



2009040096 00064

FORSYTH CO, NC FEE \$26.00
PRESENTED & RECORDED:

09-04-2009 11:16:00 AM

C. NORMAN HOLLEMAN
REGISTER OF DEEDS
BY: LORI HOLLOWAY
DPTY

BK: RE 2911
PG: 1286-1290

This Instrument Prepared By and to be returned to:

emv
Mark K. Somerstein, Esq.
Ruden, McClosky, Smith, Schuster & Russell, P.A.
P.O. Box 1900
Fort Lauderdale, FL 33302

Property Appraisers Parcel I.D. (Folio) Numbers(s):

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SPACE ABOVE THIS LINE FOR RECORDING DATA

**CROSS DEFAULT AND
CROSS COLLATERALIZATION AGREEMENT**

THIS CROSS DEFAULT AND CROSS COLLATERALIZATION AGREEMENT ("Agreement") is entered into by FS FT. LAUDERDALE, LLC, FS GEORGIA, LLC, FS WINSTON-SALEM, LLC, FS LOG CABIN, LLC and FS KINSTON, LLC (jointly and severally, the "Existing Borrowers") and FS DAYTONA, LLC ("New Borrower") for the benefit of REGIONS BANK ("Lender") effective September 1, 2009.

RECITALS:

A. Existing Borrowers are indebted to Lender pursuant to existing credit facilities in the respective amounts of \$1,500,000.00 ("Ft Lauderdale Loan"), \$2,000,000.00 ("Georgia Loan"), \$3,200,000.00 ("Winston-Salem Loan"), \$400,000.00 ("Log Cabin Loan") and \$1,050,000.00 ("Kinston Loan") (collectively, "Existing Loans").

B. The Existing Loans are secured by mortgages or deeds of trust as follows:

- i. mortgage recorded in Official Records Book 45340, Page 1 of the Public Records of Broward County, Florida as to the Fort Lauderdale Loan;
- ii. deed of trust recorded in Deed 20798, Page 601 of the Public Records of Dekalb County, Georgia as to the Georgia Loan;
- iii. deed of trust recorded in Book 2829, Page 3752 of the public records of Forsyth County, North Carolina as to the Winston-Salem Loan;
- iv. deed of trust recorded in Book 2829, Page 3793 of the public records of Forsyth County, North Carolina as to the Log Cabin Loan; and
- v. deed of trust recorded in Deed Book 1542, Page 601 of the public records of Lenoir County, North Carolina as to the Kinston Loan (collectively, the "Security Documents").

C. Even date herewith New Borrower is entering into a credit facility with Lender in the amount of \$2,000,000.00 ("New Loan").

D. Lender would not have granted the New Loan without the cross default and cross collateralization of the Existing Loans with the New Loan.

E. Existing Borrowers will benefit as a result of the granting of the New Loan.

NOW, THEREFORE, in consideration of the foregoing Recitals and other good and valuable considerations, the Existing Borrowers and New Borrower agree as follows:

1. The foregoing Recitals are true and correct and are incorporated herein by this reference.

2. An Event of Default under the New Loan shall constitute a default under the Existing Loans. As set forth in this Agreement, an Event of Default under this Agreement shall mean a default following all applicable cure or grace periods.

3. An Event of Default under any of the Existing Loans shall constitute a default under the New Loan. An Event of Default of any of the Existing Loans shall also constitute a default under the other Existing Loans.

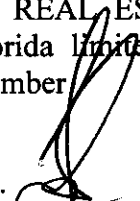
4. In addition to securing the respective Existing Loans, the Security Documents shall also secure the New Loan as if originally secured thereunder. Each respective Existing Borrower warrants and represents that other than the lien of the respective Security Document, there are no other liens, judgments, mortgages or deeds of trust encumbering the real property being cross collateralized hereunder other than taxes which are not yet due and payable.

(SIGNATURE PAGES FOLLOW)

IN WITNESS WHEREOF, the Existing Borrowers have executed this Agreement as of the date set forth above.

FS FT. LAUDERDALE, LLC, a Florida limited liability company

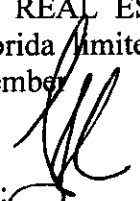
By: FS REAL ESTATE HOLDINGS, LLC, a Florida limited liability company, its sole member

By: 

Tom Tucker, Secretary and Treasurer

FS GEORGIA, LLC, a Georgia limited liability company

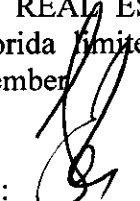
By: FS REAL ESTATE HOLDINGS, LLC, a Florida limited liability company, its sole member

By: 

Tom Tucker, Secretary and Treasurer

FS WINSTON-SALEM, LLC, a North Carolina limited liability company

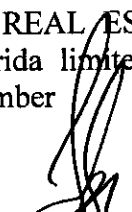
By: FS REAL ESTATE HOLDINGS, LLC, a Florida limited liability company, its sole member

By: 

Tom Tucker, Secretary and Treasurer

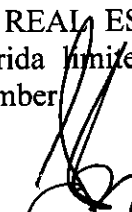
FS LOG CABIN, LLC, a North Carolina limited liability company

By: FS REAL ESTATE HOLDINGS, LLC, a Florida limited liability company, its sole member

By: 
Tom Tucker, Secretary and Treasurer

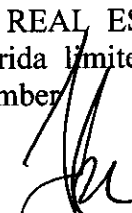
FS KINSTON, LLC, a North Carolina limited liability company

By: FS REAL ESTATE HOLDINGS, LLC, a Florida limited liability company, its sole member

By: 
Tom Tucker, Secretary and Treasurer

FS DAYTONA, LLC, a Florida limited liability company

By: FS REAL ESTATE HOLDINGS, LLC, a Florida limited liability company, its sole member

By: 
Tom Tucker, Secretary and Treasurer

STATE OF FLORIDA)
) SS:
COUNTY OF BROWARD)

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State aforesaid and in the County aforesaid to take acknowledgments, the foregoing instrument was acknowledged before me by TOM TUCKER, as the Secretary and Treasurer of FS REAL ESTATE HOLDINGS, LLC, a Florida limited liability company, the sole member of FS FT. LAUDERDALE, LLC, A Florida limited liability company, and as the Secretary and Treasurer of FS REAL ESTATE HOLDINGS, LLC, a Florida limited liability company, the sole member of FS GEORGIA, LLC, a Georgia limited liability company, and as the Secretary and Treasurer of FS REAL ESTATE HOLDINGS, LLC, a Florida limited liability company, the sole member of FS WINSTON-SALEM, LLC, a North Carolina limited liability company, and as the Secretary and Treasurer of FS REAL ESTATE HOLDINGS, LLC, a Florida limited liability company, the sole member of FS LOG CABIN, LLC, a North Carolina limited liability company, and as the Secretary and Treasurer of FS REAL ESTATE HOLDINGS, LLC, a Florida limited liability company, the sole member of FS KINSTON, LLC, a North Carolina limited liability company, and as the Secretary and Treasurer of FS REAL ESTATE HOLDINGS, LLC, a Florida limited liability company, the sole member of FS DAYTONA, LLC, a Florida limited liability company freely and voluntarily under authority duly vested in him by said companies. He is personally known to me or who has produced DL as identification.

WITNESS my hand and official seal in the County and State last aforesaid this 1 day of September, 2009.

Notary Public

Typed, printed or stamped name of Notary Public

My Commission Expires:

