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

07-13-2012 04:16:10 PM

C. NORMAN HOLLEMAN
REGISTER OF DEEDS
BY: PATSY RUTH DAVIS
DPT

BK: RE 3069

PG: 2491-2495

*Prepared by and, after recording, return to: (VonCannon Box 8)
Carter Bank + Trust*

STATE OF NORTH CAROLINA)
COUNTY OF FORSYTH)

CROSS-COLLATERALIZATION AND CROSS-DEFAULT AGREEMENT

THIS CROSS-COLLATERALIZATION AND CROSS-DEFAULT AGREEMENT (this "Agreement") is made and entered as of **July 13, 2012**, by and among **H & D Hospitality Corporation** (the "Borrower") having the address of 5218 Germanton Road, Winston-Salem, North Carolina 27105 and **Carter Bank & Trust** (the "Lender") whose address is 1300 Kings Mountain Road, Martinsville, Virginia 24112, and is acknowledged by **CHRH Enterprises, Inc. and Rashi Hospitality Corporation**.

RECITALS:

A. Borrower, or entity affiliated with borrower has obtained separate loans from the Lender, in the respective principal amounts specified on Exhibit A hereto (individually and respectively, a "Loan" and collectively, the "Loans"). The Loans are or will be evidenced and secured by separate deeds of trust and security agreements and by separate promissory notes, guaranty agreements, loan agreements, and other documents (collectively, the "Loan Documents").

B. As a condition to the extension of credit described above, Lender has required that the Loans be cross-defaulted and cross-collateralized.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals, to induce the Lender to make the Loan to Borrower, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower agrees with Lender, and Lender agrees with Borrower, as follows:

1. **Cross-Collateralization.** The Loans are hereby cross-collateralized with one another, and the Borrower agrees that the collateral described in the respective Loan Documents shall secure, in addition to the particular Loan described therein, the respective obligations of the Borrower under all other Loans and Loan Documents, each on a pari passu basis, including, without limitation, the respective Borrower's obligation to pay the principal and interest on all other Loans, as the same may hereafter be renewed, modified, amended or extended, and to pay all other indebtedness and other agreed charges and to perform all of the terms and conditions of the Loan Documents. This provision shall take precedence over all provisions of the Loan Documents such that all references therein to the Loan or Loan Obligations shall be deemed to hereafter include all other Loans and all other indebtedness under other Loan Documents.

2. **Cross-Default.** The Loans are hereby cross-defaulted with one another and the Borrower agrees that the occurrence of an Event of Default as defined in, and pursuant to any of the Loan Documents, which is not cured within applicable grace or curative periods, shall constitute an immediate Event of Default under all other Loan Documents. The makers of the cross defaulted Notes acknowledge this agreement and to facilitate this loan.

3. **Miscellaneous.**

(a) This Agreement may be executed in any number of counterparts bearing the original signatures of all parties hereto, each of which shall constitute an original for all purposes, but all of which shall evidence but one and the same Agreement. This Agreement will be recorded in each county and state where the respective properties described in the Loan Documents are located. Upon the filing of each mortgage, deed of trust, or deed to secure debt, as applicable, constituting part of the Loan Documents, all necessary recording, intangible, or documentary stamp taxes will be duly paid by the Borrower. This Agreement is being given as additional collateral to secure the obligations of the Borrower under the Loan Documents. This agreement supercedes and replaces any other cross-collateralization agreement between the parties.

(b) This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, administrators, successors and assigns. This Agreement may be executed in counterparts which shall together constitute the same instrument.

4. **Controlling Law.** **THE VALIDITY, INTERPRETATION, ENFORCEMENT AND EFFECT OF THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE COMMONWEALTH OF VIRGINIA.**

IN WITNESS WHEREOF, the parties hereto have executed or have caused this Agreement to be properly executed as of the day and year first above written.

BORROWERS:

**H & D Hospitality Corporation, a
North Carolina corporation**

By:  (SEAL)
Harshad H. Patel, President

**CHRH Enterprises, Inc., a
North Carolina corporation**

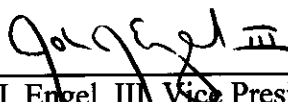
By:  (SEAL)
Harshad H. Patel, President

**Rashi Hospitality Corporation, a
North Carolina corporation**

By:  (SEAL)
Harshad H. Patel, President

LENDER:

CARTER BANK & TRUST

By: 
John J. Engel, III, Vice President

STATE OF NORTH CAROLINA
COUNTY OF FORSYTH

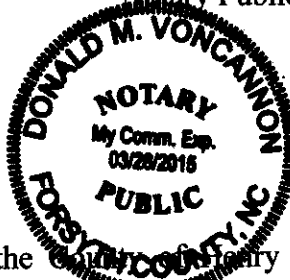
I, Donald M. VonCannon, a Notary Public of said County and State, do hereby certify that Harshad H. Patel personally appeared before me this day and acknowledged the execution of the foregoing document.

Witness my hand and notarial seal/stamp, this 13th day of July, 2012.

My Commission Expires 3-28-15

Donald M. VonCannon
Notary Public

COMMONWEALTH OF VIRGINIA
COUNTY OF HENRY



I, Janet S. Harrell, a Notary Public of the County of Henry and Commonwealth of Virginia, certify that John J. Engel, III personally appeared before me this day and acknowledged that he is Vice-President of Carter Bank & Trust, and that he, as Vice President, being authorized to do so, executed the foregoing on behalf of the corporation.

WITNESS my hand and official stamp or seal, this 11th day of July, 2012.

My Commission Expires May 31, 2015

Notary Registration #206191

Janet S. Harrell
Janet S. Harrell, Notary Public

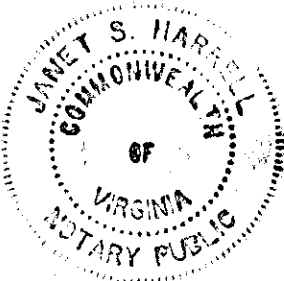


EXHIBIT A

LOAN #	OWNERS OF THE PROPERTY SECURING THE LOAN	PRINCIPAL LOAN AMOUNT
20369	CHRH Enterprises, Inc.	\$ 400,000.00
20372	H & D Hospitality Corporation	\$1,600,000.00
20373	Rashi Hospitality Corporation	\$3,000,000.00