necessary to preserve its value.

Compliance With Environmental Laws. Grantor represents and warrants to Lender that: (1) During the period of Grantor's ownership of the Property, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance by any person on, under, about or from the Property; (2) Grantor has no knowledge of, or reason to believe that there has been, except as previously disclosed to and acknowledged by Lender in writing, (a) any breach or violation of any Environmental Laws, (b) any use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance on, under, about or from the Property by any prior owners or occupants of the Property, or (c) any actual or threatened litigation or claims of any kind by any person relating to such matters; and (3) Except as previously disclosed to and acknowledged by Lender in writing, (a) neither Grantor nor any tenant, contractor, agent or other authorized user of the Property shall use, generate, manufacture, store, treat, dispose of or release any Hazardous Substance on, under, about or from the Property; and (b) any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations and ordinances, including without limitation all Environmental Laws. Grantor authorizes Lender and its agents to enter upon the Property to make such inspections and tests, at Grantor's expense, as Lender may deem appropriate to determine compliance of the Property with this section of the Deed of Trust. Any inspections or tests made by Lender shall be for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to Grantor or to any other person. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Property for Hazardous Substances. Grantor hereby (1) releases and waives any future claims against Lender for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any such laws; and (2) agrees to indemnify, defend, and hold harmless Lender against any and all claims, losses, liabilities, damages, penalties, and expenses which Lender may directly or indirectly sustain or suffer resulting from a breach of this section of the Deed of Trust or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release occurring prior to Grantor's ownership or interest in the Property, whether or not the same was or should have been known to Grantor. The provisions of this section of the Deed of Trust, including the obligation to indemnify and defend, shall survive the payment of the Indebtedness and the satisfaction and reconveyance of the lien of this Deed of Trust and shall not be affected by Lender's acquisition of any interest in the Property, whether by foreclosure or otherwise.

Nuisance, Waste. Grantor shall not cause, conduct or permit any nuisance nor commit, permit, or suffer any stripping of or waste on or to the Property or any portion of the Property. Without limiting the generality of the foregoing, Grantor will not remove, or grant to any other party the right to remove, any timber, minerals (including oil and gas), coal, clay, scoria, soil, gravel or rock products without Lender's prior written consent.

Removal of Improvements. Grantor shall not demolish or remove any Improvements from the Real Property without Lender's prior written consent. As a condition to the removal of any Improvements, Lender may require Grantor to make arrangements satisfactory to Lender to replace such Improvements with Improvements of at least equal value.

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Lender's Right to Enter. Lender and Lender's agents and representatives may enter upon the Real Property at all reasonable times to attend to Lender's interests and to inspect the Real Property for purposes of Grantor's compliance with the terms and conditions of this Deed of Trust.

Compliance with Governmental Requirements. Grantor shall promptly comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the use or occupancy of the Property, including without limitation, the Americans With Disabilities Act. Grantor may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Grantor has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's interests in the Property are not jeopardized. Lender may require Grantor to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interest.

Duty to Protect. Grantor agrees neither to abandon or leave unattended the Property. Grantor shall do all other acts, in addition to those acts set forth above in this section, which from the character and use of the Property are reasonably necessary to protect and preserve the Property.

DUE ON SALE - CONSENT BY LENDER. Lender may, at Lender's option, declare immediately due and payable all sums secured by this Deed of Trust upon the sale or transfer, without Lender's prior written consent, of all or any part of the Real Property, or any interest in the Real Property. A "sale or transfer" means the conveyance of Real Property or any right, title or interest in the Real Property; whether legal, beneficial or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with a term greater than three (3) years, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Real Property, or by any other method of conveyance of an interest in the Real Property. If any Grantor is a corporation, partnership or limited liability company, transfer also includes any change in ownership of more than twenty-five percent (25%) of the voting stock, partnership interests or limited liability company interests, as the case may be, of such Grantor. However, this option shall not be exercised by Lender if such exercise is prohibited by federal law or by North Carolina law.

TAXES AND LIENS. The following provisions relating to the taxes and liens on the Property are part of this Deed of Trust:

Payment. Grantor shall pay when due (and in all events prior to delinquency) all taxes, special taxes, assessments, charges (including water and sewer), fines and impositions levied against or on account of the Property, and shall pay when due all claims for work done on or for services rendered or material furnished to the Property. Grantor shall maintain the Property free of all liens having priority over or equal to the interest of Lender under this Deed of Trust, except for the lien of taxes and assessments not due and except as otherwise provided in this Deed of Trust.

Right to Contest. Grantor may withhold payment of any tax, assessment, or claim in connection with a good faith dispute over the obligation to pay, so long as Lender's interest in the Property is not jeopardized. If a lien arises or is filed as a result of nonpayment, Grantor shall within fifteen (15) days after the lien arises or, if a lien is filed, within fifteen (15) days after Grantor has notice of the filing, secure the discharge of the lien, or if requested by Lender, deposit with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender in an amount sufficient to discharge the lien plus any costs and attorneys' fees, or other charges that could accrue as a result of a foreclosure or sale under the lien. In any contest, Grantor shall defend itself and Lender and shall satisfy any adverse judgment before enforcement against the Property. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings.

Evidence of Payment. Grantor shall upon demand furnish to Lender satisfactory evidence of payment of the taxes or assessments and shall authorize the appropriate governmental official to deliver to Lender at any time a written statement of the taxes and assessments against the Property.

Notica of Construction. Grantor shall notify Lender at least fifteen (15) days before any work is commenced, any services are furnished, or any materials are supplied to the Property, if any mechanic's lien, materialmen's lien, or other lien could be asserted on account of the work, services, or materials. Grantor will upon request of Lender furnish to Lender advance assurances satisfactory to Lender that Grantor can and will pay the cost of such improvements.

PROPERTY DAMAGE INSURANCE. The following provisions relating to insuring the Property are a part of this Deed of Trust.

Maintenance of Insurance. Grantor shall procure and maintain policies of fire insurance with standard extended coverage endorsements on a fair value basis for the full insurable value covering all Improvements on the Real Property in an amount sufficient to avoid application of any coinsurance clause, and with a standard mortgagee clause in favor of Lender. Grantor shall also procure and maintain comprehensive general liability insurance in such coverage amounts as Lender may request with Trustee and Lender being named as additional insureds in such liability insurance policies. Additionally, Grantor shall maintain such other insurance, including but not limited to hazard, business interruption, and boiler insurance, as Lender may reasonably require. Policies shall be written in form, amounts, coverages and basis reasonably acceptable to Lender and issued by a company or companies reasonably acceptable to Lender. Grantor, upon request of Lender, will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender, including stipulations that coverages will not be cancelled or diminished without at least ten (10) days prior written notice to Lender. Each insurance policy also shall include an

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endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. Should the Real Property be located in an area designated by the Director of the Federal Emergency Management Agency as a special flood hazard area, Grantor agrees to obtain and maintain Federal Flood Insurance, if available, within 45 days after notice is given by Lender that the Property is located in a special flood hazard area, for the full unpaid principal balance of the loan and any prior liens on the property securing the loan, up to the maximum policy limits set under the National Flood Insurance Program, or as otherwise required by Lender, and to maintain such insurance for the term of the loan.

Application of Proceeds. Grantor shall promptly notify Lender of any loss or damage to the Property. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. Whether or not Lender's security is impaired, Lender may, at Lender's election, receive and retain the proceeds of any insurance and apply the proceeds to the reduction of the Indebtedness, payment of any lien affecting the Property, or the restoration and repair of the Property. If Lender elects to apply the proceeds to restoration and repair, Grantor shall repair or replace the damaged or destroyed Improvements in a manner satisfactory to Lender. Lender shall, upon satisfactory proof of such expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration if Grantor is not in default under this Deed of Trust. Any proceeds which have not been disbursed within 180 days after their receipt and which Lender has not committed to the repair or restoration of the Property shall be used first to pay any amount owing to Lender under this Deed of Trust, then to pay accrued interest, and the remainder, if any, shall be applied to the principal balance of the Indebtedness. If Lender holds any proceeds after payment in full of the Indebtedness, such proceeds shall be paid to Grantor as Grantor's interests may appear.

Grantor's Report on Insurance. Upon request of Lender, however not more than once a year, Grantor shall furnish to Lender a report on each existing policy of insurance showing: (1) the name of the insurer; (2) the risks insured; (3) the amount of the policy; (4) the property insured, the then current replacement value of such property, and the manner of determining that value; and (5) the expiration date of the policy. Grantor shall, upon request of Lender, have an independent appraiser satisfactory to Lender determine the cash value replacement cost of the Property.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Property or if Grantor fails to comply with any provision of this Deed of Trust or any Related Documents, including but not limited to Grantor's failure to discharge or pay when due any amounts Grantor is required to discharge or pay under this Deed of Trust or any Related Documents, Lender on Grantor's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Property and paying all costs for insuring, maintaining and preserving the Property. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses will become a part of the Indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Deed of Trust also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon Default.

WARRANTY; DEFENSE OF TITLE. The following provisions relating to ownership of the Property are a part of this Deed of Trust:

Title. Grantor warrants that: (a) Grantor holds good and marketable title of record to the Property in fee simple, free and clear of all liens and encumbrances other than those set forth in the Real Property description or in any title insurance policy, title report, or final title opinion issued in favor of, and accepted by, Lender in connection with this Deed of Trust, and (b) Grantor has the full right, power, and authority to execute and deliver this Deed of Trust to Lender.

Defense of Title. Subject to the exception in the paragraph above, Grantor warrants and will forever defend the title to the Property against the lawful claims of all persons. In the event any action or proceeding is commenced that questions Grantor's title or the interest of Trustee or Lender under this Deed of Trust, Grantor shall defend the action at Grantor's expense. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of Lender's own choice, and Grantor will deliver, or cause to be delivered, to Lender such instruments as Lender may request from time to time to permit such participation.

Compliance With Laws. Grantor warrants that the Property and Grantor's use of the Property complies with all existing applicable laws, ordinances, and regulations of governmental authorities.

Survival of Representations and Warranties. All representations, warranties, and agreements made by Grantor in this Deed of Trust shall survive the execution and delivery of this Deed of Trust, shall be continuing in nature, and shall remain in full force and effect until such time as Grantor's Indebtedness shall be paid in full.

CONDEMNATION. The following provisions relating to condemnation proceedings are a part of this Deed of Trust:

Proceedings. If any proceeding in condemnation is filed, Grantor shall promptly notify Lender in writing, and Grantor shall promptly take such steps as may be necessary to defend the action and obtain the

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award. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of its own choice, and Grantor will deliver or cause to be delivered to Lender such instruments and documentation as may be requested by Lender from time to time to permit such participation.

Application of Net Proceeds. If all or any part of the Property is condemned by eminent domain proceedings or by any proceeding or purchase in lieu of condemnation, Lender may at its election require that all or any portion of the net proceeds of the award be applied to the Indebtedness or the repair or restoration of the Property. The net proceeds of the award shall mean the award after payment of all reasonable costs, expenses, and attorneys' fees incurred by Trustee or Lender in connection with the condemnation.

IMPOSITION OF TAXES, FEES AND CHARGES BY GOVERNMENTAL AUTHORITIES. The following provisions relating to governmental taxes, fees and charges are a part of this Deed of Trust:

Current Taxes, Fees and Charges. Upon request by Lender, Grantor shall execute such documents in addition to this Deed of Trust and take whatever other action is requested by Lender to perfect and continue Lender's lien on the Real Property. Grantor shall reimburse Lender for all taxes, as described below, together with all expenses incurred in recording, perfecting or continuing this Deed of Trust, including without limitation all taxes, fees, documentary stamps, and other charges for recording or registering this Deed of Trust.

Taxes. The following shall constitute taxes to which this section applies: (1) a specific tax upon this type of Deed of Trust or upon all or any part of the Indebtedness secured by this Deed of Trust; (2) a specific tax on Grantor which Grantor is authorized or required to deduct from payments on the Indebtedness secured by this type of Deed of Trust; (3) a tax on this type of Deed of Trust chargeable against the Lender or the holder of the Note; and (4) a specific tax on all or any portion of the Indebtedness or on payments of principal and interest made by Grantor.

Subsequent Taxes. If any tax to which this section applies is enacted subsequent to the date of this Deed of Trust, this event shall have the same effect as an Event of Default, and Lender may exercise any or all of its available remedies for an Event of Default as provided below unless Grantor either (1) pays the tax before it becomes delinquent, or (2) contests the tax as provided above in the Taxes and Liens section and deposits with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender.

SECURITY AGREEMENT; FINANCING STATEMENTS. The following provisions relating to this Deed of Trust as a security agreement are a part of this Deed of Trust:

Security Agreement. This instrument shall constitute a Security Agreement to the extent any of the Property constitutes fixtures, and Lender shall have all of the rights of a secured party under the Uniform Commercial Code as amended from time to time.

Security Interest. Upon request by Lender, Grantor shall take whatever action is requested by Lender to perfect and continue Lender's security interest in the Rents and Personal Property. In addition to recording this Deed of Trust in the real property records, Lender may, at any time and without further authorization from Grantor, file executed counterparts, copies or reproductions of this Deed of Trust as a financing statement. Grantor shall reimburse Lender for all expenses incurred in perfecting or continuing this security interest. Upon default, Grantor shall not remove, sever or detach the Personal Property from the Property. Upon default, Grantor shall assemble any Personal Property not affixed to the Property in a manner and at a place reasonably convenient to Grantor and Lender and make it available to Lender within three (3) days after receipt of written demand from Lender to the extent permitted by applicable law.

Addresses. The mailing addresses of Grantor (debtor) and Lender (secured party) from which information concerning the security interest granted by this Deed of Trust may be obtained (each as required by the Uniform Commercial Code) are as stated on the first page of this Deed of Trust.

FURTHER ASSURANCES; ATTORNEY-IN-FACT. The following provisions relating to further assurances and attorney-in-fact are a part of this Deed of Trust:

Further Assurances. At any time, and from time to time, upon request of Lender, Grantor will make, execute and deliver, or will cause to be made, executed or delivered, to Lender or to Lender's designee, and when requested by Lender, cause to be filed, recorded, refiled, or rerecorded, as the case may be, at such times and in such offices and places as Lender may deem appropriate, any and all such mortgages, deeds of trust, security deeds, security agreements, financing statements, continuation statements, instruments of further assurance, certificates, and other documents as may, in the sole opinion of Lender, be necessary or desirable in order to effectuate, complete, perfect, continue, or preserve (1) Grantor's obligations under the Note, this Deed of Trust, and the Related Documents, and (2) the liens and security interests created by this Deed of Trust as first and prior liens on the Property, whether now owned or hereafter acquired by Grantor. The lien of this Deed of Trust and the security interest granted hereby will automatically attach, without further act, to all after-acquired property attached to and or used in the operation of the Property or any part thereof. Unless prohibited by law or Lender agrees to the contrary in writing, Grantor shall reimburse Lender for all costs and expenses incurred in connection with the matters referred to in this paragraph.

Attorney-in-Fact. If Grantor fails to do any of the things referred to in the preceding paragraph, Lender may do so for and in the name of Grantor and at Grantor's expense. For such purposes, Grantor hereby

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irrevocably appoints Lender as Grantor's attorney-in-fact for the purpose of making, executing, delivering, filing, recording, and doing all other things as may be necessary or desirable, in Lender's sole opinion, to accomplish the matters referred to in the preceding paragraph.

FULL PERFORMANCE. If Grantor pays all the Indebtedness when due, and otherwise performs all the obligations imposed upon Grantor under this Deed of Trust, Lender shall execute and deliver to Trustee a request for full reconveyance and shall execute and deliver to Grantor suitable statements of termination of any financing statement on file evidencing Lender's security interest in the Rents and the Personal Property. Any reconveyance fee required by law shall be paid by Grantor, if permitted by applicable law.

DEFAULT. Each of the following, at Lender's option, shall constitute an Event of Default under this Deed of Trust:

Payment Default. Grantor fails to make any payment when due under the Indebtedness.

Default on Other Payments. Failure of Grantor within the time required by this Deed of Trust to make any payment for taxes or insurance, or any other payment necessary to prevent filing of or to effect discharge of any lien.

Other Defaults. Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Deed of Trust or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Grantor.

Compliance Default. Failure to comply with any other term, obligation, covenant or condition contained in this Deed of Trust, the Note or in any of the Related Documents.

Default in Favor of Third Parties. Should Grantor default under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Grantor's property or Grantor's ability to repay the Indebtedness or perform their respective obligations under this Deed of Trust or any of the Related Documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Grantor or on Grantor's behalf under this Deed of Trust or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Defective Collateralization. This Deed of Trust or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

Death or Insolvency. The dissolution of Grantor's (regardless of whether election to continue is made), any member withdraws from the limited liability company, or any other termination of Grantor's existence as a going business or the death of any member, the insolvency of Grantor, the appointment of a receiver for any part of Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Grantor.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Grantor or by any governmental agency against any property securing the Indebtedness. This includes a garnishment of any of Grantor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Grantor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Breach of Other Agreement. Any breach by Grantor under the terms of any other agreement between Grantor and Lender that is not remedied within any grace period provided therein, including without limitation any agreement concerning any indebtedness or other obligation of Grantor to Lender, whether existing now or later.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness. In the event of a death, Lender, at its option, may, but shall not be required to, permit the Guarantor's estate to assume unconditionally the obligations arising under the guaranty in a manner satisfactory to Lender, and, in doing so, cure any Event of Default.

Adverse Change. A material adverse change occurs in Grantor's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

Insecurity. Lender in good faith believes itself insecure.

Right to Cure. If any default, other than a default in payment is curable and if Grantor has not been given a notice of a breach of the same provision of this Deed of Trust within the preceding twelve (12) months, it may be cured if Grantor, after receiving written notice from Lender demanding cure of such default: (1) cures the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

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RIGHTS AND REMEDIES ON DEFAULT. If an Event of Default occurs under this Deed of Trust, at any time thereafter, Trustee or Lender may exercise any one or more of the following rights and remedies:

Election of Remedies. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Deed of Trust, after Grantor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies.

Accelerate Indebtedness. Lender shall have the right at its option without notice to Grantor to declare the entire Indebtedness immediately due and payable, including any prepayment penalty which Grantor would be required to pay.

Express Power of Sale Provision. Upon the application or request of Lender, it shall be lawful for and the duty of the Trustee, and the Trustee is hereby authorized and empowered, to expose to sale and to sell the Property at public auction for cash, after having first complied with all applicable requirements of North Carolina law with respect to the exercise of powers of sale contained in deeds of trust or such other sales appropriate under the circumstances; and upon any such sale, the Trustee shall convey title to the purchaser in fee simple. In the event of any sale under this Deed of Trust by virtue of the exercise of the powers granted in this Deed of Trust, or pursuant to any order and any judicial proceeding or otherwise, the Property may be sold as an entirety or in separate parcels and in such manner or order as Lender in its sole discretion may elect. Trustee shall be authorized to hold a sale pursuant to North Carolina General Statute Chapter 45. If Trustee so elects, Trustee may sell the Property covered by this Deed of Trust at one or more separate sales in any manner permitted by applicable North Carolina law, and any exercise of the powers granted in this Deed of Trust shall not extinguish or exhaust such powers, until the entire Property is sold or the Indebtedness is paid in full. If such Indebtedness is now or hereafter further secured by any chattel mortgages, pledges, contracts of guaranty, assignments of lease or other security instruments, Lender may at its option exercise the remedies granted under any of the security agreements either concurrently or independently and in such order as Lender may determine.

Foreclosure. With respect to all or any part of the Real Property, the Trustee shall have the right to foreclose by notice and sale, and Lender shall have the right to foreclose by judicial foreclosure, in either case in accordance with and to the full extent provided by applicable law.

UCC Remedies. With respect to all or any part of the Personal Property, Lender shall have all the rights and remedies of a secured party under the Uniform Commercial Code.

Collect Rents. Lender shall have the right, without notice to Grantor to take possession of and manage the Property and collect the Rents, including amounts past due and unpaid, and apply the net proceeds, over and above Lender's costs, against the Indebtedness. In furtherance of this right, Lender may require any tenant or other user of the Property to make payments of rent or use fees directly to Lender. If the Rents are collected by Lender, then Grantor irrevocably designates Lender as Grantor's attorney-in-fact to endorse instruments received in payment thereof in the name of Grantor and to negotiate the same and collect the proceeds. Payments by tenants or other users to Lender in response to Lender's demand shall satisfy the obligations for which the payments are made, whether or not any proper grounds for the demand existed. Lender may exercise its rights under this subparagraph either in person, by agent, or through a receiver.

Appoint Receiver. Lender shall have the right to have a receiver appointed to take possession of all or any part of the Property, with the power to protect and preserve the Property, to operate the Property preceding foreclosure or sale, and to collect the Rents from the Property and apply the proceeds, over and above the cost of the receivership, against the Indebtedness. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Property exceeds the Indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

Tenancy at Sufferance. If Grantor remains in possession of the Property after the Property is sold as provided above or Lender otherwise becomes entitled to possession of the Property upon default of Grantor, Grantor shall become a tenant at sufferance of Lender or the purchaser of the Property and shall, at Lender's option, either (1) pay a reasonable rental for the use of the Property, or (2) vacate the Property immediately upon the demand of Lender.

Other Remedies. Trustee or Lender shall have any other right or remedy provided in this Deed of Trust or the Note or by law.

Notice of Sale. Lender shall give Grantor reasonable notice of the time and place of any public sale of the Personal Property or of the time after which any private sale or other intended disposition of the Personal Property is to be made. Reasonable notice shall mean notice given at least ten (10) days before the time of the sale or disposition. Any sale of the Personal Property may be made in conjunction with any sale of the Real Property.

Sale of the Property. To the extent permitted by applicable law, Grantor hereby waives any and all rights to have the Property marshalled. In exercising its rights and remedies, the Trustee or Lender shall be free to sell all or any part of the Property together or separately, in one sale or by separate sales. Lender shall be entitled to bid at any public sale on all or any portion of the Property.

Attorneys' Fees; Expenses. If Lender institutes any suit or action to enforce any of the terms of this Deed of Trust, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not

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prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees, title insurance, and fees for the Trustee, to the extent permitted by applicable law. Grantor also will pay any court costs, in addition to all other sums provided by law.

Rights of Trustee. Trustee shall have all of the rights and duties of Lender as set forth in this section.

POWERS AND OBLIGATIONS OF TRUSTEE. The following provisions relating to the powers and obligations of Trustee are part of this Deed of Trust:

Powers of Trustee. In addition to all powers of Trustee arising as a matter of law, Trustee shall have the power to take the following actions with respect to the Property upon the written request of Lender and Grantor: (a) join in preparing and filing a map or plat of the Real Property, including the dedication of streets or other rights to the public; (b) join in granting any easement or creating any restriction on the Real Property; and (c) join in any subordination or other agreement affecting this Deed of Trust or the interest of Lender under this Deed of Trust.

Trustee. Trustee shall meet all qualifications required for Trustee under applicable law. In addition to the rights and remedies set forth above, with respect to all or any part of the Property, the Trustee shall have the right to foreclose by notice and sale, and Lender shall have the right to foreclose by judicial foreclosure, in either case in accordance with and to the full extent provided by applicable law.

Trustee's Fees. The Trustee's commission shall be five percent (5%) of the gross proceeds of the sale for a completed foreclosure. In the event foreclosure is commenced, but not completed, Grantor shall pay all expenses incurred by Trustee and partial commission computed on five percent (5%) of the outstanding Indebtedness, according to the following schedule: one-fourth of the commission before Trustee issues a notice of hearing on the right to foreclosure; one-half of the commission after issuance of notice of hearing; three-fourths of the commission after a hearing; and the full commission after the initial sale.

Express Power to Substitute a Trustee. Lender shall have the irrevocable right to remove at any time and from time to time without limit the Trustee named in this Deed of Trust without notice or cause and to appoint a successor by an instrument in writing, duly acknowledged, in such a form as to entitle such written instrument to be recorded in the State of North Carolina; and, in the event of the death or resignation of the Trustee named in this Deed of Trust, Lender shall have the right to appoint a successor by such written instrument, and any Trustee so appointed shall be vested with the title to the Property, and shall possess all the powers, duties and obligations herein conferred on the Trustee in the same manner and to the same extent as though the successor trustee were named in this Deed of Trust as Trustee.

NOTICES. Any notice required to be given under this Deed of Trust, including without limitation any notice of default and any notice of sale shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Deed of Trust. Any party may change its address for notices under this Deed of Trust by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address. Unless otherwise provided or required by law, if there is more than one Grantor, any notice given by Lender to any Grantor is deemed to be notice given to all Grantors.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Deed of Trust:

Amendments. This Deed of Trust, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Deed of Trust. No alteration of or amendment to this Deed of Trust shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Annual Reports. If the Property is used for purposes other than Grantor's residence, Grantor shall furnish to Lender, upon request, a certified statement of net operating income received from the Property during Grantor's previous fiscal year in such form and detail as Lender shall require. "Net operating income" shall mean all cash receipts from the Property less all cash expenditures made in connection with the operation of the Property.

Arbitration. Grantor and Lender agree that all disputes, claims and controversies between them whether individual, joint, or class in nature, arising from this Deed of Trust or otherwise, including without limitation contract and tort disputes, shall be arbitrated pursuant to the Rules of the American Arbitration Association in effect at the time the claim is filed, upon request of either party. No act to take or dispose of any Property shall constitute a waiver of this arbitration agreement or be prohibited by this arbitration agreement. This includes, without limitation, obtaining injunctive relief or a temporary restraining order; invoking a power of sale under any deed of trust or mortgage; obtaining a writ of attachment or imposition of a receiver; or exercising any rights relating to personal property, including taking or disposing of such

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property with or without judicial process pursuant to Article 9 of the Uniform Commercial Code. Any disputes, claims, or controversies concerning the lawfulness or reasonableness of any act, or exercise of any right, concerning any Property, including any claim to rescind, reform, or otherwise modify any agreement relating to the Property, shall also be arbitrated, provided however that no arbitrator shall have the right or the power to enjoin or restrain any act of any party. Judgment upon any award rendered by any arbitrator may be entered in any court having jurisdiction. Nothing in this Deed of Trust shall preclude any party from seeking equitable relief from a court of competent jurisdiction. The statute of limitations, estoppel, waiver, laches, and similar doctrines which would otherwise be applicable in an action brought by a party shall be applicable in any arbitration proceeding, and the commencement of an arbitration proceeding shall be deemed the commencement of an action for these purposes. The Federal Arbitration Act shall apply to the construction, interpretation, and enforcement of this arbitration provision.

Caption Headings. Caption headings in this Deed of Trust are for convenience purposes only and are not to be used to interpret or define the provisions of this Deed of Trust.

Merger. There shall be no merger of the interest or estate created by this Deed of Trust with any other interest or estate in the Property at any time held by or for the benefit of Lender in any capacity, without the written consent of Lender.

Governing Law. This Deed of Trust will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of North Carolina without regard to its conflicts of law provisions. This Deed of Trust has been accepted by Lender in the State of North Carolina.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Deed of Trust unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Deed of Trust shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Deed of Trust. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Deed of Trust, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Severability. If a court of competent jurisdiction finds any provision of this Deed of Trust to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Deed of Trust. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Deed of Trust shall not affect the legality, validity or enforceability of any other provision of this Deed of Trust.

Successors and Assigns. Subject to any limitations stated in this Deed of Trust on transfer of Grantor's interest, this Deed of Trust shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Deed of Trust and the Indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Deed of Trust or liability under the Indebtedness.

Time is of the Essence. Time is of the essence in the performance of this Deed of Trust.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Deed of Trust. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Deed of Trust shall have the meanings attributed to such terms in the Uniform Commercial Code:

Beneficiary. The word "Beneficiary" means REGIONS BANK, and its successors and assigns.

Borrower. The word "Borrower" means BROOKSTOWN DEVELOPMENT PARTNERS, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Deed of Trust. The words "Deed of Trust" mean this Deed of Trust among Grantor, Lender, and Trustee, and includes without limitation all assignment and security interest provisions relating to the Personal Property and Rents.

Default. The word "Default" means the Default set forth in this Deed of Trust in the section titled "Default".

Environmental Laws. The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Deed of

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(Continued)**

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Trust in the default section of this Deed of Trust.

Grantor. The word "Grantor" means BROOKSTOWN DEVELOPMENT PARTNERS, LLC.

Guarantor. The word "Guarantor" means any guarantor, surety, or accommodation party of any or all of the Indebtedness.

Guaranty. The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note.

Hazardous Substances. The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos.

Improvements. The word "Improvements" means all existing and future improvements, buildings, structures, mobile homes affixed on the Real Property, facilities, additions, replacements and other construction on the Real Property.

Indebtedness. The word "Indebtedness" means all principal, interest, and other amounts, costs and expenses payable under the Note or Related Documents, together with all renewals of, extensions of, modifications of, consolidations of and substitutions for the Note or Related Documents and any amounts expended or advanced by Lender to discharge Grantor's obligations or expenses incurred by Trustee or Lender to enforce Grantor's obligations under this Deed of Trust, together with interest on such amounts as provided in this Deed of Trust.

Lender. The word "Lender" means REGIONS BANK, its successors and assigns.

Note. The word "Note" means the promissory note dated October 12, 2006, in the original principal amount of \$13,000,000.00 from Grantor to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement. **NOTICE TO GRANTOR: THE NOTE CONTAINS A VARIABLE INTEREST RATE.**

Personal Property. The words "Personal Property" mean all equipment, fixtures, and other articles of personal property now or hereafter owned by Grantor, and now or hereafter attached or affixed to the Real Property; together with all accessions, parts, and additions to, all replacements of, and all substitutions for, any of such property; and together with all proceeds (including without limitation all insurance proceeds and refunds of premiums) from any sale or other disposition of the Property.

Property. The word "Property" means collectively the Real Property and the Personal Property.

Real Property. The words "Real Property" mean the real property, interests and rights, as further described in this Deed of Trust.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

Rents. The word "Rents" means all present and future rents, revenues, income, issues, royalties, profits, and other benefits derived from the Property.

Trustee. The word "Trustee" means Edmund A. Hawes, whose address is 6805 Morrison Blvd., Suite 100, Charlotte, NC 28211 and any substitute or successor trustees.

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS DEED OF TRUST, AND GRANTOR AGREES TO ITS TERMS.

GRANTOR:

BROOKSTOWN DEVELOPMENT PARTNERS, LLC

By: 

BILLY D PRIM, Manager of BROOKSTOWN DEVELOPMENT PARTNERS, LLC

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(Continued)

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LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF NORTH CAROLINA)

) SS

COUNTY OF FORSYTH)

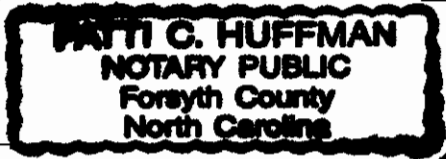
I, PATTI C HUFFMAN, a Notary Public for said County and State, certify that **BILLY D PRIM, Manager of BROOKSTOWN DEVELOPMENT PARTNERS, LLC** personally came before me this day and acknowledged the due execution of the foregoing instrument in writing by himself or herself for **BROOKSTOWN DEVELOPMENT PARTNERS, LLC**, a limited liability company, for the uses and purposes therein set forth.

Witness my hand and Notarial Seal this the 19 day of OCTOBER, 2006.

Patti C Huffman
Notary Public

My Commission Expires:

1-4-2011



(Affix Notarial Seal Here)

EXHIBIT "A"

This EXHIBIT "A" is attached to and by this referenced is made a part of the Deed of Trust dated October 12, 2006, and executed in connection with a loan or other financial accommodations between REGIONS BANK and BROOKSTOWN DEVELOPMENT PARTNERS, LLC.

GRANTOR:

BROOKSTOWN DEVELOPMENT PARTNERS, LLC

By: 

Billy D. Prm, Manager

TRACT NO. 1: Parcel A (104 Fayette Street – Tax Lots 18B and 19, Block 104): BEGINNING at an iron located at the point of intersection of the northern right-of-way line of First Street, and the western right-of-way line of Fayette Street, and running thence along the northern right-of-way of First Street, North 83° 19' 11" West 123.17 feet to an iron; thence North 4° 37' 14" East 56.8 feet to an iron; thence North 63° 48' 13" East 124.76 feet to an iron located in the western right-of-way line of Fayette Street; thence with the western right-of-way line of Fayette Street, on a curve to the right, a chord course and distance of South 11° 20' 19" East 57.50 feet to an iron, and South 4° 30' 45" West 69.86 feet to the point and place of BEGINNING, being all of Lots 19 and 18B, Tax Block 103, as shown on survey prepared by United Limited, dated January 22, 1979. Being all of Lot 19 and a part of Lot 18 as shown on the plat of W. L. Brown Property recorded in Plat Book 8, Page 12, in the office of the Register of Deeds of Forsyth County, North Carolina, and being Tax Lots 18B and 19, in Block 104, as presently shown on the Forsyth County Tax Maps.

Parcel B (101 Fayette Street – Tax Lots 14, 15, 112, 113B, 201B and 202, Block 103): BEGINNING at an iron in the eastern right-of-way line of Fayette Street, said iron being located at the southeastern corner of the property conveyed to Long Communications Group, Inc. in Deed Book 1432, Page 270, Forsyth County Registry, and running thence from said point and place of BEGINNING along the eastern boundary of Long Communications Group, Inc., North 53° 32' 36" East 163.27 feet to an iron; thence South 55° 19' 56" East 82.71 feet to an iron; thence South 3° 18' 20" West 254.23 feet to an iron located in the northern right-of-way line of West First Street; thence with the northern right-of-way line of West First Street, North 83° 28' 37" West 150.05 feet to an existing iron pin located at the intersection of the eastern right-of-way line of Fayette Street and the northern right-of-way line of West First Street; thence with the eastern right-of-way line of Fayette Street, North 3° 47' 33" East 59.02 feet to a point; thence on a curve to the left with the eastern right-of-way line of Fayette Street, the following three (3) chord courses and distances: (1) North 02° 01' 53" West 49.80 feet to an existing iron pin; (2) North 18° 00' 51" West 43.55 feet to an existing iron pin; and (3) North 33° 28' 17" West 44.01 feet to the point and place of BEGINNING, and being known and designated as Tax Lots 113B, 112, 201B, 202, 14 and 15 in Tax Block 103, as shown on the Forsyth County Tax Maps, all according to a survey prepared by United, Ltd., dated August 8, 1996.

TRACT NO. 2: Parcel A (121 Fayette Street – Tax Lot 12, Block 103): Being known and designated as Lot 12 as shown on the map of the W. L. Brown Estate Property as recorded in Plat Book 8 at Page 12 in the office of the Register of Deeds of Forsyth County, North Carolina, reference to which is hereby made for a more particular description.

Parcel B (101 Fayette Street – Tax Lots 110, 111B & 120 C, Block 103): BEGINNING at an iron at the northeast corner of the property conveyed to Shelby Jean Investors, Inc. in deed recorded in Book 1481, Page 1826, Forsyth County Registry, and running thence from said point and place of BEGINNING, South 57° 49' 52" East 119.62 feet to an existing iron pin located in the western right-of-way line of Peters Creek Parkway; thence with the western right-of-way line of Peters Creek Parkway, South 23° 36' 40" West 189.77 feet to an existing iron pin; thence South 62° 13' 55" West 36.68 feet to an existing iron pin located in the northern right-of-way line of West First Street; thence with the northern right-of-way line of West First Street, North 83° 28' 37" West 7.50 feet to an existing iron pin; thence North 3° 18' 20" East 254.23 feet to the point and place of BEGINNING, being all of Tax Lots 110, 111B, and 120C in Block 103, as shown on the Forsyth County Tax Map, as said maps are presently constituted, all in accordance with a survey prepared by United, Ltd., dated August 8, 1996, entitled Map for Daniel W. Donathan and wife, Shelby Jean.

TRACT NO. 3 (920 Brookstown Avenue – Tax Lot 303, Block 103 [formerly Lots 108, 109, 114B and 120B, Block 103]) BEGINNING at an iron located in the western right-of-way line of Peters Creek Parkway, said iron also being located at the northeastern corner of the property conveyed to Magnolia Estates, LLC in Deed Book 2497, Page 4071, Forsyth County Registry, and running thence from said point and place of BEGINNING, North 59° 04' 30" West 118.27 feet to an iron, the northeastern corner of the property conveyed to Magnolia Estates, LLC in Deed Book 2497, Page 4068, Forsyth County Registry; RUNNING THENCE North 56° 16' 57" West 25.13 feet to an iron; running thence North 57° 22' 49" West 49.95 feet to the northwestern corner of the Magnolia Estates property, the southeastern corner of property owned by the City of Winston-Salem; thence with the eastern boundary line of property owned by the City of Winston-Salem, North 43° 41' 37" East 204.74 feet to an iron located in the southern right-of-way line of Brookstown Avenue; thence with the southern right-of-way line of Brookstown Avenue, South 45° 53' 21" East 49.23 feet; thence on a curve to the left having a radius of 953.29 feet and an arc length of 84.15 feet, a chord, bearing of South 52° 03' 33" East 84.12 feet to a point; thence continuing on a curve to the right with Brookstown Avenue and the western right-of-way line of Peters Creek Parkway, said curve having a radius of 20 feet and an arc length of 31.59 feet, a chord bearing of South 11° 42' 45" East 28.41 feet to an iron pin in the western right-of-way line of Peters Creek Parkway; thence continuing with the western right-of-way line of Peters Creek Parkway on a curve to the left having a radius of 381.75 feet and an arc length of 81.82 feet, a chord bearing of South 29° 35' 55" West 81.67 feet to an iron; thence continuing with the western right-of-way line of Peters Creek Parkway, South 22° 07' 02" West 77.67 feet to the point and place of BEGINNING, containing .76 acres, more or less, as shown on a survey by SLS Land Surveying dated April 6, 2005, entitled "Magnolia Estates, LLC."

TRACT NO. 4: (Green Street, Winston-Salem - Tax Lot 121, Block 0103) LYING AND BEING in Winston Township, Forsyth County, State of North Carolina, and beginning at an iron stake, said iron stake being located at the southwest intersection of Brookstown Avenue and Green Street, and running thence along the western right of way line of Green Street South 02° 36' 20" East 303.50 feet to an iron stake; thence North 65° 15' 10" West 2.08 feet to an iron stake; thence South 04° 38' 45" East 19.96 feet to an iron stake; thence South 51° 34' 20" West 60.71 feet to an iron stake in the northern right of way line of West First Street; thence along the northern right of way line of West First Street North 76° 08' 20" West 50.0 feet to a nail in an existing concrete driveway; thence along the boundaries of Maxine T. Bradley (see Deed Book 1344 at page 928) the three (3) following courses and distances: North 08° 18' 52" East 84.85 feet to an iron stake; North 64° 33' 00" West 60.97 feet to an iron stake; and South 04° 53' 10" West 100.06 feet to an iron stake on an existing block and concrete wall in the northern right of way line of West First Street; thence along the northern right of way line of West First Street North 70° 39' 50" West 61.55 feet to an iron stake in an existing concrete driveway, said point being the southeast corner of that certain tract or parcel of land now or formerly owned by Ogburn Investments Inc. (see Deed Book 1846 at page 791); thence along the eastern boundary line of Ogburn Investments Inc. North 05° 42' 20" East 156.45 feet to an iron stake, the northeast corner of the Ogburn Investment's parcel; thence along the northern boundary line of the Ogburn Investment's parcel North 65° 13' 10" West 3.66 feet to an iron stake in the eastern right of way line of Peters Creek Parkway; thence along the eastern right of way line of Peters Creek Parkway North 25° 08' 00" East 118.06 feet to an iron stake; thence continuing along the eastern right of way line of Peters Creek Parkway, as it curves to the right (said curve having a radius of 318.45 feet and an arc length of 77.36 feet), a chord course and distance of North 32° 05' 30" East 77.17 feet to an iron stake; thence along a curve to the right (said curve having a radius of 35 feet and an arc length of 47.34 feet), same being the eastern right of way line of Peters Creek Parkway to the point of intersection with the southern right of way line of Brookstown Avenue, a chord course and distance of North 77° 46' 50" East 43.81 feet to an iron stake in the southern right of way line of Brookstown Avenue; thence along the southern right of way line of Brookstown Avenue South 64° 43' 20" East 50.62 feet to the point and place of the beginning, same being that property containing 1.26520 acres more or less, as taken from a plat of survey prepared by Thomas A. Riccio and Associates dated September 15, 2000 (Drawing #00387 entitled "Survey Prepared for Brookstown Flats, LLC"), and being further known as Tax Lot 121, Tax Block 103 as set out upon the tax maps in the Office of the Forsyth County Tax Supervisor as said maps are presently constituted.

The above described property is the same property as that conveyed to Krispy Kreme Doughnut Corporation by deed dated May 20, 2005, and recorded in Book 2566 at Page 4495 of the Forsyth County Registry.

TRACT NO. 5: (100 Peters Creek Parkway, Winston-Salem - Tax Lots 1B, 2B, 3B, 4B & 5B, Block 0638) BEGINNING at an iron stake at the Southwest intersection of West First Street (formerly Shallowford Street) and Park Circle; running thence in a Southerly direction along the West side of Park Circle 95 ft. to an iron stake in the East line of Lot #1, as shown on the hereinafter referred to Map; thence on a new line Westwardly crossing Lots 1, 2, 3, 4 and 5, 99.6 ft. to an iron stake in West line of Lot #5; said stake being 5 ft. North of the Southwest corner of said Lot #5; running thence with the West line of Lot #5 Northwardly 85 ft. to an iron stake, the Northwest corner of Lot #5, in the South margin of West First St; thence with the South margin of West First St., in an Eastwardly direction 100 ft. to the place of beginning; same being all of Lots Nos. 1, 2, 3, 4 and 5, except a 5-foot strip off of the South ends of said Lots, as shown in Block "B", of the "H.D. Shutt Property", said Map being recorded in the Office of the Register of Deeds of Forsyth County, N. C., in Plat Book 6, Page 193.

SAVE AND EXCEPT that portion of the above described property conveyed to the City of Winston-Salem for the widening of West First Street as described in Deed Book 944, page 156, Forsyth County Registry.

Together with an easement and right of way for the purposes of ingress and egress over a 9-foot strip adjacent to the south line of the property described above, said 9-foot strip including the 5-foot strip off the southern end of said Lots 1, 2, 3, 4 and 5 on the map hereinabove referred to and also including a 4-foot strip off the north portion of the adjacent property known as Lot 19 of Shutt Park, Plat Book 2, p. 31A, Office of Register of Deeds of Forsyth County.

This conveyance is made subject to the reservation for the maintenance of a sewer connection as set out in deed from Carrie May Edwards, widow, to Harry Pasman, dated July 1, 1959.

TRACT NO. 6: Parcel A: Being known and designated as Lot No. 31 as shown on the Map of SHUTT PARK as recorded in the office of the Register of Deeds of Forsyth County, North Carolina, in Map Book 2, Page 31A, to which map reference is hereby made for a more particular description. Also known as Tax Lot 31 in Tax Block 638, Forsyth County Tax Maps.

Parcel B: Being known and designated as Lot No. 32 as shown on the Map of SHUTT PARK as recorded in the office of the Register of Deeds of Forsyth County, North Carolina, in Map Book 2, Page 31A, to which map reference is hereby made for a more particular description. Also known as Tax Lot 32 in Tax Block 638, Forsyth County Tax Maps.

Parcel C: BEGINNING at an iron stake at the northeast corner of Lot 10 as shown on the Plat of Shutt Park as recorded in Plat Book 2, Page 31A, Forsyth County Registry, said Lot 10 having been conveyed to Grady F. Chatman, III in Book 1884, Page 1663, Forsyth County Registry; thence northeastwardly along the southern boundary of Lot 32 as shown on the plat of Shutt Park referenced above, about 32 feet 3 inches to an iron stake in the northwestern corner of the property conveyed to Linda H. Russell in Book 1995, Page 2036, Forsyth County Registry, said Russell property also being known as Lot 12 as shown on the Map of Shutt Park referenced above; thence southwardly with Russell's western line, 3 feet to an iron stake; thence leaving Russell's western line and running westerwardly 32 feet to the point and place of beginning, the same being a triangular portion of the northern end of Lot 11 as shown on the Map of Shutt Park referenced above. Also known as Tax Lot 103 in Tax Block 638, Forsyth County Tax Maps.

TRACT NO. 7: (West First Street, Winston-Salem - Tax Lot 115B, Block 0103) BEGINNING at a point in the southwestern corner of the property conveyed to Primo Properties III, LLC by Krispy Kreme Doughnut Corporation in Book 2627, Page 500, Forsyth County Registry, and running thence from said point and place of BEGINNING, with a western line of Krispy Kreme Doughnut Corporation, North 05° 42' 20" East 146.45 feet to an iron stake, the northeast corner of the herein described property; thence North 65° 13' 10" West 3.66 feet to an iron in the eastern right-of-way line of Peters Creek Parkway; thence along the eastern line of Peters Creek Parkway, South 25° 00' 08" East approximately 134.06 feet to a point of intersection of West Second Street and West First Street; thence in a southeasterly direction with a right-of-way line which connects West Second Street and West First Street approximately 40 feet to a point in the northern right-of-way line of First

Street; thence in a southeasterly direction along the northern right-of-way line of West First Street, approximately 30.6 feet to the point and place of BEGINNING.

The hereinabove described property is the same property conveyed to Home Real Estate Loan and Insurance Company (which changed its name to Ogburn Investments, Inc. – see Book 1846, Page 791), as described in a deed recorded in Book 1313, Page 1501, Forsyth County Registry. The above-described property is also known as Tax Lot 115B, Block 0103, on the Forsyth County Tax Maps.

TRACT NO. 8: (137 S. Green Street, Winston-Salem - Tax Lot 203, Block 0635) Being known and designated as Lot No. 3 of the S.C. Harper Property as shown on a plat thereof recorded in Plat Book 13, Page 13, in the office of the Register of Deeds of Forsyth County, North Carolina, reference to which is hereby made for a more particular description.

The hereinabove described property is the same property designated as Tract 4 in a deed to HKO Family Properties, LLC recorded in Book 2224, Page 1019, Forsyth County Registry. The above-described property is also known as Tax Lot 203, Block 0635, on the Forsyth County Tax Maps.

TRACT NO. 9: (169 Granville Drive, Winston-Salem - Tax Lot 000C, Block 0637) BEGINNING at an iron in the east line of Granville Drive located at the southwest corner of Lot 11 as shown on the plat of Watkins Estate recorded in Plat Book 8, Page 82, Forsyth County Registry, and running thence along the south line of Lot 11, North 66° 28' East 76.84 feet to an iron; thence South 14° 25' East 60.09 feet to an iron; thence South 62° 45' West 76.94 feet to an iron located in the east line of Granville Drive; thence along the east line of Granville Drive, North 15° 10' West 65 feet to the point and place of BEGINNING.

The hereinabove described property is the same property conveyed to Sam C. Ogburn in Deed Book 992, Page 381, Forsyth County Registry. The above-described property is also known as Tax Lot 000C, Block 637, on the Forsyth County Tax Maps, and is a portion of Lot 8 as shown on the map of Watkins Estate as recorded in Plat Book 8, Page 82, Forsyth County Registry.

TRACT NO. 10: (162 Granville Drive, Winston-Salem, Tax Lot 102, Block 0639) BEGINNING at a point in the west right-of-way line of Granville Drive (formerly known as Peachtree Street), said point being located approximately 113.6 feet from the northeastern corner of Lot 14 on the map of Watkins Estate recorded in Plat Book 8, Page 82, Forsyth County Registry, also being 113.6 feet from the northeastern corner of the property designated as Tract III conveyed to Home Real Estate Loan and Insurance Company (which changed its name to Ogburn Investments, Inc. – see Book 1846, Page 791) in Deed Book 1340, Page 0084, Forsyth County Registry; running thence from said point and place of BEGINNING, along the western right-of-way line of Granville Drive, 50 feet to a point in the northeast corner of Lot 15 as shown on the plat of Watkins Estate referenced above; thence in a southwesterly direction with the line of Lot 15 referenced above, 115 feet to a point; thence in a northwesterly direction with the line of Ogburn Investments, Inc. referenced above, 50 feet to a corner of the Ogburn Investments, Inc. line; thence in an easterly direction with the line of the Ogburn Investments, Inc. property referenced above, 115 feet to the point and place of BEGINNING.

The hereinabove described property is the same property conveyed to Elizabeth A. Ogburn as described in a deed recorded in Book 2684, Page 4391, Forsyth County Registry. The above-described property is also known as Tax Lot 102, Block 0639, on the Forsyth County Tax Maps.

TRACT NO. 11: (Granville Drive, Winston-Salem - Tax Lot 103, Block 0639) Being known and designated as Lot No. 14 as set out upon Map of Watkins Estate, a plat of which is recorded in Plat Book 8, page 82, in the office of the Register of Deeds of Forsyth County, North Carolina.

SAVE AND EXCEPT THOSE PORTIONS OF Lot 14 conveyed by deeds of conveyance recorded in Deed Book 83 at page 298 and Deed Book 156 at page 39, Forsyth County Registry.

Being a part of Tract No. 1 appearing in Deed Book 61, at page 222 in the Office of the Register of Deeds, Forsyth County, North Carolina, and is further known as Tax Block 639, and Tax Lot 103.

The hereinabove described property is the same property conveyed to Home Real Estate Loan and Insurance Company (which changed its name to Ogburn Investments, Inc. – see Book 1846, Page 791), and designated as Tract III as described in a deed recorded in Book 1340, Page 84, Forsyth County Registry.

TRACT NO. 12: (Corner of Second & Broad Streets, Winston-Salem - Tax Lot 117C, Block 0097)

BEGINNING at a point at the northwestern corner of the property conveyed to Alton F. Pfaff and wife, Georgia G. Pfaff in Deed Book 874, Page 229, Forsyth County Registry, said point also being located in the eastern line of the property conveyed to Frank D. Lawson and wife, Polly R. Lawson in Deed Book 1944, Page 3023, Forsyth County Registry; and running thence from said point and place of beginning, along the eastern boundary of Lawson, an approximate course of North 6° 30' West to a point in the southern right-of-way line of Second Street; thence with the southern right-of-way line of Second Street, approximately 100 feet to the southwestern point of intersection of Second Street with Broad Street; thence in a southerly direction with the western right-of-way line of Broad Street to the northeast corner of the Pfaff property referenced above; thence with the northern line of Pfaff, an approximate course and distance of South 84° 26' West 100 feet to the point and place of BEGINNING.

The hereinabove described property is most of that property conveyed to Roger A. Willard in Deed Book 647, Page 177, Forsyth County Registry, SAVE AND EXCEPT (i) that property conveyed to the City of Winston-Salem in Book 928, Page 205, Forsyth County Registry, and (ii) any other property lying within the rights-of-way of Second Street and Broad Street. This property is also known as Tax Lot 117C in Tax Block 0097, as shown on the Forsyth County Tax Maps.

TRACT NO. 13: (100 N. Broad Street, Winston-Salem - Tax Lots 106, 104 & 110, Block 0098)

Parcel A: BEGINNING at a point in the northern right of way line of West First Street, said point being the southeast corner of Tax Lot 108A, Block 98, Forsyth County Tax Maps as the same are now constituted, and said point being North 81° 46' West 111.44 feet from the northwest corner of the intersection of West First Street and Broad Street, and from said beginning point, thence North 05° 34' East passing over an old iron at a common corner of said Tax Lot 108A and Tax Lot 202B, as aforesaid for a total distance of 84.90 feet to an iron stake, said iron stake being the southwest corner of Tax Lot 104 as aforesaid; thence South 83° 14' East 102.40 feet to an iron stake in the western right of way line of Broad Street; thence with said western right of way line a chord direction and distance of South 18° 50' East 63.75 feet to an iron stake; thence continuing with said right of way on a curve to the right to an iron stake in the northern right of way line of West First Street, said curve having a chord direction and distance of South 36° 07' West 34.18 feet; thence with the northern right of way line of West First Street a chord direction and distance of North 81° 56' West 111.44 feet to the point and place of BEGINNING, and being known and designated as Tax Lots 110 and 106, Block 98 of the Forsyth County Tax Maps as the same are now constituted.

Parcel B: BEGINNING at an iron stake located in the West right of way line of North Broad Street, said iron being located at the northeast corner of Ivan Hayes property described in Book 1429, Page 1362; running thence with said property North 82 degrees 59' 10" West 101.95 feet to an iron in the east line of Janie Douthit's property described in Book 955, Page 498; running thence with said Douthit property North 06 degrees 35' East 50.20 feet to an iron located at the southwest corner of James Finney's property described in Book 1465, Page 570; running thence with said Finney property South 81 degrees 25' East 85.10 feet to a mark in the concrete in the West right of way line of North Broad Street; running thence with the West right of way line of said street on a curve to the left, a chord distance of South 12 degrees 48' 45" East 50.90 feet to the point and place of BEGINNING. Being shown on a map of Ivan Hayes property dated September 10, 1990, prepared by Richard Parks Bennett, Registered Land Surveyor.