

BK1940 P0753

Drawn by and mail to:
J. Hayden Harrell
NEXSEN PRUET JACOBS & POLLARD, LLP
212 South Tyron Street, Suite 1700
Charlotte, North Carolina 28212

FORSYTH CO, NC 197 FEE: \$ 36.00
PRESENTED & RECORDED: 03/27/1997 3:25PM
DICKIE C. WOOD REGISTER OF DEEDS BY: GORDON

STATE OF NORTH CAROLINA

SECOND
AMENDMENT TO LOAN DOCUMENTS

COUNTY OF FORSYTH

THIS SECOND AMENDMENT TO LOAN DOCUMENTS ("Amendment") is entered into this 12 day of March, 1997, by and between T&M KERNERSVILLE DEVELOPMENT COMPANY, L.L.C., a North Carolina limited liability company ("Borrower"), TRSTE, INC., a Virginia corporation ("Substitute Trustee"), FIRST UNION NATIONAL BANK OF NORTH CAROLINA, N.A. ("Lender"), LEE S. WIELANSKY, RODNEY K. JONES, STEPHEN M. NOTESTINE, NED M. BRICKMAN, JOSEPH H. APTER, AND JOHN I. SILVERMAN ("Midland Guarantors") and THE KROGER CO., an Ohio corporation ("Kroger Guarantor").

WITNESSETH

THAT WHEREAS, Lender has heretofore agreed to loan to Borrower up to Six Million Eight Hundred Nineteen Thousand and no/100 Dollars (\$6,819,000.00) ("Loan") which is evidenced and secured by the following documents:

1. Promissory Note and Security Agreement in favor of Lender dated August 10, 1995 ("Note").
2. Loan Agreement between Borrower and Lender dated August 10, 1995 ("Loan Agreement").
3. Deed of Trust to Richard F. Dunlap, Jr. as Trustee for Lender dated August 10, 1995 recorded in Book 1868 at Page 3702 in the Forsyth County Public Registry ("Forsyth Deed of Trust").
4. Assignment of Lessor's Interest in Lease between Borrower and Lender dated August 10, 1995 recorded in Book 1868 at page 3709 of the Forsyth County Public Registry. ("Assignment of Leases").
5. Assignment of Construction Documents between Borrower and Lender undated ("Assignment of Construction Documents").
6. Unconditional Guaranty dated August 10, 1995 from Midland Guarantors ("Midland Guaranty").

KIM0729
February 28, 1997

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7. Guaranty Agreement from The Kroger Co. dated August 10, 1995 ("Kroger Guaranty").
8. Amendment to Loan Documents executed by all parties dated December 19, 1996 and recorded in Book 1934 at Page 799 in the Forsyth County Public Registry ("First Amendment").

(The Note, Loan Agreement, Deed of Trust, Assignment of Leases, Assignment of Construction Documents, Midland Guaranty, Kroger guaranty, and First Amendment are hereinafter collectively referred to as "Loan Documents."); and

WHEREAS, it is anticipated that an outparcel encumbered by the Deed of Trust will be sold ("Biscuitville Sale") and the "net sales proceeds" (as the same is defined in the First Amendment) will be applied to the principal balance of the Loan; and

WHEREAS, after the principal reduction from the Biscuitville Sale, Borrower and Lender wish to readvance in accordance with the provisions of the Loan Agreement up to Four Hundred Thousand and no/100 Dollars (\$400,000.00) for items set forth on the revised budget approved by Lender; and

WHEREAS, in addition to the modifications set forth above, Lender will require an additional principal reduction of \$400,000.00 by April 30, 1997 (limited, however, to the amount readvanced in accordance with the terms of this Amendment); and

WHEREAS, Midland Guarantors and the Kroger Guarantors were and are liable for the obligations under the Note and other Loan Documents as set forth in their respective Guaranty Agreements (limited as set forth therein with respect to the Kroger Guaranty) and wish to evidence their continuing obligation for the increased amount by consenting to the modifications contained herein.

NOW THEREFORE, for valuable consideration, the receipt of which is hereby acknowledged, Borrower, Lender, Substitute Trustee, Midland Guarantors and Kroger Guarantor hereby agree as follows:

1. The Note and all other Loan Documents are hereby amended so that subsequent to the "net sales proceeds" being applied to the principal balance of the Loan from the Biscuitville Sale, Lender may advance and readvance up to Four Hundred Thousand and no/100 Dollars (\$400,000.00) for line items as set forth on the revised budget approved by Lender and for all further advances and readvances shall be secured by the Loan Documents.
2. All interest accruing from the date hereof, shall be paid by the Borrower directly and shall not be funded from the proceeds of the Loan.

3. In addition to the anticipated principal reduction from Biscuitville Sale, Borrower shall also be required to make an additional principal payment in an amount of \$400,000.00 no later than April 30, 1997 (limited to the amount readvanced in accordance with the provisions of this Amendment). Failure to do so shall constitute an Event of Default under the Loan Documents.
4. Borrower agrees to have any letters of credit issued in favor of Lender regarding the Loan renewed or extended at least two (2) weeks prior to their scheduled expiration. Failure to do so shall constitute an Event of Default.
5. Borrower hereby ratifies and confirms that the Note and other Loan Documents evidence and secure a valid and subsisting obligation of Borrower and that there are no defenses or offsets against the same, and except as amended herein, are agreed to be in full force and effect by all parties in accordance with their respective terms.
6. The Midland Guarantors and Kroger Guarantor join in the execution hereof to ratify and confirm that the Midland Guaranty and the Kroger Guaranty are in full force and effect and continue to guarantee the obligations (as may be limited therein) contained in the Note and other Loan Documents as amended herein.

IN WITNESS WHEREOF, the parties hereto have caused this amendment to be duly executed under seal as of day and year first above written.

[SIGNATURE PAGES FOLLOW]

BK1940 P0756

T&M KERNERSVILLE
DEVELOPMENT COMPANY, L.L.C.
(SEAL)

BY: TOPVALCO, INC. /member

By: James E. Hodge
JAMES E. HODGE
VICE President

BY: MIDLAND KERNERSVILLE
DEVELOPMENT COMPANY,
L.L.C. (SEAL) /member

SEE FOLLOWING PAGE
By: _____
Administrative Member

[CORPORATE SEAL]

ATTEST: Robin M. Olinger
ROBIN M. OLINGER
Assistant Secretary

STATE OF Ohio

COUNTY OF Hamilton

I, NANCY WHITE, a Notary Public of the County and State aforesaid, do hereby certify that ROBIN M. OLINGER personally appeared before me this day and acknowledged that he/she is Secretary of TOPVALCO, INC., an Ohio corporation, authorized member and/or manager of T&M KERNERSVILLE DEVELOPMENT COMPANY, L.L.C., a North Carolina limited liability company, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its Vice President, sealed with its corporate seal and attested by him/her as its Secretary, on behalf of the said limited liability company.

WITNESS my hand and official stamp or seal, this 5th day of March, 1997.

[SEAL]

Nancy White
Notary Public

My Commission Expires:

NANCY WHITE
Notary Public, State of Ohio
My Commission Expires Aug. 7, 2000



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T&M KERNERSVILLE
DEVELOPMENT COMPANY, L.L.C.
(SEAL)

[CORPORATE SEAL]

BY: TOPVALCO, INC.

SEE PRIOR PAGE

By: _____

President

ATTEST:

SEE PRIOR PAGE

Secretary

BY: MIDLAND KERNERSVILLE
DEVELOPMENT COMPANY,
L.L.C. (SEAL)

By: _____

Administrative Member
STEPHEN M. NOTESTINE

STATE OF SEE PRIOR PAGE

COUNTY OF SEE PRIOR PAGE

I, _____, a Notary Public of the County and State aforesaid, do hereby certify that _____ personally appeared before me this day and acknowledged that he/she is Secretary of TOPVALCO, INC., an Ohio corporation, authorized member and/or manager of T&M KERNERSVILLE DEVELOPMENT COMPANY, L.L.C., a North Carolina limited liability company, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its Vice President, sealed with its corporate seal and attested by him/her as its Secretary, on behalf of the said limited liability company.

WITNESS my hand and official stamp or seal, this _____ day of _____, 1997.

[SEAL]

SEE PRIOR PAGE

Notary Public

My Commission Expires:

BK1940 P0758

STATE OF Missouri
COUNTY OF St. Charles

I, MICHELLE EDELEN, a Notary Public of the County and State aforesaid, do hereby certify that STEPHEN M. NOTESTINE personally appeared before me this day and acknowledged that he/she is an authorized member and/or manager of **MIDLAND KERNERSVILLE DEVELOPMENT COMPANY, L.L.C.**, a North Carolina limited liability company, which is an authorized member and/or manager of **T&M KERNERSVILLE DEVELOPMENT COMPANY, L.L.C.**, a North Carolina limited liability company, and acknowledged the due execution of the foregoing instrument on behalf of the limited liability company as authorized member and/or manager of said limited liability company.

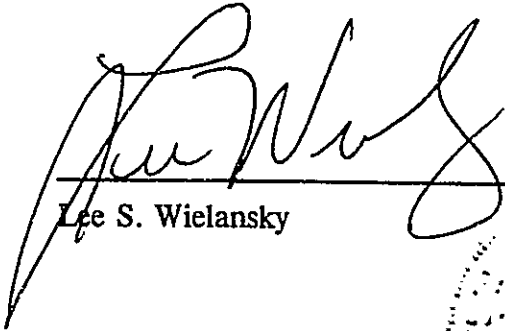
WITNESS my hand and official stamp or seal, this 3RD day of MARCH, 1997.

Michelle A. Edelen
Notary Public



My Commission Expires:
MICHELLE A. EDELEN
Notary Public - Notary Seal
STATE OF MISSOURI
St. Charles County
My Commission Expires: Feb. 15, 1998

BK1940 0759



Lee S. Wielansky (Seal)

STATE OF MISSOURI)
CHARLES) SS
COUNTY OF ST. LOUIS)

On this 3rd day of MARCH, 1997, before me personally appeared Lee S. Wielansky to me known to be the person described in and who executed the foregoing instrument and acknowledged that he executed the same as his free act and deed.


IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.



Notary Public

My commission expires: **MICHAEL A. EDELEN**
Notary Public - Notary Seal
STATE OF MISSOURI
St. Charles County
My Commission Expires Feb. 15, 1998

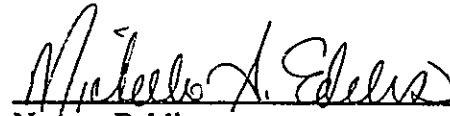
BK1940 P0760

 (Seal)
Rodney K. Jones

STATE OF MISSOURI)
 Charles) SS
COUNTY OF ST. CHARLES)

On this 30 day of MARCH, 1997, before me personally appeared Rodney K. Jones to me known to be the person described in and who executed the foregoing instrument and acknowledged that he executed the same as his free act and deed.


IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.


Notary Public

My commission expires _____

MICHELLE A. EDELEN
Notary Public - Notary Seal
STATE OF MISSOURI
St. Charles County
My Commission Expires: Feb. 15, 1998

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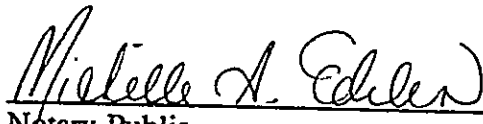


Stephen M. Notestine (Seal)

STATE OF MISSOURI)
) ^{CHARLES} SS
COUNTY OF ST. LOUIS)

On this 3rd day of MARCH, 1997, before me personally appeared Stephen M. Notestine to me known to be the person described in and who executed the foregoing instrument and acknowledged that he executed the same as his free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.



Notary Public

My commission expires:

MICHELLE A. EDELEN
Notary Public - Notary Seal
STATE OF MISSOURI
St. Charles County
My Commission Expires: Feb. 15, 1998

FEB-28-1997 16:11 FROM STOLAR ST LOUIS

TO 3013312#914143477877 P.11

BK1940 P0762


 (Seal)

Ned M. Brickman

STATE OF MISSOURI)
COUNTY OF St. Louis) SS

On this 3rd day of MARCH, 1997, before me personally appeared Ned M. Brickman to me known to be the person described in and who executed the foregoing instrument and acknowledged that he executed the same as his free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.

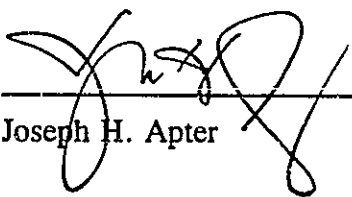


Notary Public

My commission expires:

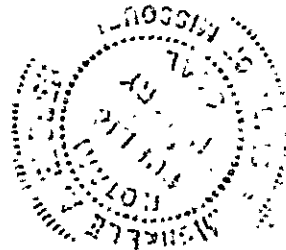
CHRISTOPHER M BLANTON
Notary Public - Notary Seal
STATE OF MISSOURI
ST. LOUIS COUNTY
MY COMMISSION EXP. JAN. 14, 2000

BK1940 P0763



(Seal)
Joseph H. Apter

STATE OF MISSOURI)
 Charles) SS
COUNTY OF ST. LOUIS)

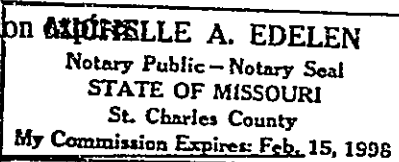


On this 3RD day of MARCH, 1997, before me personally appeared Joseph H. Apter to me known to be the person described in and who executed the foregoing instrument and acknowledged that he executed the same as his free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.



Notary Public

My commission 
MICHELLE A. EDELEN
Notary Public - Notary Seal
STATE OF MISSOURI
St. Charles County
My Commission Expires: Feb. 15, 1998

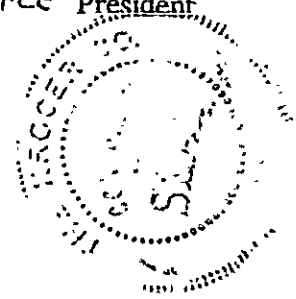
THE KROGER CO. 04:0 0765

[CORPORATE SEAL]

ATTEST

Thomas P. O'Brien, Jr.
THOMAS P. O'BRIEN, JR.
Assistant Secretary

By: James E. Hodge (Seal)
JAMES E. HODGE
Vice President



STATE OF Ohio

COUNTY OF Hamilton

I, NANCY WHITE, a Notary Public of the County and State aforesaid, do hereby certify that JAMES E. HODGE personally came before me this day and after being duly sworn, says that she/he is VICE PRESIDENT President of The Kroger Co., an Ohio corporation, that the seal affixed to this instrument is the corporate seal for the corporation, and that this instrument was signed and sealed by her/him, on behalf of the corporation by its authority duly given, and further acknowledged this instrument to be the act and deed of the corporation.

WITNESS my hand and official stamp or seal, this 5th day of March, 1997.

[SEAL]

Nancy White
Notary Public

My Commission Expires:

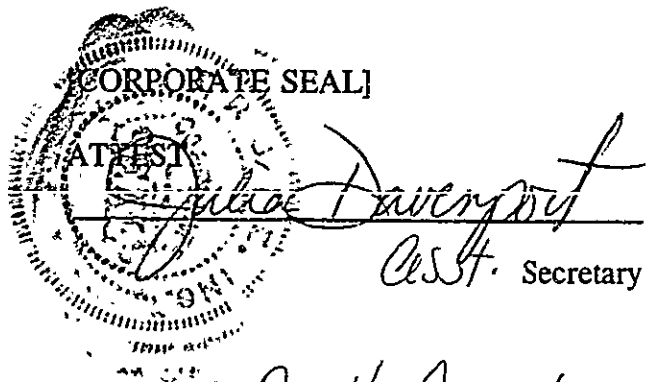
NANCY WHITE
Notary Public, State of Ohio
My Commission Expires Aug. 7, 2000



SUBSTITUTE TRUSTEE 1940 0766

TRSTE, INC.

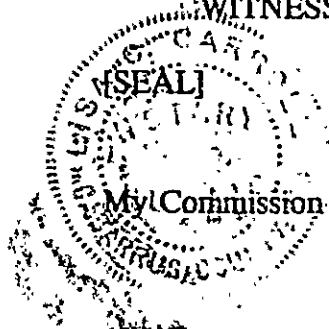
By: *Patton Brugh* (Seal)
V President



STATE OF North Carolina
COUNTY OF Mecklenburg

I, Lisa C. Carroll, a Notary Public of the County and State aforesaid, do hereby certify that Patton Brugh personally came before me this day and after being duly sworn, says that she/he is Vice President of TRSTE, INC., a Virginia corporation, that the seal affixed to this instrument is the corporate seal for the corporation, and that this instrument was signed and sealed by her/him, on behalf of the corporation by its authority duly given, and further acknowledged this instrument to be the act and deed of the corporation.

WITNESS my hand and official stamp or seal, this 21st day of March, 1997.



Lisa C. Carroll
Notary Public

My Commission Expires: 8-23-98

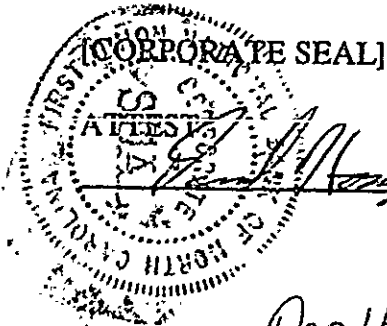
BK1940 P0767

LENDER:

FIRST UNION NATIONAL BANK OF
NORTH CAROLINA

By: [Signature] (Seal)

S.V. President

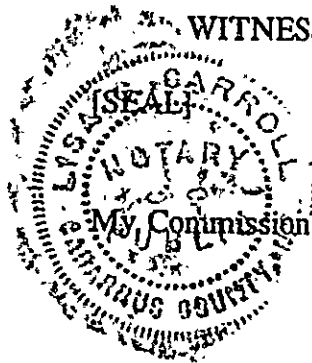


Asst. Secretary

STATE OF North Carolina

COUNTY OF Mecklenburg

I, Lisa C. Carroll, a Notary Public of the County and State aforesaid, do hereby certify that Patton Brough personally came before me this day and after being duly sworn, says that she/he is SENIOR VICE President of **FIRST UNION NATIONAL BANK OF NORTH CAROLINA**, a national banking association, that the seal affixed to this instrument is the corporate seal for the corporation, and that this instrument was signed and sealed by her/him, on behalf of the corporation by its authority duly given, and further acknowledged this instrument to be the act and deed of the corporation.



WITNESS my hand and official stamp or seal, this 21st day of MARCH, 1997.

Lisa C. Carroll
Notary Public

My Commission Expires: 8-23-98

STATE OF NORTH CAROLINA - Forsyth County

The foregoing (or annexed) certificate(s) of Lisa C. Carroll NP, Nancy White NP
(here give name and official title of the officer signing the certificate(s) passed upon)

Lance C. Blomberg NP, Michele C. Ebel NP, Christian M. Blomberg NP

is (are) certified to be correct. This the _____ day of _____, 19____.

Dickie C. Wood, Register of Deeds

By: _____ Deputy/Assistant