

turbed thereby.

3.05 Changes. Neither this Mortgage nor any term hereof may be changed, waived, discharged or terminated orally, or by any action or inaction, but only by an instrument in writing signed by the party against which enforcement of the change, waiver, discharge or termination is sought. Any agreement hereafter made by Mortgagor and Mortgagee relating to this Mortgage shall be superior to the rights of the holder of any intervening lien or encumbrance.

3.06 Governing Law. This Mortgage is made by Mortgagor and accepted by Mortgagee in the State of South Carolina, with reference to the laws of such State, and shall be construed, interpreted, enforced and governed by and in accordance with such laws (including the principles thereof governing conflicts of law).

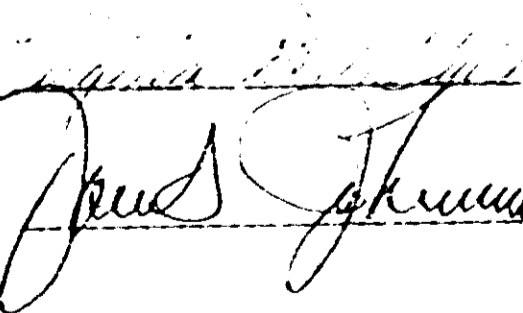
3.07 Default Rate. The Default Rate shall be as provided in the Note; in the event no such rate is provided therein, the Default Rate shall be the maximum rate of interest permitted by law at the time of default or twelve (12%) per cent per annum, whichever is less.

3.08 Force Majeure. The time within which any party hereto shall be required to perform any act under this instrument, other than the payment of money, shall be extended by a period of time equal to the number of days during which performance of such act is unavoidably delayed by strikes, lockouts, acts of God, governmental restrictions, failure or inability to secure materials or labor by reason of priority or similar regulation or order of any governmental or regulatory body, enemy action, civil disturbance, fire or other casualty, eminent domain or the consequences thereof, or any other cause beyond the reasonable control of such party.

IN WITNESS WHEREOF, the undersigned has executed this instrument the day and year above first written.

Signed, sealed and delivered
in the presence of:

BELK-SIMPSON COMPANY, a South Carolina
Corporation



By: _____
Executive Vice President

Attest: _____
Secretary

4328 RV.2