

PROMISSORY NOTEJANUARY 13, 1978

\$1,264,000.00

GREENVILLE, SOUTH CAROLINA

1. For value received, Creative Fabrics Inc. Employees Pension Plan ("Creative Fabrics") hereby promises to pay to the order of Pacific Mutual Life Insurance Company, a California corporation, at its office at 700 Newport Center Drive, Newport Beach, California 92660, or at such other place as the holder of this Note may from time to time designate, the principal sum of One Million Two Hundred Sixty-four Thousand Dollars (\$1,264,000.00) together with interest thereon at the rate of 8.875% per annum, with principal and interest to be paid in installments as follows: \$10,132.00 on February 1, 1978 and \$10,132.00 on the first day of each and every month thereafter to January 1, 2003 on which date the entire unpaid principal balance, with interest, is to be paid in full. Interest only shall be payable monthly on the first day of each month until regular monthly principal and interest installments are due and payable. All payments shall be applied first to interest due, and any balance shall be applied in reduction of principal. The principal and interest hereunder shall be payable in lawful money of the United States which shall be legal tender for public and private debts at the time of payment.

2. Creative Fabrics shall have no right to prepay this Note, or any part, except as follows:

(a) No prepayments shall be permitted during the first 10 Loan Years (as hereinafter defined) unless the Indenture of Lease dated of even date between Creative Fabrics, as lessor and the Great Atlantic & Pacific Tea Company, Inc. ("A&P"), as lessee ("A&P" Lease") has been terminated pursuant to a resolution of the Board of Directors of A & P certifying that as a result of condemnation for public or quasi-public use, or for fire or other casualty loss, it has elected to close operations (herein "economic abandonment"), or the A & P Lease has been terminated

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