Davidson County DEEDWARR
Recvd: 03/07/05 11:05 9 pgs
Fees:48.00 Taxes:5550.00
20050307-0024671

THIS INSTRUMENT PREPARED BY:

Jack F. King, Jr., Esq.
Miller & Martin PLLC
1200 One Nashville Place
150 Fourth Avenue North
Nashville, TN 37219

Name & Address of New Owner	Send Tax Bill to:	Map & Parcel No.
TF Properties, Inc. P. O. Box 308 Columbia, TN 38402-0307	New Owner	106-0-109

AGREEMENT AND DEED IN LIEU OF FORECLOSURE

WHEREAS, on January 31, 2000, Welcome Hospitality Group, Inc. (the "Borrower"), executed a Hypothecation Deed of Trust, Security Agreement and Fixture Filing to John P. Tomlinson, III, as Trustee, which instrument is of record in the Register's Office of Davidson County, Tennessee, as Instrument No. 200001310009946, to which reference is hereby made (the "First Deed of Trust"), which First Deed of Trust secures a promissory note in the original principal amount of $2,700,000 dated January 31, 2000 (the "First Note") payable to First Farmers & Merchants National Bank ("First Farmers").

WHEREAS, on December 5, 2000 the Borrower executed a Deed of Trust, Security Agreement and Fixture Filing to John P. Tomplinson, III, as Trustee, which instrument is of record in the Register's Office for Davidson County, Tennessee as Instrument No. 20001205-0119412 and which was amended by instrument of record as Instrument No. 20020401-0038933 (the "Second Deed of Trust") which Second Deed of Trust secures a promissory note in the original principal amount of $600,000, as amended to increase the indebtedness to $699,000 (the "Second Note") payable to First Farmers;

WHEREAS, First Farmers assigned all of its right, title and interest in the First Deed of Trust and the Second Deed of Trust (collectively, the "Deeds of Trust") and in the First Note and the Second Note (collectively, the "Notes") to Tennessee Farmers Life Insurance Company (the "Lender"); and

WHEREAS, default has been made in the payment of the indebtedness evidenced by the Notes and in the performance of the covenants in the Deeds of Trust, by reason of which the entire balances owing under the Notes have been declared to be due and payable; and

WHEREAS, Borrower acknowledges that defaults exist under the Notes and in the performance of Borrower's obligations under the Deeds of Trust; and

WHEREAS, the Borrower and Lender agree that the value of the Property (as hereinafter defined) and any other property constituting security for the indebtedness evidenced by the Notes, is less than the outstanding principal amount of, and the interest accrued on, the Notes, plus the other sums owing under the Notes and the Deeds of Trust, and Borrower desires to execute this Deed in Lieu of Foreclosure (the "Deed") in order to receive credit toward the indebtedness owed to Lender under the Notes in the amount set forth below; and

WHEREAS, it is the intention of the Borrower and the Lender that the Deeds of Trust not merge with the title acquired pursuant to this Deed; and

WHEREAS, Lender has directed that the Property be conveyed to its affiliated entity, TF Properties, Inc. (the "Grantee") rather than to Lender.

NOW, THEREFORE, for and in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Borrower does hereby grant, bargain, sell, transfer, and convey unto Grantee, its successors and

assigns, in fee simple and in bar of the equities of redemption, statutory right of redemption, dower and homestead, the following described real estate (the "Property"):

> That certain tract or parcel of land located in Davidson County, Tennessee, being more particularly described on Exhibit A attached hereto.

TO HAVE AND TO HOLD said Property, with the appurtenances, estate, title and interest thereto belonging to the said Grantee, its successors and assigns, forever. Borrower, for itself and for its successors and assigns, does hereby covenant and agree to and with Grantee that it is lawfully seized and possessed of the Property conveyed hereby in fee simple; that it has the full power and lawful authority to sell and convey the same; that title thereto is free, clear and unencumbered, except as provided herein; and that it will forever warrant and defend the title to same against the lawful claims of all persons whomsoever.

Borrower also hereby sells, transfers, conveys and assigns to Grantee the following: (a) all furnishings, fixtures, furniture fittings, machinery, equipment, apparatus, appliances and personal property of every kind and nature owned by Borrower and located in, on or about, or used or intended to be used with or in connection with the use, operation or enjoyment of the Property, or the buildings, structures or improvements located thereon; together with all renewals, replacements, substitutions and additions to any of the foregoing, and all proceeds therefrom; all of which are hereby declared to be and shall be deemed to be fixtures and accessions to and a part of the Property as between the parties hereto, and all persons claiming by, through or under them; (b) all easements, rights-of-way, strips and gores of land, vaults, streets, ways, alleys, passages, sewer rights, waters, water courses, water rights and powers, minerals, royalties, flowers, shrubs, crops, trees, timber, and other emblements located on, under or above the Property or any portion thereof, together with all rights, titles, interests, estates,

privileges, tenements, servitudes, hereditaments, appurtenances, reversions and remainders whatsoever, in any way belonging, relating or appertaining to the Property or to the buildings, structures or improvements located thereon, or any part thereof, or which shall in any way belong, relate or be appurtenant thereto, (c) all contracts, accounts, and contract rights presently existing in connection with the Property or the buildings, structures or improvements located thereon, including, but not limited to, all security deposits, escrow funds, and insurance policies and proceeds; all instruments, documents, chattel paper and general intangibles acquired by Borrower relating to the Property; and all leases affecting, and all rents, issues, profits, room rents and revenues of, the Property or the buildings, structures or improvements located thereon; (d) all judgments, damage awards, settlements and payments made as a result of or in lieu of any taking of the Property, or of the buildings, structures or improvements located thereon, or any part thereof, under the power of eminent domain, or for any damage to the Property, or to the buildings, structures or improvements located thereon, or to any part thereof, or to any rights appurtenant thereto, including any award for change of street grade; and (e) all licenses, permits or authorizations of any kind relating to the Property or the operation of any business located thereon, to the extent such licenses, permits or authorizations are assignable.

In further consideration of the Borrower's conveyance herein and the forebearance by Lender of its right to foreclose under the Deeds of Trust, and other good and valuable consideration, the Borrower, Lender and Grantee do specifically and mutually agree and bind themselves as follows:

1. This Deed is an absolute conveyance of Borrower's right, title and interest in the Property, and is not intended as a mortgage, trust conveyance or as security of any kind.

2. Borrower acknowledges and agrees that this Deed is executed in exchange for a credit against the indebtedness owning under the Notes as set forth herein. In the event that no voluntary or involuntary petition under the United States Bankruptcy Code is filed by, or against, Borrower within ninety (90) days after the filing of record of this Deed (unless such petition is promptly dismissed), then Borrower shall be given a credit against the indebtedness owing under the Notes in the amount of $1,500,000. Borrower specifically acknowledges its continuing liability for any unpaid balance of principal and interest, fees or expenses owing and unpaid pursuant to the terms of the Notes and the Deeds of Trust after the credit against such indebtedness in the amount of $1,500,000.

3. Borrower acknowledges that the conveyance of said Property in lieu of foreclosure does not in any manner, release, waive, defer, or extinguish any rights that Lender may have now or in the future to collect, demand, sue, or receive payment or to exercise any other remedy available to Lender under the Notes, the Deeds of Trust or the laws of the State of Tennessee. Borrower further acknowledge that this Deed is not a release of, nor shall it release or discharge the obligation of Borrower under the Notes except as set forth above.

4. In the event that Lender elects in the future to exercise the power of sale contained in one or more of the Deeds of Trust, then the net proceeds received from such sale of the Property by Lender, in excess of $1,500,000, after deduction of all expenses of sale, attorney's fees, costs, upkeep, payments on any liens or deeds of trust, insurance, taxes, and other costs of maintaining, operating and selling said Property, shall be applied by Lender to the balance owing and unpaid under the Notes.

5. Neither the Lender, Grantee or the Borrower intends that there be, and there shall not in any event be, a merger of the liens of the Deeds of Trust with the fee title or other interest

of the Grantee by virtue of the conveyance evidenced by this Deed, and the parties expressly provide that each such interest be and remain at all times separate and distinct. No such merger will occur unless and until such time as the Lender and Grantee execute and duly record a written instrument specifically effecting such a merger. Accordingly, unless and until such an instrument is executed and recorded, the Deeds of Trust will remain valid and continuing liens, and security interests against, in, and to all of the property described and conveyed herein.

6. For purposes of priority as between (i) intervening or inferior liens and encumbrances, if any, on or against the Property, and (ii) the liens of the Deeds of Trust, any and all rights of the Lender to exercise its remedies of foreclosure or the exercising of the power of sale under the Deeds of Trust or any other remedies, are expressly preserved hereby. The priority of the liens of the Deeds of Trust is intended to be and shall remain in full force and effect and nothing herein or in any instruments executed in connection herewith shall be construed to subordinate the priority of the liens of the Deeds of Trust to any other liens or encumbrances whatsoever.

7. If the conveyance of the Property from Borrower to the Grantee is voided, avoided or set aside for any reason whatsoever, (1) the liens evidenced by the Deeds of Trust will be automatically revived and reinstated if the same shall have been previously released, in whole or in part, by the Lender; (2) the Lender shall have the right to foreclose such liens and take such other action permitted thereby; and (3) all costs of the Lender incurred in connection with this agreement and any other cost of enforcement of the rights and remedies of the Lender shall be payable by Borrower upon demand.

8. Lender agrees that all proceeds that Lender or Grantee actually receives from any accounts receivable in existence as of the date hereof shall be paid to the Internal Revenue

Service (the "IRS") to be applied to the Trust Fund portion of the sums owing to the IRS as evidenced by that Notice of Federal Tax Lien of record as instrument no. 20050131-0011028, Register's Office for Davidson County, Tennessee.

IN WITNESS WHEREOF, Borrower has hereunto set its hand at Nashville, Tennessee, this 1st day of March, 2005.

WELCOME HOSPITALITY GROUP, INC.

By: _____

Title: President

STATE OF TENNESSEE)
)
COUNTY OF DICKSON)

Before me, Alexandra D. Abraham, a Notary Public in and for the County and State aforesaid, personally appeared K. B. Gandhi, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged (himself/herself) to be President of WELCOME HOSPITALITY GROUP, INC., the within named bargainor, a corporation, and that (he/she) as such President, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by (himself/herself) as President.

Witness my hand and seal, at office in Nashville, Tennessee, this 1st day of March, 2005.

Alexandra D. Abraham
NOTARY PUBLIC

ALEXANDRA D. ABRAHAM NOTARY PUBLIC AT DICKSON COUNTY, TN

My Commission Expires: 10-24-06

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STATE OF TENNESSEE)
)
COUNTY OF DAVIDSON)

The actual consideration for this transfer or value of property whichever is greater is $1,500,000. This is equal to or greater than the property would bring at a fair and voluntary sale.

Sworn to and subscribed before me
This 7th day of March, 2005.

Jean P. Shearer
NOTARY PUBLIC

JEAN P. SHEARER NOTARY PUBLIC AT LARGE DAVIDSON COUNTY, TENN.

My Commission Expires: 3-25-06

My Commission Expires MAR. 25, 2006

EXHIBIT A

PROPERTY DESCRIPTION

Land in Davidson County, Tennessee, being Lot No. 1 as shown on the Plan of Edward Trabue Property, of record in Book 4350, page 13, Register's Office for Davidson County, Tennessee, to which plan reference is made for a more complete description.

Being a portion of the property conveyed to Welcome Hospitality Group, Inc. by deed of record in Instrument No. 200001310009945, Register's Office for Davidson County, Tennessee.