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STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF GREENVILLE ) FIRST MORTGAGE AND SECURITY AGREEMENT

THIS MORTGAGE AND SECURITY AGREEMENT, made this 3rd day of July, 1979, between INGLES MARKETS, INC. ("Mortgagor"), whose address is Post Office Box 6676, Asheville, North Carolina, 28806 and LIFE INSURANCE COMPANY OF GEORGIA, a Georgia Corporation, ("Mortgagee"), whose address is Life of Georgia Tower, 600 West Peachtree Street, Atlanta, Georgia, 30308.

WITNESSETH:

WHEREAS, Mortgagor is indebted to Mortgagee in the principal sum of Eight Hundred Thousand and No/100 (\$800,000.00) DOLLARS, together with interest thereon, as evidenced by that certain Promissory Note of even date herewith, executed by Mortgagor and delivered to Mortgagee, the final payment of which is due on or before the 1st day of August 2004, unless extended as provided therein (the "Note") which by reference is made a part hereof to the same extent as though set out in full herein;

NOW, THEREFORE, to secure the performance and observance by Mortgagor of all covenants and conditions in the Note and in any renewal, extension or modification thereof and in this First Mortgage and Security Agreement and in all other instruments securing the Note, and also to secure in accordance with Section 29-3-50, 1976, Code of Laws of South Carolina; (i) all future advances and re-advances that may subsequently be made to Mortgagor by Mortgagee, evidenced by the aforesaid Note, or any other Promissory Notes, and all renewals and extensions thereof; and (ii) all other indebtedness of Mortgagor to Mortgagee, now or hereafter existing, whether direct or indirect, the maximum amount of all indebtedness outstanding at any one time secured hereby not to exceed twice the face amount of the Note, plus interest thereon, all charges and expenses of collection incurred by Mortgagee including court costs and reasonable attorneys' fees, and also in order to charge the properties, interests and rights hereinafter described with such payment, performance and observance, and for and in consideration of the sum of One and No/100 (\$1.00) Dollar paid by Mortgagee to Mortgagor this date, and for other valuable considerations, the receipt of which is acknowledged, Mortgagor does hereby grant, bargain, sell, alien, remise, release, convey, assign, transfer, mortgage, hypothecate, pledge, deliver, set over, warrant and confirm unto Mortgagee, its successors and assigns forever, all right, title and interest of Mortgagor in and to:

THE MORTGAGED PROPERTY

(A) THE LAND. All the land located in the County of Greenville, State of South Carolina (the "Land"), described in Exhibit "A" attached hereto and made a part hereof;

(B) THE IMPROVEMENTS. TOGETHER WITH all buildings, structures and improvements of every nature whatsoever now or hereafter situated on the Land, and all fixtures, machinery, appliances, equipment, furniture, and personal property of every nature whatsoever now or hereafter owned by Mortgagor and located in or on, or attached to, or used or intended to be used in connection with or with the operation of, the Land, buildings, structures or other improvements, including all extensions, additions, improvements, betterments, renewals and replacements to any of the foregoing and all of the right, title and interest of Mortgagor in and to any such personal property or fixtures subject to any lien, security interest or claim together with the benefit of any deposits or payments now or hereafter made by Mortgagor or on its behalf (the "Improvements").

(C) EASEMENTS OR OTHER INTERESTS. TOGETHER WITH all easements, rights-of-way, gores of land, streets, ways, alleys,

STATE OF SOUTH CAROLINA  
NOTARY PUBLIC  
JULY 1979

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