Prepared &
~~RETURN TO:~~
PETER WEISS, ATTORNEY AT LAW
761 Old Hickory Blvd., Suite 102
Brentwood, TN 37027

98-9-3-Q

BOOK 11133 PAGE 342

File Box 19B

Execution Counterparts
9/24/98
Signature Center

Address New Owner as follows: Michael D. Shmerling & Co., LLC
c/o Background America, Inc.
1900 Church Street, Suite 400
Nashville, TN 37203

Same address for Tax Bills.

Map 092-12, Parcel 288.

SPECIAL WARRANTY DEED

This indenture, made by JOHN HANCOCK MUTUAL LIFE INSURANCE COMPANY, a Massachusetts corporation having its principal address c/o The Real Estate Investment Group, John Hancock Place, P.O. Box 111, Boston, Massachusetts 02117 ("Grantor"), hereby conveys to MICHAEL D. SHMERLING & CO., LLC, a Tennessee limited liability company, having its principal address c/o Background America, Inc., 1900 Church Street, Suite 400, Nashville, Tennessee 37203 ("Grantee"), for the sum of Ten Dollars ($10.00), the land and buildings known as Signature Center, located at 1900 Church Street, Nashville, Tennessee, and described on Exhibit A hereto (the "Property"). Together with all and singular the hereditaments and appurtenances thereunto belonging, or in any wise appertaining; and the reversion or reversions, remainder or remainders, rents, issues, and profits thereof; and all the estate, right, title, interest, claim, or demand whatsoever, of Grantor, either in law or in equity, of, in, and to the Property, with the said hereditaments and appurtenances.

The Property is conveyed subject to the rights of all tenants or lessees or other persons in possession and subject to all matters set out on Exhibit B hereto, and Grantor will warrant and forever defend the title to the Property against the lawful claims and demands of persons claiming by, through, or under Grantor, except as aforesaid, but against none other. Grantor makes no other warranties or covenants.

In Witness Whereof, Grantor has executed this special warranty deed as of the 25 day of September, 1998.

JOHN HANCOCK MUTUAL LIFE INSURANCE COMPANY

By: _____

Stephen Kindl
Senior Investment Officer

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COMMONWEALTH OF MASSACHUSETTS)
) ss.
COUNTY OF SUFFOLK)

On this 25th day of September, 1998, before me, the undersigned, a Notary Public in and for the said Commonwealth, residing therein, duly commissioned and sworn, personally appeared Stephen Kindl, to me personally known, who by me duly sworn, did say that he is a Senior Investment Officer of JOHN HANCOCK MUTUAL LIFE INSURANCE COMPANY, that the seal affixed to the foregoing instrument is the corporate seal of said John Hancock Mutual Life Insurance Company, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors and as the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in said County the day and year in this certificate first above written.

Notary Public
My commission expires:

JENNIFER A. MILAVEC
Notary Public
My Commission Expires January 6, 2000

The consideration or actual value of the Property, whichever is greater, is $4,805,000.00.

Stephen Kindl
Senior Investment Officer

Subscribed and sworn to before me this 25th day of September, 1998.

Notary Public
My commission expires:

The consideration or actual value of the Property, whichever is greater, is $4,805,000.00

AFFIANT

Subscribed and sworn to before me this 25th day of September, 1998.

Notary Public

My Commission Expires: 7/24/99

PETER WEISS
NOTARY PUBLIC AT LARGE
DAVIDSON COUNTY, TENN

EXHIBIT A

Legal Description

A tract or parcel of land located in Nashville, Davidson County, Tennessee and being described according to a survey by Larry A. Doss, Tennessee Land Surveyor as follows:

> **BEGINNING** at a P.K. set in concrete at the intersection of the Northern right of way of Church Street and the Western right of way of 19th Avenue North, thence with said right of way of Church Street S 59 deg. 22' 53" W a distance of 100.00 feet to a P.K. nail found, thence leaving said right of way N 30 deg. 34' 06" W a distance of 349.63 feet to a P.K. found in the Southern right of way of State Street; thence with said right of way of State Street N 59 deg. 15' 00" E a distance of 100.00 feet to a P.K. nail at the intersection of said right of way and the Western right of way of 19th Avenue North; thence with said right of way of 19th Avenue North S 30 deg. 34' 06" E a distance of 349.86 feet to the point of beginning, according to the survey of Doss Connstructive Ideas, Inc., and dated July 9, 1998.

BEING the same property conveyed to John Hancock Mutual Life Insurance Company, a Massachusetts corporation, by Quitclaim Deed from Nineteen Hundred Church Street, Limited, a Tennessee limited partnership, by and through its general partner, Lexington Development Company, a Tennessee general partnership having John T. Rochford, III, Mark McDonald and E. J. Allen as general partners, of record in Book 9576, Page 165, Register's Office for Davidson County, Tennessee.

The Settlement Agreement dated the 17th day of January, 1995, by and between JOHN HANCOCK MUTUAL LIFE INSURANCE COMPANY ("John Hancock"), JOHN HANCOCK REAL ESTATE FINANCE, INC., NINETEEN HUNDRED CHURCH STREET, LIMITED ("Debtor"), LEXINGTON DEVELOPMENT COMPANY ("Lexington"), MARK MCDONALD ("McDonald"), JOHN ROCHFORD ("Rochford"), and E. J. ALLEN ("Allen"), is being recorded as Exhibit C to this Special Warranty Deed in order to further describe the terms and conditions of the conveyance between the parties hereinabove recited.

EXHIBIT B

Permitted Exceptions

1. Defects, liens, encumbrances, adverse claims or other matters, if any created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the proposed Insured acquires for value of record the estate or interest or mortgage thereon covered by this Commitment.

2. Rights or claims of parties in possession.

3. Unrecorded easements, if any, on, above or below the surface; and any discrepancies or conflicts in boundary lines or shortage in area or encroachments, which a correct survey or an inspection of the premises would disclose.

4. Any lien, or right to a lien, for services, labor and material heretofor or hereafter furnished, imposed by law and not shown by the public records.

5. 1998 Metro Taxes: Books not ready, a lien but not yet due and payable. MAP 092-12, PARCEL 288, FIELD BOOK NO. 09W-03460; 1900 Church Street, Nashville, TN 37203

6. Matters shown on the survey by Larry A. Doss, Tennessee Land Surveyor, dated July 9, 1998.

7. Permanent Easement for Alley to Metropolitan Government of Nashville and Davidson County, Tennessee, of record in Book 7508, Page 254, Register's Office for Davidson County, Tennessee.

8. Subject to rights of tenants, as tenants only, under unrecorded leases.

Box 19B

Prepared By
Peter Weiss
761 Old Hickory Blvd
Brentwood TN 37027

Exhibit "C"

BOOK 11133 PAGE 347

SETTLEMENT AGREEMENT

This Agreement is entered into on the 17th day of January, 1995, by and between **JOHN HANCOCK MUTUAL LIFE INSURANCE COMPANY** ("John Hancock"), **JOHN HANCOCK REAL ESTATE FINANCE, INC., NINETEEN HUNDRED CHURCH STREET, LIMITED** ("Debtor"), **LEXINGTON DEVELOPMENT COMPANY** ("Lexington"), **MARK MCDONALD** ("McDonald"), **JOHN ROCHFORD** ("Rochford"), and **E. J. ALLEN** ("Allen").

W I T N E S S E T H:

WHEREAS, Debtor is a Tennessee limited partnership having Lexington as its sole general partner; and

WHEREAS, Lexington is a Tennessee general partnership with McDonald, Rochford and Allen as its general partners; and

WHEREAS, John Hancock is the holder of a promissory note in the original principal amount of $5,000,000.00 dated August 31, 1993, made by the Debtor ("Promissory Note"); and

WHEREAS, on March 25, 1994, the Debtor commenced a Chapter 11 proceeding with the filing of a voluntary petition with the United States Bankruptcy Court, Middle District of Tennessee (Case No. 394-02044) ("Bankruptcy Case"); and

WHEREAS, as of the date of the commencement of the Bankruptcy Case the Debtor was indebted to John Hancock in the total principal amount of $5,000,000, together with interest, costs, and other obligations under the Loan Documents (as defined herein); and

WHEREAS, the indebtedness evidenced by the Promissory Note is secured by a Tennessee Deed of Trust and Security Agreement

dated August 31, 1993 ("Deed of Trust"), encumbering the Debtor's principal asset consisting of a commercial office building located at 1900 Church Street, Nashville, Davidson County, Tennessee ("Real Property"). The lien afforded John Hancock by the Deed of Trust was properly perfected with its recordation with the Register's Office of Davidson County, Tennessee in Book 9067, Page 320 on September 1, 1993; and

WHEREAS, the indebtedness evidenced by the Promissory Note is also secured by an Assignment of Lessor's Interest in Leases and Assignment of Rents, each dated August 31, 1993, (collectively "the Assignments") whereby the Debtor pledged all rents, profits, revenues from and all interest in leases of the Real Property ("Cash Collateral"). The interests afforded John Hancock under the Assignment of Lessor's Interest in Leases and Assignment of Rents were properly perfected with their recordation in the Register's Office Davidson County, Tennessee on September 1, 1993, in Book 9067, Page 354 and Book 9067, Page 364, respectively. The Promissory Note is non-recourse and John Hancock's only remedy in the event of the Debtor's default is realization on the Real Property and Cash Collateral; and

WHEREAS, the Debtor submitted a Plan of Reorganization dated September 13, 1994 in connection with the Bankruptcy Case. John Hancock objected to the Debtor's Plan and filed a Motion for Relief from the Automatic Stay whereby John Hancock asserted that the automatic stay imposed pursuant to 11 U.S.C. §362(a) should be vacated as John Hancock's interest in the Real Property and Cash

Collateral was not adequately protected and the Debtor did not possess a reasonable possibility of successfully reorganizing within a reasonable time, which assertions were disputed by the other parties hereto; and

WHEREAS, prior to the conclusion of the Bankruptcy Case, the parties hereto reached an agreement in principle to resolve their disputes, the terms of which agreement are summarized in a letter dated October 14, 1994 from Shelley D. Rucker to Wallace W. Dietz, a copy of which is attached hereto and made a part hereof as Exhibit A (herein the "Letter Agreement"); and

WHEREAS, pursuant to the terms of the Letter Agreement, John Hancock is willing to cease any and all collection efforts against the Debtor, Lexington, McDonald, Rochford and Allen, provided: (1) Debtor, Lexington, McDonald, Rochford and Allen (collectively "Obligors") execute this Agreement and agree to the provisions set forth herein; and (2) Debtor deliver a quitclaim deed of the Real Property to Hancock, or to Hancock's designee, on or about the date hereof; and

NOW, THEREFORE, for valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the parties hereto agree to the following terms and conditions:

1. The Obligors acknowledge that the Debtor is in default with respect to the payment terms of the Promissory Note. As a result, John Hancock is entitled to exercise the rights afforded it under the Deed of Trust, the Assignments and Promissory Note (herein the "Loan Documents"), as limited by this Agreement.

The Obligors are not aware of any defense to the enforceability of the Loan Documents, particularly the Deed of Trust.

2. The Debtor, and if necessary the remaining Obligors, will prepare, execute and deliver a quitclaim deed whereby the Real Property is transferred to John Hancock (or, at John Hancock's direction, to John Hancock Real Estate Finance). Such quitclaim deed will contain anti-merger language satisfactory to John Hancock. Such quitclaim deed shall be dated and delivered to John Hancock on or about the date hereof.

3. The Debtor shall provide John Hancock an update to the title insurance policy issued by Old Republic National Title Insurance Company in favor of John Hancock dated as of September 1, 1993, as Policy Number MW 100805 (herein the "1993 Title Policy"). The update, issued through an endorsement or other appropriate instrument, shall bear an effective date corresponding to the recording date of the quitclaim deed. Such update must reflect: (i) John Hancock's, or its designee's, ownership interest in the Real Property under the quitclaim deed, free and clear of all liens and encumbrances except (a) those liens and encumbrances set forth in the 1993 Title Policy, and (b) the rights of tenants, as tenants only, under existing leases on the Real Property, and (c) the liens of the Deed of Trust and the other recorded Loan Documents, and (ii) John Hancock's mortgagee interest in the Real Property under the Deed of Trust, free and clear and all liens and encumbrances except those liens and encumbrances shown in the 1993 Title Policy. The update of the Mortgagee's insurance shall also expressly show

as items subordinate to the lien of the Deed of Trust any and all leases of the Real Property executed since September 1, 1993, including without limitation that certain Lease dated August 1, 1994, between the Debtor, as lessor, and Lexington, as lessee, relating to space on the Fifth floor of Signature Center (the "New Lease") (except as said New Lease is specifically modified herein) and the lease dated August 1, 1994, by and between the Debtor and Corrections Partners, Inc.

4. Pursuant to the terms of the Letter Agreement, on or before the dismissal of the Bankruptcy Case, the management of the Real Property and all improvements located thereon was assumed by a representative of John Hancock.

5. Pursuant to the terms of the Letter Agreement, the Obligors promised and covenanted to cooperate, and since the Letter Agreement have cooperated, with John Hancock or its representative to implement the change in management provided therein, including providing John Hancock or its representatives with any building plans, books and records, tenant files, original leases, equipment warranties, insurance policies and other documents in their possession or control relating to the operation of the Real Property. The Obligors do hereby further covenant: (1) not to communicate, either in writing or otherwise, with any tenants located at the Real Property (either at present or during the remaining term of the New Lease) for the purpose of inducing such tenant to move to another location, and (2) not to otherwise interfere with the management of the Real Property by John Hancock

as provided herein.

6. Pursuant to the terms of the Letter Agreement, and in connection with the change of management, the Debtor was entitled to retain all rents collected or which were due and payable through September 30, 1994, and all sums in the debtor-in-possession account up to $148,000.00; provided, however, the Debtor further agreed to deliver to John Hancock sufficient Cash Collateral to cover tenant security deposits. Debtor hereby acknowledges receipt of the sums in the debtor-in-possession account up to $148,000 as aforesaid; and John Hancock (a) acknowledges receipt of Cash Collateral sufficient to cover tenant security deposits as aforesaid, and (b) acknowledges receipt and acceptance of the balance of funds in the debtor-in-possession account. Any sums which for any reason may have been collected or may be collected by the Obligors which are attributable to rents for October, 1994, or any period thereafter shall be delivered immediately over to John Hancock.

7. Pursuant to the Letter Agreement, the Debtor agreed that John Hancock could apply all funds held by John Hancock in escrow to satisfy 1993 Real Property Taxes.

8. The Obligors agree to indemnify and hold harmless John Hancock against any loss, debt, account payable, claim or cause of action, whether liquidated or unliquidated, contingent or matured or known or unknown, in existence at or prior to the date John Hancock or its representative commenced managing the Real Property, relating in any way, in whole or in part, to the Real

Property or the Obligors' management and operation thereof; provided, however, John Hancock agrees to pay, or to be responsible for the payment of, all expenses attributable to the operation and maintenance of the Real Property accruing on or after October 1, 1994 which normally are the obligations of the owner of the Real Property. Notwithstanding the foregoing, the Obligors shall be under no duty to satisfy: (1) real property taxes for 1993 or 1994; (2) the indebtedness evidenced by the Promissory Note to John Hancock; or (3) administrative expenses attributable to John Hancock under 11 U.S.C. §503(b)(3) and/or (b)(4). All parties to this Agreement shall be responsible for their respective professional fees and expenses, including attorneys' fees.

9. Pursuant to the Letter Agreement, John Hancock consented to the Debtor's retention of any utility deposit upon refund, including any deposit with the Nashville Electric Service in the approximate amount of $7,800.00. The Debtor also is entitled to keep the refund of any insurance premium upon the cancellation of any existing policy; provided, however, the Debtor shall maintain casualty and liability insurance on the Real Property through and including the date of delivery of the Quitclaim Deed to (or as directed by) John Hancock, and such insurance shall name John Hancock as the mortgagee.

10. The Debtor hereby absolutely assigns all rights to any leases and any lease security deposits relating to the Real Property to John Hancock. All rents and other amounts falling due or received under such leases on or after October 1, 1994, shall

accrue to John Hancock. To the extent the Obligors may continue to receive and/or hold such rents, such rents shall be held in trust for the benefit of John Hancock and segregated from other funds held by the Obligors. All accounts receivable, contract rights, debts, actions or causes of action held by the Debtor against any party (including Quest Imaging, Inc. and Joan Williams, M.D.), other than Lexington and any sublessees of Lexington and Mark McDonald, shall be and hereby are transferred and assigned to John Hancock. The Obligors have endorsed and delivered such instruments, leases and other documents necessary to perfect this transfer, and will execute any such further instruments as may be reasonably requested by John Hancock to further effectuate or evidence such transfer.

11. (a) John Hancock and John Hancock Real Estate Finance, Inc. hereby covenant not to sue the Debtor, its partners, limited partners, employees, or attorneys for any claims, obligations, debts, actions or causes of action, whether known or unknown, contingent or fixed, matured or unmatured, liquidated or unliquidated, at law or in equity, which John Hancock and John Hancock Real Estate Finance, Inc., or either of them, may have as of the date of this Agreement arising from the Promissory Note, Deed of Trust, Assignments, Real Property, Cash Collateral, or the Bankruptcy Case (other than for performance of the terms of this Settlement Agreement and the indemnities under the Indemnity Agreement executed contemporaneously with the signing of the Promissory Note); provided, however, that the foregoing shall not

limit John Hancock's ability to collect the indebtedness due under the Promissory Note by enforcing its lien rights against the Real Property which arise under the Deed of Trust and other Loan Documents, which rights are expressly retained and reserved by John Hancock. As used in this section, the phrase "covenant not to sue" shall include a covenant not to (i) commence any litigation, bankruptcy case, or other civil action or legal proceeding in a local, state, or federal court; or (ii) take any other action to collect any amount in respect of any of the above-described claims, obligations, debts, actions or causes of action, other than enforcement of John Hancock's lien rights against the Real Property pursuant to the Deed of Trust and the other Loan Documents.

(b) John Hancock and John Hancock Real Estate Finance, Inc. also hereby jointly and severally release Lexington, McDonald, Rochford and Allen and their respective affiliates, agents, officers, partners, employees and attorneys from any personal liability for any and all claims, obligations, debts, actions or causes of action, whether known or unknown, contingent or fixed, matured or unmatured, liquidated or unliquidated, at law or in equity, which John Hancock and John Hancock Real Estate Finance, Inc., or either of them, may have as of the date of this Agreement arising from the Promissory Note, Deed of Trust, Assignments, Real Property, Cash Collateral, or the Bankruptcy Case (other than for performance of the terms of this Settlement Agreement and the indemnities under the Indemnity Agreement executed contemporaneously with the signing of the Promissory

Note).

(c) Notwithstanding the foregoing subsections (a) or (b) in this Paragraph 11, or any provisions of this Agreement to the contrary, this Agreement and/or the releases and covenants not to sue provided herein shall in no way operate to (i) release, extinguish, or satisfy the indebtedness evidenced by the Promissory Note as a claim against the Real Property and the Cash Collateral, or (ii) release, terminate or otherwise impair John Hancock's interests in the Real Property or the Cash Collateral afforded under the Deed of Trust and Assignments as collateral for such indebtedness.

12. The Debtor, Lexington, McDonald, Rochford and Allen hereby jointly and severally release John Hancock and John Hancock Real Estate Finance, Inc. and any agent, officer, employee or attorney of either from any and all claims, debts, obligations, liabilities, actions or causes of action, whether known or unknown, contingent or fixed, matured or unmatured, liquidated or unliquidated, which Debtor, Lexington, McDonald, Rochford and Allen, or any of them, may have as of the date of this Agreement (other than for the performance of the terms of this Settlement Agreement).

13. The Debtor and Lexington agree to and do hereby modify the New Lease to provide that such lease shall terminate without notice and without any option to renew on August 1, 1995.

Lexington further covenants and warrants that any sublessees of Lexington shall likewise terminate on or before August 1, 1995.

14. John Hancock acknowledges that it has taken all action necessary to secure the dismissal of the Appeal in accordance with Title 11 of the United States Code and the Federal Rules of Bankruptcy Procedure.

15. This Agreement may be executed in any number of counter-parts each of which shall be deemed to be an original document and all of which taken together shall constitute one and the same instrument.

16. The rights and obligations of the parties to this Agreement shall be governed by and the terms and conditions of this Agreement shall be construed and interpreted in accordance with the laws of the state of Tennessee, except as the same may be modified by federal law.

17. Should the parties hereto, or any of them, employ an attorney to institute suit to enforce any of the provisions hereof, to perfect its interest in any matter arising hereunder, or to collect damages for breach of this Agreement, the prevailing parties shall be entitled to recover reasonable attorneys' fees, costs, charges, and expenses expended or incurred in connection therewith.

18. In executing this agreement, the parties hereby intend to bind themselves and their respective agents, representatives, successors, successors-in-title and assigns.

It is understood and agreed by the parties that the

settlement evidenced by this agreement represents a compromise of disputed matters, and that no provision hereof shall be construed as an admission by any party.

No party hereto has been influenced to any extent whatsoever in entering into this agreement by any promise, offer, representation or statement (other than any contained herein) from or on behalf of any other party regarding the subject matter hereof.

This agreement is executed voluntarily and with full knowledge of its significance.

IN WITNESS WHEREOF, the parties hereto have executed this Settlement Agreement to be effective as of the date first above written.

JOHN HANCOCK MUTUAL LIFE INSURANCE COMPANY

By: Donald N. Brown WB
Title: ~~Donald N. Brown, Second~~ Vice President

JOHN HANCOCK REAL ESTATE FINANCE, INC.

By: Donald N. Brown WB
Title: ~~Donald N. Brown, President~~

NINETEEN HUNDRED CHURCH STREET, LIMITED

BY: **LEXINGTON DEVELOPMENT COMPANY**, General Partner

By: _____
Mark McDonald, General Partner

By: _____
John Rochford, General Partner

By: _____
E. J. Allen, General Partner

182356.6

settlement evidenced by this agreement represents a compromise of disputed matters, and that no provision hereof shall be construed as an admission by any party.

No party hereto has been influenced to any extent whatsoever in entering into this agreement by any promise, offer, representation or statement (other than any contained herein) from or on behalf of any other party regarding the subject matter hereof.

This agreement is executed voluntarily and with full knowledge of its significance.

IN WITNESS WHEREOF, the parties hereto have executed this Settlement Agreement to be effective as of the date first above written.

JOHN HANCOCK MUTUAL LIFE INSURANCE COMPANY

By:_____
Title:_____

JOHN HANCOCK REAL ESTATE FINANCE, INC.

By:_____
Title:_____

NINETEEN HUNDRED CHURCH STREET, LIMITED

BY: LEXINGTON DEVELOPMENT COMPANY, General Partner

By:_____
Mark McDonald, General Partner

By:_____
John Rochford, General Partner

By:_____
E. J. Allen, General Partner

LEXINGTON DEVELOPMENT COMPANY

By: _____
Mark McDonald, General Partner

By: _____
John Rochford, General Partner

By: E J Allen
E. J. Allen, General Partner

0493926
IDENTIF. & REFERENCE

98 SEP 30 AM 11:15

REGISTER
DAVIDSON COUNTY, TN.

7229 09/30 0101 03CHECK 17857.50

OFFICIAL RECEIPT
FELIX Z. WILSON, II
REGISTER OF DAVIDSON COUNTY
NASHVILLE, TENNESSEE

RECEIVED OF _____

FOR _____

BOOK 11133 PAGE 361

CO - CONVEYANCE	CC - CERTIFIED COPY	MISC - MISCELLANEOUS
MO - MORTGAGE	REL - RELEASE	CO TX - STATE TAX CONVEY
WD - WARRANTY DEED	UCC - UNIFORM COMMERCIAL CODE	MO TX - STATE TAX MORT
TD - TRUST DEED		PRFEE - PROBATE FEE

DATE	SYMBOL	VALUATION	TAX AND FEES	TOTAL PAID
				CAMT 4805000.00
				CON TX 17778.50
				PRFEE 1.00
				WDEED 76.00
				CFEE 2.00
				TOTAL 17857.50
				CHECK 17857.50
			09/30/98 01	11:17 0001 7229

RECEIPT IS NOT VALID UNTIL CHECK IS PAID BY BANK

0493926
IDENTIF. & REFERENCE

98 SEP 30 AM 11:15
REGISTER
DAVIDSON COUNTY, TN.

No. 1352536