

Grantor represents, warrants and agrees that (a) no Hazardous Material (as hereinafter defined) has been used or placed on the Premises in violation of any applicable Environmental Laws (as hereinafter defined); (b) no notice has been received with regard to any Hazardous Material on the Premises; (c) the Premises are presently in compliance with all Environmental Laws; (d) no action, investigation or proceeding is pending or, to Grantor's knowledge, threatened which seeks to enforce any right or remedy against Grantor or the Premises under any Environmental Law; (e) Grantor shall permit no installation or placement of Hazardous Material on the Premises in violation of Environmental Laws; (f) Grantor shall permit no release of Hazardous Material onto or from the Premises; (g) Grantor shall cause the Premises to comply with applicable Environmental Laws and shall keep the Premises free and clear of any liens imposed pursuant to any applicable Environmental Laws; (h) all licenses, permits and other governmental or regulatory actions necessary for the Premises to comply with Environmental Laws shall be obtained and maintained and Grantor shall assure compliance therewith; and (i) Grantor shall give the Beneficiary prompt written notice if Grantor receives any notice with regard to Hazardous Material on, from or affecting the Premises and shall conduct and complete all investigations and all cleanup actions necessary to remove, in accordance with applicable Environmental Laws, such Hazardous Material from the Premises. Grantor shall indemnify and hold harmless the Beneficiary from and against all losses, expenses (including, without limitation, attorneys' fees) and claims of every kind suffered by or asserted against Beneficiary as a direct or indirect result of (i) the presence on or release from the Premises of any Hazardous Material, whether or not caused by Grantor, (ii) the violation of any Environmental Laws applicable to the Premises, whether or not caused by Grantor, (iii) the failure by Grantor to comply fully with the terms and provisions of this paragraph, or (iv) any warranty or representation made by Grantor in this paragraph being false or untrue in any material respect. For purposes of this Deed of Trust, "Hazardous Material" means polychlorinated biphenyls, petroleum, flammable explosives, radioactive materials, asbestos and any hazardous, toxic or dangerous waste, substance or material defined as such in (or for purposes of) the Environmental Laws or listed as such by the Environmental Protection Agency. "Environmental Laws" means any current or future governmental law, regulation or ruling applicable to environmental conditions on, under or about the Premises including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act, the Toxic Substances Control Act and the Clean Water Act. Grantor's obligations under this paragraph shall survive a foreclosure of or exercise of power of sale under this Deed of Trust; a delivery of a deed in lieu of foreclosure, and a cancellation or termination of record of this Deed of Trust.

All rights of the Beneficiary shall be cumulative and no delay or forbearance by the Beneficiary in exercising any rights hereunder or otherwise afforded by law, shall operate as a waiver thereof or preclude the exercise thereof during the continuance of any such default or in the event of any subsequent default. If the Grantor shall fail to perform any covenant or obligation contained herein or in any other instrument given as additional security for payment of the Obligation, the Beneficiary may, but is not obligated to, make advances to pay such premiums, taxes, assessments, attorneys fees or other charges and to otherwise expend sums to perform such covenants or obligations, and all sums so advanced or expended shall be due from the Grantor on demand of the Beneficiary, and may be added to the principal of the Obligation, and if so shall bear interest at the rate provided in the Obligation.

Grantor assigns to the Beneficiary, in the event of default, all rents and profits from the Premises and any improvements thereon, and authorizes the Beneficiary to enter upon and take possession of such Premises and improvements, to rent same at any reasonable rate of rent, and after deducting from such rents the cost of letting and collection, to apply the remainder to the debt secured hereby. If the Premises or any part thereof shall be taken by condemnation or settlement in lieu thereof, all proceeds from such condemnation are hereby assigned to the Beneficiary.

If the Premises or any part thereof or interest therein is sold, assigned, transferred or otherwise alienated by Grantor, whether voluntarily, involuntarily or by operation of law without the prior written consent of the Beneficiary, the Beneficiary may declare the Obligation secured hereby and all other obligations hereunder to be forthwith due and payable. Any change in the legal or equitable title of the Premises or in the beneficial ownership of the Premises, including the sale, conveyance or disposition of a majority interest in the Grantor if a corporation or partnership, whether or not of record or whether or not for consideration, shall be deemed a transfer of an interest in the Premises. Notwithstanding the foregoing, the following shall not be deemed a transfer of an interest in the Premises: (a) the creation of a lien or other encumbrance subordinate to the lien of this Deed of Trust which does not relate to a transfer of rights of occupancy; (b) a transfer by devise, descent, or operation of law on the death of a joint tenant or tenant by the entirety; (c) the grant of a leasehold interest of three (3) years or less not involving an option to purchase; (d) a transfer where the spouse or children of the Grantor become the owner of the Premises; (e) a transfer resulting from a decree of a dissolution of a marriage, legal separation agreement, or from an incidental property settlement agreement by which the spouse of the Grantor becomes an owner of the Premises; and (f) a transfer to an inter vivos trust in which the Grantor is and remains a beneficiary and which does not relate to a transfer of rights of occupancy in the Premises.

The irrevocable power to appoint a substitute trustee is hereby expressly granted to the Beneficiary or any holder of the Obligation, which power may be exercised at any time without notice and without specifying any reason therefor by the filing of an instrument of appointment in the office where this instrument is recorded, whereupon the substitute trustee shall succeed to all rights, powers and duties of the Trustee hereunder.

If any of the collateral securing the Obligation is the principal dwelling of the Grantor, then notwithstanding any agreement of the Grantor or Borrower to the contrary, this Deed of Trust will not secure any indebtedness from the Grantor or Borrower to the Beneficiary incurred for personal, family or household purposes (as opposed to business, commercial or agricultural purposes) other than the Obligation, and the covenants and agreements set forth in this Deed of Trust as they may be hereafter amended, modified, extended or replaced.

This Deed of Trust is delivered in and shall be construed under the internal laws and judicial decisions of the State of North Carolina, and, to the extent the same may be applicable, the laws of the United States. In any litigation in connection with or to enforce this Deed of Trust against any person, including, but not limited to, any Grantor, each such person irrevocably consents to and confers personal jurisdiction on the courts of the State of North Carolina or the United States courts located in the State of North Carolina, and expressly waives any objections as to venue in any such courts, and agrees that service of process may be made on each such person by mailing a copy of the summons and complaint to them by registered or certified mail, return receipt requested. Nothing contained herein shall, however, prevent the Beneficiary or any other holder of the Obligation from bringing any action or exercising any rights within any other state or jurisdiction or from obtaining personal jurisdiction by any other means available by applicable law.

IN WITNESS WHEREOF, the Grantor has hereunto set his hand and seal, or if corporate, has caused this instrument to be signed in its corporate name by its duly authorized officers and its seal to be hereunto affixed by authority of its Board of Directors, the day and year first above written.

Witness _____
Witness _____
Witness _____
Witness _____

(SEAL)
(SEAL)
(SEAL)
(SEAL)

Attest _____
Secretary (Corporate Seal)

Name of Corporation _____ BK2041PG0585
By: _____ President

Zevely House Restaurant, LLC (SEAL)
Name of Partnership or Limited Liability Company

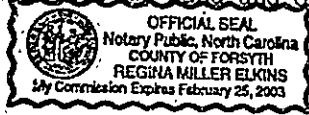
Witness _____
Witness _____
Witness _____
Witness _____
Witness _____

By: _____ (SEAL)
By: _____ (SEAL)
By: _____ (SEAL)
By: _____ (SEAL)
By: _____ (SEAL)

STATE OF NORTH CAROLINA
COUNTY OF FORSYTH

I, Regina Miller Elkins, a Notary Public for said County and State, do hereby certify William G. Benton, Manager of Zevely House Restaurant, LLC, a limited liability company, personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of the company.

Witness my hand and office stamp this the 11th day of December 1998.



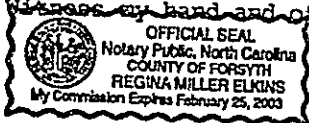
Regina Miller Elkins
Notary Public

My commission expires: February 25, 2003

STATE OF NORTH CAROLINA
COUNTY OF FORSYTH

I, Regina Miller Elkins, a Notary Public for said County and State, do hereby certify William G. Benton, Manager of Zevely House Real Estate, LLC, a limited liability company, personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of the company.

Witness my hand and office stamp this the 11th day of December 1998.



Regina Miller Elkins
Notary Public

My commission expires: February 25, 2003

BK2041PG0586

STATE OF NC - FORSYTH CO

The foregoing certificate(s) of:

Regina Miller Elkins

NP(s)

is/are certified to be correct at the date of recordation shown on the first page thereof.

Dickie C. Wood, Register of Deeds by:

[Signature]

Deputy/Asst

STATE OF NORTH CAROLINA, _____ COUNTY
I, a Notary Public of the County and state aforesaid, certify that _____, personally appeared before me this day and acknowledged the due execution of the foregoing Deed of Trust.
Witness my hand and official stamp or seal this _____ day of _____, _____ Notary Public

(N.P. SEAL)

My Commission Expires: _____

STATE OF NORTH CAROLINA, _____ COUNTY
I, a Notary Public of the County and state aforesaid, certify that _____, personally appeared before me this day and acknowledged that _____ is _____ Secretary of _____ a _____ corporation, and that by authority duly given and as an act of the corporation, the foregoing Deed of Trust was signed in its name by its _____ President, sealed with its corporate seal and attested by _____ as its Secretary.
Witness my hand and official stamp or seal this _____ day of _____, _____ Notary Public

(N.P. SEAL)

My Commission Expires: _____

STATE OF NORTH CAROLINA, _____ COUNTY
I, a Notary Public of said County and state, do hereby certify that _____, personally appeared before me this day and acknowledged the due execution of the foregoing instrument for and on behalf of the Grantor/Debtor.
WITNESS my hand and notarial stamp or seal, this _____ day of _____, _____ Notary Public

(N.P. SEAL)

My Commission Expires: _____

STATE OF NORTH CAROLINA, _____ COUNTY
The foregoing certificate of _____ a Notary Public of _____ County, North Carolina is certified to be correct. This the _____ day of _____, _____

Register of Deeds

BK2041PG0587

EXHIBIT "A"

BEGINNING at an iron, said iron being the southwest corner of the intersection of Summit Street and Four and One Half Streets; running thence from said intersection along the west line of Summit Street, South $04^{\circ} 37' 00''$ East 205.03 feet to an iron stake at the present northeast corner of Fourth Street and Summit Street; thence with the north line of said Fourth Street, South $85^{\circ} 06' 00''$ West 63.12 feet to an "X" in the concrete at the northwest corner of Fourth Street as it intersects with the southeast corner of Brookstown Avenue; thence from said "X" along the northern line of Brookstown Avenue, North $51^{\circ} 24' 12''$ West 38.55 feet to an existing iron; thence along a new line, North $04^{\circ} 10' 59''$ West 177.39 feet to an existing iron located in the south line of Four and One Half Street; thence with said south line of Four and One Half Street, North $84^{\circ} 23' 14''$ East 89.89 feet to the point and place of BEGINNING. The above described property was taken from a survey prepared by Kale Engineering dated 12-1-98 bearing Job #98133 and being further known as Block 113, Lot 102, Forsyth County Tax Maps.

BK2041PG0588