

the Lender shall in no way be obligated for any debts of the Retailer.

7. As additional security for the furnishing of monies to the Retailer the Retailer hereby agrees to give the Lender a Chattel Mortgage on all fixtures and furniture located in the store building to be known as Smith-Foy, Inc., Pleasantburg Shopping Center, Greenville, S. C.

8. The undersigned D. Carl Smith shall give to the Lender a real estate mortgage as collateral security upon Seventy-Seven and Twenty-One One Hundredths (77.21) acres of land on Pelham Road, Greenville County, S. C. This mortgage shall be subject to the terms and agreements set out herein and is additional security for the financing of Smith-Foy, Inc.

9. The Retailer will maintain at its own cost and expense during the operation of the business known as Smith-Foy, Inc., insurance policies insuring against loss of merchandise, furniture, and fixtures, and loss of use and occupancy by fire or theft, and public liability. These policies shall be in favor of the Retailer and the Lender, as their respective interests may appear.

10. The Retailer shall sign the notes for monies borrowed from the Lender in both the corporate name, Smith-Foy, Inc., and individually.

11. Both James B. Foy and D. Carl Smith agree to devote full time and attention to the retail clothing business known as Smith-Foy, Inc.

12. This Agreement may be terminated by the Retailer or the Lender at any time upon written notice to either party. Regardless of which party terminates this Agreement, the

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