

in default under its operating covenant set forth in Section 6.01 hereof, Developer agrees that, without first obtaining the written consent of Belk, it shall not voluntarily, by formal written agreement, modify or amend the operating covenant of any other Department Store such that the obligations of any such Department Store to operate a department store are materially diminished or the term of the operating covenant is reduced. It is understood and agreed that (i) any amendment or modification made to any such operating covenant by reason of the order or decree of any court or governmental or quasi-governmental agency or (ii) any failure or omission of the Developer to insist upon the strict performance by any Department Store of any term, condition or covenant on such Department Store's part to be performed pursuant to the terms of its operating covenant or to exercise any option, right, power or remedy of the Developer with respect to such operating covenant shall not now or hereafter be deemed or construed as a modification or amendment to said operating covenant. In the event the Developer modifies or amends the operating covenant of any Department Store as herein proscribed without the prior written consent of Belk, Belk may, upon giving notice to the Developer, elect to be released from all further obligations under Section 6.01 hereof. In the event Belk elects, by reason of the terms of this Section 6.07 to be released from its obligations under Section 6.01 hereof, the same shall be effective as of the date which is sixty (60) days after the date the notice contemplated hereunder is received by the Developer.

Provided Belk shall not be in default under its operating covenant set forth in Section 6.01 hereof, the Developer agrees that in the event that any Department Store other than Sears is in default of its covenant to operate and the