

INDENTURE OF MORTGAGE, DEED OF TRUST AND SECURITY AGREEMENT, effective as of December 4, 1978 (herein, as amended or supplemented from time to time, called this Indenture), between MERCANTILE PROPERTIES, INC., a Delaware corporation (the Company), having an office c/o Mercantile Stores Company, Inc. (N.Y.), 128 West 31st Street, New York, New York 10001 and GIRARD TRUST BANK as trustee (herein, together with its successors and assigns as such trustee, called the Trustee), having an address at 3 Girard Plaza, Philadelphia, Pennsylvania 19101, and H. E. IKELER, JR. as individual trustee (herein, together with his successors and assigns as such individual trustee, called the Individual Trustee), having an address c/o Girard Trust Bank, 3 Girard Plaza, Philadelphia, Pennsylvania 19101, as trustees (herein, together with each separate or co-trustee from time to time appointed pursuant to section 8.6 and their respective successors and assigns as such trustees, called the Trustees).

PRELIMINARY STATEMENT

The defined terms which are used in this Indenture but which are not otherwise defined have the meanings set forth in Article 1. The Company is acquiring a fee estate in the Real Property. Immediately after such acquisition the Company will lease the Property to Lessee (a wholly-owned subsidiary of Guarantor) pursuant to the Lease.

STATE OF SOUTH CAROLINA
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STATE OF SOUTH CAROLINA
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