

MORTGAGE NOTE

DATE: January 6, 1978

AT: New York, New York

FOR VALUE RECEIVED, the undersigned, GREENVILLE ASSOCIATES, a South Carolina limited partnership, having its office c/o F. E. Pierce & Co., 26 Broadway, New York, New York (hereinafter referred to as "Maker") promises to pay to the order of CREATIVE FABRICS, INC. EMPLOYEES PENSION PLAN, a New York trust, having its office at 124 West 36th Street, New York, New York (hereinafter referred to as "Holder"), or at such other place as Holder may from time to time designate in writing, the principal sum of ONE MILLION NINE HUNDRED TWENTY FIVE THOUSAND DOLLARS (\$1,925,000.00), with interest thereon or on such portion thereof as shall remain unpaid at the rate of eight (8%) per cent per annum from the date hereof, as follows:

Commencing on the first day of the month next ensuing and thereafter on the first day of each succeeding month up to and including , 1983 by monthly payments of interest only at the rate set forth above; commencing on the first day of 198 , and thereafter on the first day of each succeeding month by monthly payments of principal and interest in the amount of \$10,333.33 except that: (i) on December 31, 2002 the sum of Seventy Five Thousand (\$75,000.00) Dollars shall be paid to reduce the then aggregate amount of accrued interest, and (ii) the entire principal balance hereof, together with all accrued and unpaid interest thereon, if not sooner paid, shall be due and payable on December 31, 2006. Each monthly payment of principal and interest shall be applied \$10,166.66 to principal and the balance to interest with the difference between interest at the rate set forth above on the unpaid principal balance and the amount applied in payment of interest to be accrued and to be due and payable on December 31, 2006.

This Note is secured by a mortgage of even date herewith on premises located in Greenville, South Carolina. All terms, covenants, conditions and agreements of the mortgage are hereby constituted part of this Note.

In the event of any default when due in the payment of any sum payable hereunder or in the performance when such performance is due of any of the terms, covenants, conditions or agreements contained in the mortgage, the entire principal sum and accrued interest shall become immediately due and payable at the option of Holder. Failure to exercise this option shall not constitute a waiver of the right to exercise the same in the event of any subsequent default.

At the option of Holder, from and after maturity (whether or not resulting from acceleration) or during the continuation of any default hereunder or under the mortgage, the whole of the principal sum shall, without further notice, bear interest at the rate of twelve (12%) per cent per annum.

As to this Note, the Mortgage and any other instruments securing this Note, Maker hereby waives all applicable exemption rights, whether under the state Constitution, Homestead laws, or otherwise and also waives valuation and appraisements, presentment, protest and demand, notice of protest, demand and dishonor and non-payment of this Note, and hereby expressly agrees that the maturity of this Note, or payment hereunder, may be extended from time to time without in any way affecting the liability of Maker or of any guarantors of this Note.

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