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ILLINOIS LEASEHOLD
MORTGAGE AND SECURITY AGREEMENT

FROM

LESLIE-LOCKE, INC.

MORTGAGOR,

TO

CITICORP INDUSTRIAL CREDIT, INC.,

MORTGAGEE.

Dated. December 29, 1986

Property located at
Cook County, Illinois

THIS INSTRUMENT PREPARED BY
AND RECORDING REQUESTED BY
and

WHEN RECORDED RETURN TO:

ROGERS & WELLS
200 PARK AVENUE
NEW YORK, NEW YORK, 10166
Attention: William Haney, III, Esq.

87546754

Box 15
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MORTGAGE AND SECURITY AGREEMENT

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THIS MORTGAGE AND SECURITY AGREEMENT ("Mortgage") is made this 29th day of December, 1986, by LESLIE-LOCKE, INC., a Delaware corporation, having its principal executive office at 4501 Circle 75 Parkway, Atlanta, Georgia 30339 ("Mortgagor"), to CITICORP INDUSTRIAL CREDIT, INC., a Delaware corporation, having an office at 450 Mamaroneck Avenue, Harrison, New York 10528 ("Mortgagee").

WITNESSETH:

WHEREAS, Mortgagor, DREW INDUSTRIES INCORPORATED, a Delaware corporation, KINRO, INC., an Ohio corporation, SANDBERG MANUFACTURING COMPANY, an Illinois corporation, and WM ACQUISITION SUB, INC., a New York corporation (collectively, "Borrowers") and Mortgagee have executed and delivered that certain Loan and Security Agreement dated December 29, 1986 (the "Loan Agreement") pursuant to which Mortgagee has agreed to lend, and Borrowers have agreed to borrow, certain sums up to a maximum principal amount of Twenty Million Dollars (\$20,000,000) (the "Loan"); and

WHEREAS, pursuant to the Loan Agreement, Mortgagee has agreed to lend to Mortgagor, and Mortgagor has agreed to borrow from Mortgagee, up to Four Million Dollars (\$4,000,000) of the principal amount of the Loan, which amount is evidenced by Mortgagor's Term Notes of even date herewith in the principal amounts of One Million Dollars (\$1,000,000) and Three Million Dollars (\$3,000,000) each of which shall become due and payable not later than December 31, 2000 (the Term Notes, as defined in the Loan Agreement, are hereinafter collectively referred to as the "Notes", and the Notes and Loan Agreement are hereinafter collectively referred to as the "Loan Documents"); and

WHEREAS, as security for the repayment of the Loan, Mortgagee has required, inter alia, that Borrowers execute and deliver certain guaranties, including the Leslie-Locke Guaranty and the Limited Leslie-Locke Guaranty (as defined in the Loan Agreement), executed and delivered by Mortgagor on even date herewith; and

WHEREAS, as security for the repayment of all sums advanced under the Notes and all interest accruing thereon and prepayment premiums payable thereunder, and as security for the payment of all sums and the performance of all obligations on the part of Mortgagor under the Leslie-Locke Guaranty and the Limited Leslie-Locke Guaranty, Mortgagee has required, inter

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alia, that Mortgagor grant Mortgagee a first priority lien on its leasehold estates and a security interest in certain of its other assets;

NOW, THEREFORE, to secure (i) the repayment of the Notes (aggregating up to \$4,000,000) and any renewals or extensions thereof, including all present and future advances of principal and all interest, prepayment premiums, if any, and other amounts becoming payable thereunder; (ii) the payment of all amounts required to be paid and the performance of all obligations on the part of Mortgagor under the Leslie-Locke Guaranty and the Limited Leslie-Locke Guaranty, (iii) the reimbursement to Mortgagee of any and all costs and expenses (including reasonable attorneys' fees and expenses) incurred or paid on account of any litigation at law or in equity which may arise in respect of this Mortgage or the leasehold estate and other property herein mortgaged, or in obtaining possession of said leasehold estate and other property after any sale which may be made as hereinafter provided; (iv) the performance and observance by Mortgagor of all its covenants, warranties, agreements, conditions, and obligations contained herein and in the Loan Documents; and (v) the payment to Mortgagee of all sums, if any, as may be expended by Mortgagee in the performance of any obligation of Mortgagor hereunder together with interest thereon, and (vi) the payment of any and all other indebtedness which this Mortgage by its terms secures; up to a maximum aggregate amount, however, not to exceed Twenty Million Dollars (\$20,000,000), and in order to charge with such performance and with such payments the leasehold estate, Mortgagor does hereby grant, bargain, sell, release, confirm with and mortgage to Mortgagee and warrants unto Mortgagee, its successors and assigns forever:

ALL of its present and future estate, right, title and interest in and to those certain leases more particularly described in Exhibit A attached hereto and made a part hereof (the "Leases") and the leasehold estates created thereby (the "Leasehold Estates");

TOGETHER WITH all of its present and future right, title and interest in and to the land leased pursuant to the Lease, which land is located in the Town of Franklin Park, County of Cook, State of Illinois and is more particularly described in Exhibit B attached hereto and made a part hereof, and all the rights, privileges, easements, rights-of-way, strips and gores of land, streets, ways, alleys, passages, sewer rights, water courses, water rights and powers, and hereditaments thereto belonging or in any way appertaining (the "Land");

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TOGETHER WITH all right, title, and interest of Mortgagor in, to and under all buildings, structures, and other improvements presently situated, or hereafter constructed, upon the Land and the rights, privileges, easements, fixtures and appurtenances now or at any time hereafter belonging or appertaining thereto (the "Improvements");

TOGETHER WITH all machinery, apparatus, equipment, fittings, fixtures, and articles of personal property of every kind and nature whatsoever (including all components thereof), used in connection with the operation of the Improvements and now owned or hereafter acquired by Mortgagor, and together with all additions, replacements, modifications, and alterations thereof, all subject, however, to the provisions of Section 34, hereof (collectively the "Equipment"); the Land, the Improvements, and the Equipment are sometimes hereinafter collectively referred to as the "Property");

TOGETHER WITH all right, title, and interest of Mortgagor as landlord under all present and future subleases (the "Subleases") applicable to the Property or any part thereof, any and all rents, issues, profits, revenues, royalties, rights and benefits (collectively the "Rents") which are now due or may hereafter become due by reason of the Subleases, provided that this assignment shall not impose on Mortgagee any of the lessor's obligations under the Subleases, and provided further that, notwithstanding such assignment, Mortgagor may exercise and enforce all of its right, title, and interest in and under any Sublease and in and to the Rents until an Event of Default (as hereinafter defined) hereunder, whereupon the same may thereafter be exercised and enforced by Mortgagee at its option, and without notice and whether or not it shall have accelerated the Notes, for so long as such Event of Default continues and remains uncured;

TOGETHER WITH all right, title, estate and interest, including the right of use or occupancy, which Mortgagor may now have or hereafter acquire in, to, and under (i) the Land or real estate of others adjoining or adjacent to the Land; and (ii) the streets or public places, and the land occupied thereby, adjoining or adjacent to the Land;

TOGETHER WITH all of Mortgagor's right, title, and interest in and to (i) all insurance proceeds paid or payable for damage done to the Property ("Insurance Proceeds"); and (ii) all awards or damages heretofore or hereafter made to or for the account of Mortgagor for the permanent or temporary taking by eminent domain or similar proceedings of, or injury

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to, all or any part of the Property or any interest therein ("Eminent Domain Awards"); and

Mortgagor hereby grants to Mortgagee a security interest in (a) the Equipment; (b) the Insurance Proceeds; (c) the Eminent Domain Awards; and (d) all proceeds of the foregoing (collectively, the "Security Interest Property") and this Mortgage shall be effective as a security agreement pursuant to the Uniform Commercial Code as enacted and in effect in the State of Illinois (the "Code").

Mortgagor covenants and agrees with Mortgagee as follows:

1. Representations and Warranties. In order to induce Mortgagee to accept the Loan Documents and to make the loan evidenced thereby, Mortgagor represents and warrants to Mortgagee that:

(a) All of the representations and warranties made by Mortgagor in the Loan Agreement are hereby restated and reaffirmed as if set forth at length herein.

(b) Mortgagor has full power, authority, and legal right to execute and deliver the Loan Documents and this Mortgage, and to encumber the Property and the execution hereof has in all respects been duly authorized by resolution of the Board of Directors of Mortgagor.

(c) This Mortgage, when duly recorded, will constitute a valid first mortgage lien on, and security interest in, the Property, in accordance with the terms set forth herein.

(d) Mortgagor has good and marketable title to the Leasehold Estates and good and merchantable title to the Property, in all cases free and clear of all liens, claims, charges, restrictions, reversions, encumbrances, security interests, and other matters, except the matters set forth in Exhibit "C," attached hereto and made a part hereof (the "Permitted Title Exceptions"), and Mortgagor hereby warrants such right, title, and interest to Mortgagee.

(e) Mortgagor is not in violation of any law, ordinance, rule, or regulation including, without limiting the generality of the foregoing, those with respect to environmental protection, zoning, building, occupational safety, and health, or of any decree, ruling, judgment, or

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order, applicable of Mortgagor or, to the knowledge of Mortgagor, the Property which individually or in the aggregate, could have a material adverse effect on the business, results of operation or condition, financial or otherwise, of Mortgagor or the Property.

(f) There are no actions, suits, investigations, or proceedings of any nature whatsoever before or by any court, arbitrator, administrative agency, or other authority or entity pending or, to the knowledge of Mortgagor, threatened (and to the knowledge of Mortgagor, no basis exists therefor) against Mortgagor or, to the knowledge of Mortgagor, affecting the Property or its other assets which, if adversely determined, could individually or in the aggregate, result in a judgment or penalty which would have a material adverse effect on or impair the business, results of operation or condition (financial or otherwise) of Mortgagor or the Property, or impair the ability of Mortgagor to perform its obligations under this Mortgage or the Notes.

2. Covenants

(a) Mortgagor agrees to pay all principal and interest becoming due and payable under the Notes and all other present and future obligations in accordance with the terms and conditions of the Loan Documents and to pay, when due, all other indebtedness secured hereby. All payments shall be made without demand therefor or presentation or surrender of the Notes.

(b) Mortgagor will not, without Mortgagee's prior written consent, (i) execute an assignment or pledge any Rents and/or Subleases; or (ii) accept any prepayment of any installment of any rents more than thirty (30) days before the due date of such installment.

(c) Mortgagor, at its sole cost and expense, will (i) at all times promptly and faithfully abide by, discharge, and perform all of the covenants, conditions, and agreements contained in all Subleases on the part of landlord thereunder to be kept and performed; (ii) enforce or secure the performance of all of the covenants, conditions, and agreements of such Subleases on the part of lessees to be kept and performed; (iii) appear in and defend any action or proceeding arising under, growing out of, or in any manner connected with such Subleases or the obligations, duties, or liabilities of the landlord or of the lessees thereunder; (iv) transfer and assign to Mortgagee, upon Mortgagee's written request and in

accordance with the provisions of Section 20 hereof, all Subleases heretofore or hereafter entered into, and make, execute, and deliver to Mortgagee upon demand, any and all instruments required to effectuate said assignment; (v) furnish Mortgagee, within ten (10) days after a request by Mortgagee to do so, a written statement containing the names of all lessees, terms of all Subleases, including the spaces occupied and rentals payable thereunder; (vi) exercise within five (5) days of any demand therefor by Mortgagee any right to request from the lessees under any Sublease, a certificate with respect to the status thereof; and (vii) enter into no new or further Subleases with respect to the Premises, make no amendments, waive no Sublease terms, and accept no surrender of any Subleases, except in each case, with the prior written approval of Mortgagee.

(d) Except as may be specifically provided herein, Mortgagor shall not, without the prior written consent of Mortgagee, transfer, assign, sell, encumber, lease, or sublease the Property in part or in its entirety, or otherwise dispose of the Property, including a voluntary conveyance as a result of, in lieu of, or in anticipation of the exercise of the right of condemnation, or eminent domain.

(e) Mortgagor, at its expense, will warrant and defend its right, title, and interest in the Property and the security priority of this Mortgage against all claims and demands and will maintain and preserve such security priority so long as any indebtedness secured by this Mortgage remains outstanding.

(f) Mortgagor shall not create, incur, assume, or suffer to exist any mortgage, pledge, overdue charge, security interest, or other encumbrance on the Property, other than this Mortgage without the prior written consent of Mortgagee.

3. Maintenance of the Property; Alterations. Mortgagor agrees not to abandon all or any portion of the Property; to keep, or cause to be kept, the Property in good, safe, and insurable condition; to maintain, or cause to be maintained, all Improvements and Equipment in substantially the same condition as they exist on the date hereof, ordinary wear and tear excepted, and to keep and maintain, or cause to be kept and maintained, each item of the Equipment in good operating condition, ordinary wear and tear excepted; not to commit or suffer waste; not to construct, restore, remove, demolish, add to or alter the Improvements or any material part

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thereof without Mortgagee's prior written consent unless the cost of any such construction, restoration, removal, demolition, addition to or alteration is less than \$10,000; subject to Section 12 hereof, to promptly repair, restore, or rebuild, or cause to be promptly repaired, resorted, or rebuilt, all Improvements now or hereafter constituting a part of the Property which may become damaged or destroyed, with materials and workmanship of as good a quality as existed before such damage or destruction; to refrain from impairing or diminishing the value of the Property or the security value of this Mortgage. Mortgagor further agrees to permit Mortgagee, and the agents of Mortgagee, to enter upon and inspect the Property at any time during normal business hours upon reasonable notice and, at Mortgagee's option, to make such repairs, replacements, renewals, or additions or to perform such items of maintenance to the Property as Mortgagee may reasonably require in order to protect and maintain the same in good, safe, insurable condition, but nothing contained in this Section 3 shall be deemed to impose any duty upon Mortgagee or affect in any manner the obligations of Mortgagor hereunder.

4. Payment of Taxes and Utilities. Mortgagor agrees to pay or cause to be paid, before any fine, penalty, interest, or additional cost attaches, all taxes, assessments, impositions, water drainage, sewer and other charges, rents or levy, of any kind or nature whatsoever, ordinary or extraordinary, which may be levied, assessed, or imposed upon or become a lien on or against the Property or any portion thereof (collectively "Taxes") and all charges for electricity, power, gas, water, and other utilities used in connection with the Property; provided, however, that in the case of any special assessment (or other imposition in the nature of a special assessment) payable in installments, each installment thereof shall be paid prior to or on the date on which such installment becomes due and payable. Mortgagor agrees to deliver to Mortgagee copies of official receipts showing payment of all Taxes, assessments, charges or impositions which Mortgagor is required to pay hereunder within five (5) days after the same is due.

5. Payment of Taxes Resulting From Mortgage or Note. Mortgagor agrees that if any state, federal or municipal government, or any of its subdivisions having jurisdiction, shall levy, assess or charge any tax, assessment or imposition upon this Mortgage or the credit or indebtedness secured thereby, or on the Notes or the interest of Mortgagee in the Property or upon Mortgagee by reason of or as holder of any of the foregoing (excepting therefrom any income tax on interest

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payments on the principal portion of the indebtedness secured hereby), then Mortgagor shall pay all such taxes to or for Mortgagee as they become due and payable, provided that in the event of passage of any law or regulation permitting, authorizing or requiring the tax, assessment or imposition to be levied, assessed or charged and prohibiting Mortgagor from paying the tax, assessment or imposition, to or for Mortgagee, then all sums hereby secured shall become immediately due and payable at the option of Mortgagee, provided, however, that notwithstanding anything contained herein to the contrary, Mortgagee's right to accelerate payment of the sums secured hereby is limited to that portion of the total indebtedness secured by the Property, and provided further that Mortgagee will not exercise its right to accelerate payment if Mortgagor provides Mortgagee with substitute collateral having a value approximately equal to the value of the Property and otherwise reasonably satisfactory to Mortgagee. Mortgagor agrees to deliver to Mortgagee copies of official receipts showing payment of all taxes, assessments and charges which Mortgagor is required or elects to pay hereunder.

6. Insurance Coverage; Indemnity Against Loss.

Mortgagor will maintain, or cause to be maintained, insurance covering the Property as follows: (a) all risk insurance with a broad form extended coverage endorsement in an amount sufficient to prevent Mortgagor from being or becoming a co-insurer within the terms of the policy or policies providing such insurance but in no event less than the full insurable value of the Improvements, exclusive of foundations, excavations and footing below the lowest basement floor, and the Equipment, without any deduction being made for depreciation; (b) rental value and/or business interruption insurance for loss occasioned by the perils commonly insured in the broad form fire and extended coverage policy in an aggregate amount equal to not less than the sum of the (i) annual debt service payable to Mortgagee and (ii) real estate taxes and insurance premiums for the Property, over a minimum twelve (12) month period; (c) comprehensive general liability insurance, including blanket contractual liability, completed operations and personal injury coverage, with a combined single limit for any one occurrence of at least \$5,000,000; (d) steam boiler and machinery breakdown direct damage insurance and third party liability coverage (if not covered under the insurance policy required under clauses (a) and (c) above) with full comprehensive coverage on a repair and replacement basis for all boilers and machinery which form a part of the Property, including rental value and/or business interruption insurance in connection therewith in accordance

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with subsection (b) hereof; (e) worker's compensation and employer's liability insurance subject to statutory limits or better in respect of any work or other operations on, about or in connection with the Property; and (f) such other insurance with respect to the Property and in such amounts as Mortgagee from time to time may reasonably request against such other insurable hazards which at the time are commonly insured against the respect of property similar to the Property.

The insurance maintained by Mortgagor under clauses (a), (b), (d) and, if appropriate, (e) above shall bear a New York Standard mortgagee clause with loss payable to mortgagee as first mortgagee. The insurance maintained by Mortgagor under clause (c) and, if appropriate, (f) above shall name Mortgagee as an additional insured. All insurance maintained by Mortgagor shall provide that (x) no cancellation, material change or reduction thereof shall be effective until at least thirty (30) days after receipt by Mortgagee of written notice thereof, and (y) all losses shall be payable notwithstanding any act or negligence of Mortgagor or its agents or employees which might, absent such agreement, result in a forfeiture of all part of such insurance payment and notwithstanding (i) the occupation or use of the Property for purposes more hazardous than permitted by the terms of such policy, (ii) any foreclosure or other action or proceeding taken pursuant to any provision of the Mortgage, or (iii) any change in title or ownership of the Property or any part thereof.

Mortgagor shall not obtain separate or different insurance concurrent in form or contribution in the event of loss with that required by this Section 6 unless (i) the policies are submitted to Mortgagee for its prior approval, (ii) the insurers thereunder and the terms thereof are acceptable to Mortgagee in accordance with this Section 6, and (iii) Mortgagee is included therein as an additional named insured or loss payee, with loss payable as in this Section 6 provided. Mortgagor shall immediately notify Mortgagee whenever any such separate insurance is obtained and shall deliver the policy or policies or duplicates thereof, or certificates evidencing the same, as provided in this Section 6.

All insurance shall be carried with companies reasonably satisfactory to Mortgagee, and if placed with a mutual company all such policies shall be non-assessable, and all policies of insurance at any time carried by Mortgagor on the Property (whether carried pursuant to the requirements of this Mortgage or otherwise) shall, except as otherwise provided

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in this Section 6, contain suitable New York standard mortgagee clauses and notice, loss payable and cancellation provisions satisfactory to Mortgagee. Mortgagor shall deliver, or cause to be delivered, to Mortgagee duplicate originals of the policies required pursuant to this Section 6, or certificates evidencing the coverage required hereunder. Not less than ten (10) days prior to the expiration of any policy carried pursuant to the requirements of this Mortgage, an appropriate renewal policy shall be deposited with Mortgagee. Upon the reasonable request of Mortgagee, Mortgagor shall furnish to Mortgagee an appraisal satisfactory to Mortgagee showing the insurable value of the Property. In the event of any insured loss, Mortgagor shall promptly notify Mortgagee thereof in writing, and Mortgagor hereby authorizes and directs any insurance company concerned to make payment of such loss directly to Mortgagee. In the event of default, or if Mortgagor fails to act, Mortgagee is further authorized, in the name and on behalf of Mortgagor, to make proof of loss and to adjust, compromise and collect, in such manner and amounts as it shall determine, all claims under all policies; and Mortgagor agrees to sign, on demand of Mortgagee, all receipts, vouchers, releases and other instruments which may be necessary or desirable in aid of this authorization. The Mortgagor waives any benefits now or hereafter conferred upon the Mortgagor limiting the right of the Mortgagee to apply the proceeds of the insurance provided for above in reduction of the mortgage debt, and the Mortgagor expressly agrees that the Mortgagee, at its sole option, may apply such proceeds either in reduction of the mortgage debt, in the inverse order in which payments are due and payable thereon, or, subject to such conditions as the Mortgagee may impose in connection therewith to reimburse the Mortgagor for the cost of restoring the Property to its value, condition and character, as nearly as is reasonably possible, as the same existed immediately prior to any damage or destruction.

Nothing contained in this Section 6 shall relieve Mortgagor of its duty to repair or restore the Improvements or Equipment or rebuild the Improvements from time to time following damage thereto or destruction thereof in the event that no, or insufficient, proceeds of insurance are available to defray the cost of such repairs or restoration and nothing in this Section 6 shall relieve Mortgagor of its duty to pay all indebtedness evidenced by the Notes or secured by this Mortgage, which shall be absolute regardless of the occurrence of damage to or destruction of the Property.

7. Compliance With Agreements, Laws, etc. Mortgagor agrees to perform, comply with all covenants, agreements and restrictions materially affecting the Property and with all laws, ordinances, acts, rules, regulations and orders of any legislative, executive, administrative or judicial body, commission or officer (whether federal, state or local) exercising any power of regulation or supervision over Mortgagor or any part of the Property, whether now or hereafter enacted and in force, whether the same be directed to the erection, repair, manner of use or structural alteration of buildings or otherwise. Mortgagor further agrees (i) to comply with the terms of all insurance policies covering or applicable to the Property, all requirements of the issuer of any such policy, and all orders, rules, regulations and other requirements of or standards recommended by the National Fire Protection Associations or the New York Board of Fire Underwriters (or any other body exercising similar functions) applicable to or affecting the Property or any use or condition of the Property, and (ii) to procure, maintain and comply with, all licenses or other authorizations required for any use of the Property then being made by Mortgagor or any other party, and for the proper erection, installation, operation and maintenance of the Improvements and the Equipment or any part thereof.

8. Contest of Taxes, Assessments and Liens. Anything in this Mortgage to the contrary notwithstanding, Mortgagor shall have the right to contest, at its expense, by appropriate legal proceedings, conducted in good faith and with due diligence, the amount or validity (or the applicability to Mortgagor or the Property or to the Note or this Mortgage) of any tax, assessment, charge or other imposition referred to in Section 4 or 5 hereunder, or any lien, charge or encumbrance referred to in Section 24 hereunder, or any of the laws, ordinances, acts, rules, regulations and orders referred to in Section 7 hereunder, provided (a) Mortgagor gives Mortgagee timely notice of its intention to contest the same, (b) the commencement of such proceedings shall suspend the collection or enforcement of the matter under contest, (c) there shall be no impairment of the lien of this Mortgage or undue interference with the normal conduct of business at the Property, (d) neither Mortgagor nor Mortgagee would be in any immediate danger of criminal liability for failure to comply therewith pending the outcome of such proceedings, (e) in the case of a tax, assessment, charge or other imposition referred to in Section 4 or 5 hereunder, Mortgagor shall have set aside on its books such reserves with respect thereto as may be required by sound accounting principles, and (f) if such

contest be finally resolved against Mortgagor, Mortgagor shall promptly pay the amount required to be paid together with all interest and penalties accrued thereon, or comply with the applicable requirement. Mortgagor shall indemnify, defend and save Mortgagee harmless against any liability, cost or expense of any kind that may be imposed upon Mortgagee in connection with any such contest and any loss resulting therefrom.

9. Escrow for Insurance Premiums and Taxes. At the option of Mortgagee, Mortgagor shall deposit with Mortgagee on the first day of each month until the Notes are paid in full, an amount equal to 1/12th of the total amount of all insurance premiums for coverage required pursuant to this Mortgage ("Insurance Premiums") and Taxes (as estimated and computed by Mortgagee), which will become due and payable during the ensuing twelve (12) month period, except that in the event Mortgagee determines that there will be a deficiency on the first day of the month in which any such Taxes or Insurance Premiums become due and payable, Mortgagee may require additional prorata portions of such deficiency to be deposits with Mortgagee corresponding to the number of months from the date of Mortgagee's determination of such deficiency to the date such Taxes and Insurance Premiums will become due and payable. In addition to such monthly deposits, Mortgagor shall deposit with Mortgagee on the date hereof an amount equal to the pro rata portion of such Taxes (as estimated by Mortgagee) corresponding to the number of months from the last date that payment thereof has been made to the date hereof. Mortgagee shall hold all such payments and deposits without interest (except to the extent required by law) and, provided no Event of Default shall have occurred, shall apply the amount on deposit to the payment of Taxes and Insurance Premiums when the same become due and payable. If this Mortgage is sold or assigned, Mortgagee shall transfer to the assignee the amount then held by Mortgagee under this Section, and upon such assignment and transfer, Mortgagee shall have no further obligation to Mortgagor with respect to such amount. If at any time Mortgagor tenders to Mortgagee full payment of the entire mortgage indebtedness, Mortgagee shall credit to the account of Mortgagor any balance remaining in the funds accumulated by Mortgagee under this Section. In the event that Mortgagee has instituted any action or proceeding to collect the indebtedness or foreclose this Mortgage, Mortgagee shall be authorized and empowered (but not required) to apply the balance then remaining in the funds accumulated under this Section together with interest thereon, if any, as a credit against (a) any accrued interest then due and owing on the Notes, (b) the then unpaid principal balance of the Notes or (c) any costs or

expenses paid or incurred by Mortgagee in connection with any action or proceeding to collect the indebtedness or foreclose this Mortgage.

10. Cure of Defaults by Mortgagee. If Mortgagor shall default in the payment of any Taxes or other taxes, assessments, charges or impositions as hereinabove required; shall fail or refuse to keep the Improvements and Equipment in good repair as hereinabove required; shall fail to pay and satisfy liens or encumbrances against the Property as hereinabove required in respect of which security shall not have been given as herein permitted; shall fail to pay any other sum or make any other deposit elsewhere in this Mortgage required to be paid or deposited; or shall otherwise fail to make any payment within ten (10) days after notice, or perform any act, required to be made or performed hereunder, then Mortgagee, without further notice to or demand upon Mortgagor, and without waiving or releasing any obligation or default, may pay such Taxes or other taxes, assessments, charges or impositions; redeem the Property from any tax sale or forfeiture; purchase any tax title obtained, or which shall be obtained thereon without inquiring into the validity or invalidity of any such taxes, tax deed, or assessments; make repairs to the Property; procure such insurance and pay such insurance premium charges; pay or settle any and all suits or claims for such liens; satisfy any such encumbrances or any other claims that may be made against the Property or any part thereof; pay any other sum or make any other deposit herein required to be paid or made by Mortgagor or perform any such act for the account and at the expense of Mortgagor; and enter upon the Property for such purpose and take all such action thereon as, in Mortgagee's opinion, may be necessary or appropriate therefor; and all monies paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith including attorneys' fees and (to the extent permitted by law) disbursements and any other monies disbursed or advanced by Mortgagee or the legal holder of the Notes to protect the lien or security of this Mortgage shall be so much additional indebtedness secured by this Mortgage and shall be immediately due and payable with interest (to the extent permitted by law), from the date of disbursement or advancement until paid, at the then applicable rate of interest set forth in the Notes, and such interest may be included in any decree foreclosing this Mortgage to be paid out of the proceeds of the sale of the Property and the rents, issues and profits thereof if not otherwise paid by Mortgagor.

11. Indemnity. Mortgagor hereby indemnifies Mortgagee and saves it harmless from and will defend it against all loss, damage and expense, including reasonable attorneys' fees and disbursements, incurred in connection with any judicial action or proceeding to foreclose this Mortgage or in or to which Mortgagee may be made a party due to the existence of this Mortgage or to which action or proceeding Mortgagee may become a party for the purpose of protecting the lien of this Mortgage. All sums paid by Mortgagee to prosecute or defend the rights herein set forth shall be paid by Mortgagor to Mortgagee within ten (10) days after written demand, and if not paid within that period shall accrue interest (to the extent permitted by law), from the date of payment by Mortgagee until paid by Mortgagor, at the then applicable rate of interest set forth in the Notes, and shall be a lien on the Property equal in priority to the lien of the principal and interest secured by this Mortgage.

12. Damage to and Destruction of the Property; Restoration. If the Property or any part thereof shall be damaged or destroyed by fire or any other cause, whether insured or uninsured, and notwithstanding anything to the contrary set forth in Section 6 hereof, Mortgagor shall promptly give Mortgagee written notice thereof. Mortgagor hereby irrevocably assigns to Mortgagee, as additional security for the payment of the indebtedness secured by this Mortgage, all of its rights to any Insurance Proceeds, and any Insurance Proceeds received by Mortgagee shall, upon the written election of Mortgagee delivered to Mortgagor, be applied in reduction of the indebtedness secured hereby or used to restore the Property. Notwithstanding the foregoing to the contrary, on written application made by Mortgagor to Mortgagee within thirty (30) days after receipt of notice of Mortgagee's election as aforesaid, requesting that the Insurance Proceeds received or to be received by Mortgagee on account of such damage be used to restore the Property, Mortgagee shall permit use of the Insurance Proceeds for restoration of the Property (i) if Mortgagor is not in default under this Mortgage or the Loan Documents, (ii) if Mortgagor submits a plan of restoration to be approved by Mortgagee, which approval will not be withheld provided that in the opinion of Mortgagee the security for the payment of the Notes will not be diminished or impaired by the proposed restoration and, provided, however, that if the cost of the restoration or repair is less than \$10,000, such approval will not be required and (iii) provided Mortgagor shall first have complied with such requirements relating to disbursement procedures and other matters as Mortgagee shall reasonably specify to assure timely payment of the costs of

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such restoration and timely completion thereof free of all mechanics' and other liens which would or might be or become superior to or coordinate with the lien of this Mortgage. All Insurance Proceeds or portions thereof applied by Mortgagee to pay the installments of principal and interest payable hereunder shall be applied in inverse order of their due dates without prepayment penalty or premium.

13. Eminent Domain Awards. Mortgagor hereby irrevocably assigns to Mortgagee, as additional security for the payment of the indebtedness secured by this Mortgage, all Eminent Domain Awards to which Mortgagor may be entitled resulting from condemnation proceedings or the taking for public use of the Property or any part thereof or interest therein or injury to the Property or any part thereof in connection with any such taking, and agrees that all such Eminent Domain Awards shall be paid to Mortgagee and shall be applied by Mortgagee, after the payment of all of its expenses in connection with such proceedings, including costs and attorneys' fees, to the reduction of the indebtedness hereby secured; and Mortgagee is hereby authorized, on behalf of and in the name of Mortgagor, to execute and deliver valid acquittances for, and to appeal from, any such award. If, however, only part of the Property has been taken by eminent domain or deed in lieu thereof, and if the repair or restoration of the Property is economically feasible, the award shall be applied by Mortgagee to the cost of the restoration or repair of the Property, provided that the loss or damage for such partial taking by eminent domain and cost of restoring or repairing the same is less than \$10,000. During the period from the date of such condemnation to the date of payment of the indebtedness secured by this Mortgage, Mortgagor shall pay to Mortgagee the difference, if any, between the interest payable on the Notes, at the rate stipulated in the Loan Documents and interest actually paid to Mortgagee by the party exercising the power of condemnation. All Eminent Domain Awards or portions thereof applied by Mortgagee to pay the installments of principal and interest payable hereunder shall be applied in inverse order of their due dates without prepayment penalty or premium.

14. Events of Default.

(a) The occurrence of any one or more of the following shall constitute an "Event of Default" under this Mortgage:

(i) default by Mortgagor in the payment of all or any portion of any installment of principal and/or interest as and when the same become due under the Loan Documents which default continues beyond the expiration of any applicable grace or notice period provided therein, or the occurrence of any other "Event of Default" as defined in the Loan Documents;

(ii) default in the performance or observance of any covenant on the part of Mortgagor to be performed or observed hereunder, which default continues beyond the expiration of any applicable grace or notice period expressly provided herein, or if no grace and/or notice period is expressly provided, if the default continues more than thirty (30) days after receipt of written notice thereof from Mortgagee, or, if such default is of such a nature that it cannot with due diligence be cured within thirty (30) days, if Mortgagor shall fail to commence to cure such default within such thirty (30) day period and thereafter prosecute such cure diligently;

(iii) if Mortgagor shall sell, convey, lease, assign or transfer (other than a transfer as the result of a taking by condemnation or eminent domain) the Property or any part thereof or interest therein, or if the Property or any part thereof or interest therein, including, without limitation, any rents, royalties, profits, income or revenue arising therefrom, is further mortgaged, pledged or encumbered, except as may be expressly permitted by the Loan Agreement; or

(iv) the occurrence of any event of default under the Leases by Mortgagor and the continuation thereof beyond the expiration of any applicable grace and/or notice period provided therein.

In addition, an Event of Default hereunder shall constitute a default on the part of Mortgagor under the Loan Documents and any other mortgage, deed of trust, deed to secure debt, instrument, agreement, encumbrance, note, obligation or evidence of indebtedness from Mortgagor to Mortgagee in which Mortgagee has any right or interest in effect at the time of such Event of Default.

(b) If any one or more of the Events of Default shall occur, then and in any such event, Mortgagee may, at its option, declare the entire unpaid balance under the Loan Documents to be immediately due and payable, and thereupon such

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balance shall become so due and payable without presentment, protest or further demand or notice of any kind, all of which are hereby expressly waived, and Mortgagor will forthwith pay to the holders of the Notes the entire principal unpaid balance of the Notes and all accrued but unpaid interest thereon. Furthermore, Mortgagee shall have the following rights, if and to the extent permitted by applicable law, in addition to all rights provided in the Loan Documents or otherwise provided by law or equity, all of which rights and remedies shall, to the fullest extent permitted by law, be cumulative:

(1) Possession, Management and Income. Mortgagor, upon demand of Mortgagee, shall forthwith surrender to Mortgagee the actual possession of the Property, and Mortgagee itself or by such officers or agents as it may appoint (i) may enter and take possession of the Property; (ii) may exclude Mortgagor, its agents and servants and all other persons therefrom, (iii) may hold, operate and manage the Property and from time to time make all repairs and such alterations, additions, advances and improvements as Mortgagee, in its sole discretion, shall deem wise, (iv) may receive the rents, issues and profits thereof, and may pay therefrom all costs and expenses of so taking, holding and managing the Property including all debt service and other amounts becoming due and payable under this Mortgage, compensation to Mortgagee's agents and attorneys, all coordinate or inferior liens, all Taxes and other taxes and assessments and other charges, then due or thereafter accruing, and all expenses of such repairs, alterations, additions, improvements, and other disbursements made by Mortgagee pursuant to the terms hereof, and Mortgagee may apply the remainder of the monies so received by it to the payment of the unpaid principal of, and interest and premium, if any, on, the Notes, and (v) whenever all such indebtedness shall have been satisfied and all defaults made good, Mortgagee shall surrender possession to Mortgagor with the same right of entry in case of a subsequent continuing Event of Default. Mortgagee shall not be subject to any liability for or by reason of any such entry, taking of possession, exclusion, or holding, operation or management.

(2) Partial Foreclosure. Mortgagee may, at its option, foreclose this Mortgage for any portion of the debt which is then due and payable, subject to the continuing lien of this Mortgage for the balance of the debt not then due and payable.

(3) Suits. Mortgagee may, either with or without first taking possession, proceed by suit or suits at law or in equity or by any other appropriate remedy to protect and enforce its rights hereunder whether for specific performance of any covenant or agreement contained herein or for an injunction against the violation of any of the terms hereof or in aid of the exercise of any right, power or remedy available to it, or to enforce the payment of the Notes, or to foreclose the lien and security interest of this Mortgage against the Property or any part thereof and to have all of the Property or any part thereof sold in one or more sales (as an entirety or in parcels) under the judgment or decree of a court of competent jurisdiction or otherwise.

(4) Power of Sale. Mortgagee may sell, assign, transfer and deliver the whole or, from time to time, any part of the Property, or any interest in any part thereof, at any private sale or by public auction, with or without demand, advertisement or notice of the time or place of sale or adjournment thereof or otherwise, for cash, on credit or for other property, for immediate or future delivery, and for such price or prices and on such terms as Mortgagee in its uncontrolled discretion may determine, or as may be required by applicable law. Mortgagee may postpone sale of all or any portion of the Property by announcement at such time and place of sale, and from time to time thereafter may postpone such sale by announcement at the time fixed by the preceding postponement. Mortgagee shall deliver to the purchaser its deed or other appropriate instrument transferring the Property or interest therein so sold but without any covenant or warranty, express or implied. The recitals in such instrument of any matters of fact shall be conclusive proof of the truthfulness thereof. Mortgagor hereby acknowledges that this Mortgage contains a power of sale and that in the event Mortgagee elects to foreclose by advertisement pursuant to the power of sale, Mortgagor expressly waives notice thereof, a hearing prior to sale and any right, constitutional or otherwise, that Mortgagor might otherwise have to require a judicial foreclosure.

(5) Receiver. The Property is an integral part of an ongoing business and, as a result, the value of the Property by which the Obligations under the Loan Documents are secured can only be maintained if the business presently being conducted therein is not permitted to terminate or diminish; therefore, if an Event of Default

shall have occurred, Mortgagee, to the extent permitted by law and without regard to the value or occupancy of the Property, shall be entitled as a matter of right, if it so elects, to the appointment of a receiver to enter upon and take possession of the Property and to collect all rents, revenues, issues, income, products and profits thereof and apply the same as the court may direct. The receiver shall have all rights and powers permitted under all law applicable and such other powers as the court making such appointment shall confer. The expenses, including receiver's fees, reasonable attorneys' fees, costs and agent's reasonable compensation incurred pursuant to the powers herein contained shall be secured by this Mortgage. The right to enter and take possession of and to manage and operate the Property and to collect the rents, issues and profits thereof, whether by a receiver or otherwise, shall be cumulative to any other right or remedy hereunder or afforded by law, and may be exercised concurrently therewith or independently thereof. Mortgagee shall be liable to account only for such rents, issues and profits actually received by Mortgagee. Notwithstanding the appointment of any receiver or other custodian, Mortgagee shall be entitled as pledgee to possession and control of any cash, deposits or instruments at the time held by or payable or deliverable under the terms of this Mortgage to Mortgagee. Mortgagor hereby consents to the appointment of such receiver and will not oppose any such appointment.

(6) Authorization to Execute Deeds, etc.

Mortgagor appoints Mortgagee as its true and lawful attorney, which appointment is coupled with an interest and is irrevocable, in Mortgagor's name and stead and on its behalf, for the purpose of effectuating any sale, assignment, transfer or delivery of the Property or any part thereof or any interest therein for the enforcement of this Mortgage as Mortgagee may consider necessary or appropriate, with full power of substitution. Mortgagor hereby ratifying and confirming all that such attorney or any substitute shall lawfully do by virtue hereof. If so requested by Mortgagee or any other purchaser, Mortgagor shall ratify and confirm any such sale, assignment, transfer or delivery by executing and delivering to Mortgagee, or such other purchaser, all proper deeds, bills of sale, assignments, releases and other instruments as may be designated in any such request.

In addition to the rights and remedies of Mortgagee hereinabove set forth and not in lieu thereof, upon the occurrence of an

Event of Default, Mortgagee shall have, with respect to all Security Interest Property, all of the rights and remedies of a holder of a security interest under the Code or other applicable law, and all rights provided or referred to herein, and in the Loan Document, all of which rights and remedies shall, to the fullest extent permitted by law, be cumulative. If requested by Mortgagee, Mortgagor will assemble the Equipment (other than those items or Equipment which are affixed to the Improvements and not removable without material damage to such items or the Improvements) and make them available to Mortgagee at a place or places reasonably convenient to Mortgagee, sent to Mortgagor at the address of Mortgagor specified in, or then designated pursuant to the provisions of, Section 31 hereof, at least five (5) days prior to such action, shall constitute reasonable notice to the Mortgagor.

15. Purchase of the Property of Mortgagee. Mortgagee may be a purchaser of the Property or any part thereof or any interest therein at any sale thereof, whether pursuant to foreclosure or otherwise, and, upon compliance with the terms of such sale, may hold, retain, and possess and dispose of such Property in its own absolute right without further accountability.

16. Application of Indebtedness Toward Purchase Price. Upon any foreclosure sale, the proceeds of such sale shall be first applied to the costs and expenses of such sale, including attorneys' fees, and the balance shall be applied to the indebtedness secured hereby.

17. Waiver of Right to Bring Counterclaims in Foreclosure Action. In any action to foreclose the lien or liens of this Mortgage, no defense, counterclaim or setoff shall be available to Mortgagor other than payment or one which denies the existence or sufficiency of the facts upon which the action is grounded or which raises an issue concerning the priority of liens or the statute of limitations or other bar to an action based on the passage of time. Where any defense, counterclaim or setoff, other than one permitted by the preceding sentence, is timely raised in such foreclosure action, such defense, counterclaim or setoff shall be dismissed; provided, however, that where such defense, counterclaim or setoff is based on a claim which could be tried in an action for money damages, such claims may be brought in a separate action which shall not thereafter be consolidated with such foreclosure action. The bringing of such separate action for money damages shall not be deemed to afford any grounds for staying the foreclosure action.

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18. Waiver of Appraisalment, Valuation, Stay, Extension and Redemption Laws, Marshalling. Mortgagor agrees to the full extent permitted by law that on an Event of Default on its part hereunder neither Mortgagor nor any claiming through or under it shall or will set up, claim or seek to take advantage of any appraisal, valuation, stay of execution, notice of election to mature or declare due the whole of the secured indebtedness, extension or redemption laws now or hereafter in force, in order to prevent or hinder the enforcement or foreclosure of this Mortgage or the absolute sale of the Property of the final and absolute putting into possession thereof, immediately after such sale, of the purchasers thereat, and Mortgagor, for itself and all who may at any time claim through or under it, hereby waives, to the full extent that it may lawfully so do, the benefit of all such laws, and any and all right to have the assets comprising the Property marshalled upon any foreclosure of the lien hereof and agrees that Mortgagee or any court having jurisdiction to foreclose such lien shall not be compelled to release, or be prevented from foreclosing or enforcing this Mortgage upon all or any part of the Property, unless all indebtedness evidenced by the Notes and all other items hereby secured shall be paid in lawful money as aforesaid; and shall not be required to accept any part or parts of the Property, as distinguished from the entire whole thereof, as payment of or upon the Notes to the extent of the value of such part or parts; and shall not be compelled to accept or allow any apportionment of the said indebtedness to or among any separate parts of the Property. In case of a foreclosure sale, the Property may be sold in one parcel and as an entirety or in such parcels, manner or order as Mortgagee in its sole discretion may elect. Without limiting the foregoing, Mortgagor hereby waives all rights of redemption from sale under any order or decree of foreclosure of this Mortgage to the extent it may lawfully do so on its own behalf and on behalf of each and every person, except decree and judgment creditors of Mortgagor (in its representative capacity), who may require any interest in or title to the Property subsequent to the date thereof.

19. Certificates as to No Default, etc.; Information. At any time and from time to time, Mortgagor will deliver to Mortgagee within ten (10) days after receipt of a request, a written statement duly acknowledged by an authorized officer of Mortgagor stating (i) the amount due on the Loan Documents, (ii) whether any offsets or defenses exist against the debt secured by this Mortgage, and (iii) that to the best of the signer's knowledge after making due inquiry, there exists no default in the performance or observance of any of the terms of this Mortgage or of the Loan Documents, or if any such default exists to his knowledge, specifying the nature and

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period of existence thereof and what action Mortgagor is taking or proposes to take with respect thereto.

At any time and from time to time, but not more than twice in any twelve (12) month period, Mortgagee will deliver to Mortgagor, within ten (10) days after receipt of a request, a written statement duly acknowledged by an authorized officer of Mortgagee stating (i) the amount due on this Mortgage and the Loan Documents, and if any such default exists to its knowledge, stating the nature and period of the existence thereof.

20. Assignment of Rents. Mortgagor hereby assigns to Mortgagee, as further security for the payment of the indebtedness, the rents, issues and profits of the Property, together with the leases and other documents evidencing such rents, issues and profits now or hereafter in effect and any and all deposits held as security under the Subleases, and shall, upon demand, deliver to Mortgagee a certified copy of each such Sublease or other document. Nothing contained in the foregoing sentence shall be construed to bind Mortgagee to the performance of any of the covenants, conditions or provisions contained in any such Sublease or other document or otherwise to impose any obligation on Mortgagee (including, without limitation, any liability under the covenant of quiet enjoyment contained in any Sublease or in any law of the State in which the Property is located in the event that any tenant shall have been joined as a party defendant in any action to foreclose this Mortgage. Mortgagor shall not (i) accept rent from any tenant under any Sublease more than one (1) month in advance; (ii) modify or amend any Sublease; or (iii) cancel or terminate any Sublease (except for Tenant's default) or (iv) accept surrender of the property demised thereunder without the prior written consent of Mortgagee.

Mortgagor, at its sole cost and expense, will (i) at all times promptly and faithfully abide by, discharge and perform all of the covenants, conditions and agreements contained in the Subleases on the part of the landlord thereunder to be kept and performed; (ii) enforce or secure the performance of all of the covenants, conditions and agreements of the Subleases on the part of the lessees to be kept and performed; (iii) appear in and defend any action or proceeding arising under, growing out of or in any manner connected with the Subleases or the obligations, duties or liabilities of landlord or of the lessees thereunder; (iv) transfer and assign to Mortgagee upon written request of Mortgagee, any Sublease or Subleases heretofore or hereafter entered into, and make, execute and deliver to Mortgagee upon demand, any and all instruments required to effectuate said assignment; (v) furnish Mortgagee, within ten (10) days after a

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request by Mortgagee to do so, a written statement containing the names of all lessees, terms of the Subleases including the spaces occupied and the rentals payable thereunder; and (vi) exercise within five (5) days of any demand therefor by Mortgagee any right to request from the lessee under the Sublease a certificate with respect to the status thereof.

Nothing in this Mortgage or in the Loan Documents shall be construed to obligate Mortgagee, expressly or by implication, to perform any of the covenants of Mortgagor as landlord under any of the Subleases assigned to Mortgagee or to pay any sum of money or damages therein provided to be paid by the landlord, each and all of which covenants and payments Mortgagee agrees to perform and pay.

Mortgagor will not permit any Sublease of the Property or any part thereof to become subordinate to any lien other than the lien hereof.

In the event of the enforcement by Mortgagee of the remedies provided for by law or by this Mortgage, the lessees under the Subleases shall, at the option of Mortgagee, attorn to any person succeeding to the interest of Mortgagor as a result of such enforcement and shall recognize such successor in interest as landlord under such Sublease without change in the terms or other provisions thereof; provided, however, that said successor in interest shall not be bound by any payment of rent or additional rent for more than one (1) month in advance or by any amendment or modification to any Sublease made without the consent of Mortgagee or said successor in interest. Each lessee upon request by said successor in interest, shall execute and deliver an instrument or instruments confirming such attornment.

21. Terms Subject to Applicable Law; Separability. The rights of Mortgagee arising under the clauses and covenants contained in this Mortgage shall be separate, distinct and cumulative and none of them shall be in exclusion of the others; and no act of Mortgagee shall be construed as an election to proceed under any one provision hereof to the exclusion of any other provision, anything herein or otherwise to the contrary notwithstanding. All rights, powers and remedies provided herein are intended to be limited to the extent necessary so that they will not render this Mortgage invalid, unenforceable or not entitled to be recorded, registered or filed under any applicable law. If any term of this Mortgage shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the other terms hereof shall in no way be affected thereby. Without limiting the generality of the foregoing, if any interest charges provided for herein exceed the maximum rate

permitted by applicable law, such charges shall be fixed at such maximum permissible rate.

22. Uniform Commercial Code. Subject to the provisions of Paragraph 35 hereof, this Mortgage constitutes a security agreement under the Code with respect to the Security Interest Property and a fixture filing for the purposes of Chapter 9 of the Code and a security interest shall attach thereto for the benefit of Mortgagee to secure the indebtedness secured by this Mortgage, and all other sums and charges which may become due hereunder or under the Notes. Mortgagor hereby authorizes Mortgagee to file financing and continuation statements in form satisfactory to Mortgagee to further evidence and secure Mortgagee's interest therein. In the event of default under this Mortgage, Mortgagee, pursuant to the Code shall have the option of proceeding as to both real and personal property in accordance with its rights and remedies in respect of the real property, in which event the default provisions of the Code shall not apply. The parties agree that, in the event Mortgagee elects to proceed with respect to the Equipment separately from the real property, five (5) days' notice of the sale of the Equipment shall be reasonable notice. Subject to purchase money financing, all replacements, renewals and additions to the Equipment shall become and be immediately subject to the security interest herein of Mortgagee and be covered by this Mortgage as part of the Property. Mortgagor shall, from time to time, on request of Mortgagee, deliver to Mortgagee an inventory of the Equipment in reasonable detail. Mortgagor warrants and represents that all Equipment now is, and that all replacements thereof, substitutions therefor or additions thereto will be owned by Mortgagor free and clear of liens, encumbrances or security interests of others prior to or on a parity with the interest therein of Mortgagee. Neither the provisions of this Section nor the filing of any separate security agreement or financing statement, with respect to Mortgagee's security interest in the Security Interest Property, shall be construed as in any way derogating or impairing the intention of the parties hereto that the Security Interest Property shall at all times and for all purposes and in all proceedings, both legal and equitable, be regarded as part of the Property.

23. Defeasance. This Mortgage and the lien and security interest created hereby shall terminate after the payment of (i) the principal of, and interest and premium, if any, on the Notes, and (ii) all other sums secured hereby.

24. Liens. Mortgagor will not, directly or indirectly, create or suffer or permit to be created or stand against the Property or any portion thereof or against the rents, issues and profits therefrom, and will promptly

discharge any mortgage, lien (including the liens of mechanics and materialmen), pledge, title retention agreement, attachments, security interest, charge or encumbrance which may affect the Property or any part thereof, whether prior to, or on a parity with or subordinate to the lien of this Mortgage, except (i) this Mortgage, (ii) matters permitted by this Mortgage or the Loan Agreement and (iii) matters being contested in good faith and by appropriate proceedings in the manner permitted by Section 8 of this Mortgage. If any lien not permitted hereunder is filed, bonding or otherwise to the satisfaction of Mortgagee and will exhibit to Mortgagee, upon request, evidence of payment and discharge satisfactory to Mortgagee.

25. Recordation, Filing, etc. Mortgagor agrees at all times to cause this Mortgage and each amendment or modification hereof or supplement hereto to be recorded, registered and filed and kept recorded, registered and filed in such a manner and in such places as appropriate, and comply with all applicable statutes and regulations, in order to establish, preserve and protect the security priority of (i) this Mortgage on the Property, (ii) any assignment, with respect to the Subleases and the rents and other sums payable thereunder and (iii) the rights of Mortgagee hereunder. Mortgagor shall pay, or cause to be paid, all taxes, fees and other charges incurred in connection with such recording, registration, filing and compliance and shall furnish to the Mortgagee evidence satisfactory to it that all re-recordings, re-registrations, filings and re-filings have been effectively made.

26. Covenant of Further Assurance. At any time and from time to time, upon Mortgagee's request, Mortgagor shall make, execute and deliver, or cause to be made, executed and delivered, to Mortgagee and, where appropriate, shall cause to be recorded or filed, and from time to time thereafter to be re-recorded and re-filed at such time and in such offices and places as shall be deemed desirable by Mortgagee, any and all such further mortgages, deeds of trust, instruments of further assurance, certificates and other documents as Mortgagee may consider reasonably necessary or desirable in order to effectuate, complete, or perfect, or to continue and preserve the obligations of Mortgagor under the Loan Documents and this Mortgage, and the lien of this Mortgage as a lien upon all of the Property, whether now owned or hereafter acquired by Mortgagor, and unto all and every person or persons deriving any estate, right, title or interest under this Mortgage. Upon any failure by Mortgagor to do so, Mortgagee may make, execute, record, file, re-record or re-file any and all such mortgages, deeds of trust, instruments, certificates and documents for and in the name of Mortgagor, and Mortgagor hereby irrevocably

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appoints Mortgagee the agent and attorney-in-fact, coupled with an interest, of Mortgagor to do so.

27. Modifications by Mortgagee. Mortgagor agrees that, without affecting the liability of Mortgagor or any other person (except any person expressly released in writing) for payment of the indebtedness secured hereby or for performance of any obligation contained herein or affecting the lien and security interest of this Mortgage upon the Property or any part thereof, Mortgagee may at any time and from time to time, without notice to or consent of any person, release any person liable for payment of any indebtedness secured hereby or for performance of any obligation; extend the time or agree to alter the terms of payment of such indebtedness; modify or waive any obligation; subordinate, modify or otherwise deal with the lien and security interest hereof; accept additional security of any kind; consent to the making of any map or plat of the Property, the creating of any easements thereon or any covenants restricting use or occupancy thereof; or exercise or refrain from exercising or waive any right Mortgagee may have.

28. Remedies Cumulative; No Waiver. The rights and remedies of Mortgagee as provided in this Mortgage, the Loan Documents and any and all other agreements between Mortgagee and Mortgagor, any and all other mortgages, collateral assignments of rents and leases, pledges, hypothecations or other security agreements given as security for the indebtedness by Mortgagor, and any guaranty, undertaking, letter of support or surety given by any third party shall be cumulative and concurrent and may be pursued separately, successively or together against Mortgagor, and any such third party, at the sole discretion of Mortgagee, and may be exercised as often as occasion therefor shall arise. The failure or delay on the part of the Mortgagee to exercise any such right or remedy shall in no event be construed as a waiver or release thereof and such rights and remedies shall be deemed continuous, nor shall a partial exercise preclude full exercise thereof. No right or remedy of the Mortgagee shall be deemed abridged or modified by any course of conduct and no waiver thereof shall be predicted thereon, nor shall failure to exercise any such right or remedy subject the Mortgagee to any liability. Mortgagor hereby waives trial by jury, and the right to interpose any defense, setoff or counterclaim whatsoever (other than those expressly permitted under Section 17 hereof).

29. Miscellaneous. This Mortgage may be changed, waived, discharged or terminated only by an instrument in writing signed by the party or parties against which enforcement of such change, waiver, discharge or termination is sought. All provisions hereof shall be binding upon Mortgagor,

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its successors and assigns, and all persons claiming under or through Mortgagor or any such successor or assign, and shall inure to the benefit of and be enforceable by Mortgagee and its successors and assigns. Wherever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders. The terms "herein," "hereof" or "hereunder" or similar terms used in this Mortgage refer to this entire Mortgage and not to the particular provision in which the term is used. The headings of the Sections to this Mortgage are inserted for convenience only and shall not be deemed to constitute a part of this Mortgage. The reference herein to Sections refer (unless otherwise expressly indicated) to the Sections of this Mortgage. This Mortgage may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument.

30. Notices. All notices, demands, consents or requests which are either required or desired to be given or furnished hereunder shall be in writing and shall be mailed by registered mail, return receipt requested postage prepaid, and addressed as indicated below or as to such other addresses as the parties shall notify each other:

If to the Mortgagee:

Citicorp Industrial Credit, Inc.
560 Sylvan Avenue
Englewood Cliffs, New Jersey 07532
Attention: Steven R. Fisher
Vice President

With a copy to:

Rogers & Wells
200 Park Avenue
New York, New York 10166
Attention: William Haney, III, Esq.

If to the Mortgagor:

Drew Industries Incorporated
200 Mamaroneck Avenue
White Plains, New York 10601
Attention: Leigh J. Abrams
President

With a copy to:

Milman Stone Poltarak & Finell
711 Third Avenue
New York, New York 10017
Attention: William J. Poltarak, Esq.

31. Governing Law. The creation of this Mortgage, the perfection of the lien or security interest in the Property, and the rights and remedies of Mortgagee with respect to the Property, as provided herein and by the laws of the state wherein the Land is located, shall be governed by and construed in accordance with the internal laws of the state wherein the Land is located without regard to principles of conflict of law. Otherwise, to the extent permitted by applicable law, this Mortgage, the Notes, the Loan Agreement and all other obligations of Mortgagor (including the liability of Mortgagor for any deficiency following a foreclosure of all or any part of the Property) shall be governed by and construed in accordance with the internal laws of the State of New York without regard to principles of conflicts of laws, such state being the state where such documents were executed and delivered.

32. Lease Provisions.

Mortgagor and Mortgagee hereby agree:

(a) That Mortgagor will pay or cause to be paid all rents, additional rents, taxes, assessments, water rates, sewer rents and other charges mentioned in and made payable by the Leases, for which provision has not been made hereinbefore, when and as often as the same shall become due and payable, and will cause the lessor of the premises demised thereunder to pay any portion of said taxes, assessments, rates, charges and impositions to be borne by said lessor that might become liens on the Leasehold Estates or the underlying fee estates within sixty (60) days of the date when due, and the Mortgagor will in every case take, or cause to be taken, a proper receipt for any such item so paid and will within ten (10) days after the time when such payment shall be due and payable deliver or cause to be delivered, to the Mortgagee, the original receipts for any such payments.

(b) That Mortgagor will at all times promptly and faithfully keep and perform, or cause to be kept and performed, all of the covenants and conditions contained in the Leases by the lessee therein to be kept and performed and in all respects conform to and comply with the terms and conditions of the Leases, and the Mortgagor further covenants that it will not do or permit anything to be done, the doing of

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which, or refrain from doing anything, the omission of which, will be grounds for declaring a default or forfeiture of the Leases or will impair or tend to impair the security of this Deed of Trust.

(c) That Mortgagor also covenants that it will not modify, extend or in any way alter the terms of the Leases or cancel or surrender the Leases, or waive, excuse, condone or in any way release or discharge the lessor thereunder of or from the obligations, covenants, conditions and agreements by said Lessor to be done and performed; and said Mortgagor does by these presents expressly release, relinquish and surrender unto the Mortgagee all its right, power, and authority to cancel, surrender, amend, modify or alter in any way the terms and provisions of the Leases and any attempt on the part of the Mortgagor to exercise any such right without the written authority and consent of the Mortgagee thereto being first had and obtained shall constitute a default under the terms hereof and the entire indebtedness secured hereby shall, at the option of the Mortgagee, become due and payable forthwith and without notice.

(d) The whole of said principal sum shall immediately become due and payable at the option of the Mortgagee if the Mortgagor fails to give the Mortgagee immediate notice of any default under the Leases or of the receipt by it of any notice of default from the lessor thereunder or if the Mortgagor fails to furnish to the Mortgagee immediately any and all information which it may request concerning the performance by the Mortgagor of the covenants of the Leases or of this Mortgage, or if the Mortgagor fails to permit the Mortgagee or its representative forthwith at all reasonable times to make an investigation or examination concerning such performance. The Mortgagor further covenants and agrees that it will promptly deposit with the Mortgagee original executed copies of the Leases and any and all documentary evidence received by it showing compliance by the Mortgagor with the provisions of the Leases and will also deposit with the Mortgagee an exact copy of any notice, communication, plan, specification or other instrument or document received or given by it in any way relating to or affecting the Leases of said premises which may concern or affect the estate of the lessor or the lessee in or under the Leases or in the premises thereby demised, and upon the Mortgagor's failure so to do, the Mortgagee may, at its option, declare the whole of said principal sum due and payable at once.

(e) That to the extent permitted by law, the price payable by Mortgagor or by any other authority so entitled in the exercise of the right of redemption, if any, from a sale under order or decree of foreclosure shall include

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all rents and other sums advanced by Mortgagee in behalf of Mortgagor, as lessee under the Leases.

(f) That so long as any of the indebtedness secured hereby shall remain unpaid, unless the Mortgagee shall otherwise in writing consent, the fee title and the Leasehold Estates in the premises described herein shall not merge but shall always be kept separate and distinct notwithstanding the union of said estates either in the lessor or in the lessee under the Leases or in a third party by purchase or otherwise; and there shall be no merger of the Leasehold Estates with a paramount intervening or fee estate in any case without the prior written consent of Mortgagee, and Mortgagor further covenants and agrees that in case it shall acquire the fee title or any other estate, title or interest in the premises covered by the Leases, this Mortgage shall attach to the cover and be a first lien upon such other estate so acquired and such other estate so acquired by the Mortgagor shall be considered as mortgaged to Mortgagee hereunder with the same force and effect as though specifically herein so conveyed. The provisions of this paragraph shall not apply in the event the Mortgagee acquires the fee of the said premises except if Mortgagee shall so elect.

(g) That in the event of any failure by Mortgagor to perform any covenant on the part of lessee to be observed and performed under the Leases, the performance by Mortgagee in behalf of Mortgagor of the Lease covenant shall not remove or waive, as between Mortgagor and Mortgagee, the corresponding default under the terms hereof and any amount so advanced or any cost incurred in connection therewith, with interest thereon at the default interest rate provided herein, shall be repayable by Mortgagor without demand, shall be secured hereby and any such failure aforesaid shall be subject to all of the rights and remedies of Mortgagee hereunder available on account of any default hereunder.

(h) Mortgagor hereby represents, covenants and warrants:

(1) That the Leases are in full force and effect and unmodified.

(2) That all rents (including additional rents and other charges) reserved in the Leases have been paid to the extent they were payable prior to the date hereof.

(3) The quiet and peaceful possession of Mortgagee, and Mortgagor further agrees to warrant (subject to the matters set forth on Exhibit "C") and defend the Leasehold Estates created under the Leases for the entire remainder of

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the term set forth therein, against all and every person or persons lawfully claiming, or who may claim the same or any part thereof, subject only to the payment of the rents in the Leases reserved and to the performance and observance of all of the terms, covenants, conditions and warranties thereof.

(4) That there is no existing default under the provisions of the Leases or in the performance of any of the terms, covenants, conditions or warranties thereof on the part of the lessee to be observed and performed.

(1) That in the event Mortgagor shall hereafter transfer and lease back all or any part of the premises and whether or not the lien of this Mortgage shall be or shall hereafter have been made subordinate to any occupancy leases or subleases of the said premises and whether or not the holder of this Mortgage shall have granted or shall at any time grant non-disturbance to said leases or subleases, then the said leaseback and any deed of trust or mortgage affecting said leaseback either (a) shall be made or shall become subordinate to said occupancy leases and subleases, or (b) shall provide for non-disturbance of said leases and subleases, and all said leases and subleases shall provide for attornment to the entity that shall take over its landlord's interest.

33. Conflicts. Notwithstanding anything contained herein to the contrary, Mortgagor shall not be required to keep or perform any obligations or covenants relating to the Property which are required to be kept or performed by the lessor under the Lease, provided that Mortgagor shall use its reasonable efforts to cause such lessor to keep and perform such obligations and covenants. In the event of any conflict between the provisions of this Mortgage and the provisions of the Loan Agreement, the provisions of the Loan Agreement shall prevail. In the event of any conflict between the provisions of this Mortgage (or the Loan Agreement, where applicable) and the provisions of the Lease regarding the use or occupancy of the Leased premises, where compliance with the terms of this Mortgage (or the Loan Agreement, where applicable) would constitute an Event of Default under the Lease, the provisions of the Lease shall prevail. In the event of any other conflict between the provisions of this Mortgage (or the Loan Agreement, where applicable) and the Lease regarding the use or occupancy of the Leased premises, those provisions requiring the more prompt or comprehensive action on the part of Mortgagor shall prevail.

34. Excluded Collateral. Notwithstanding anything contained in this Mortgage to the contrary, the security interest granted to Mortgagee hereunder shall be subordinate to any purchase money security interests in any Equipment now

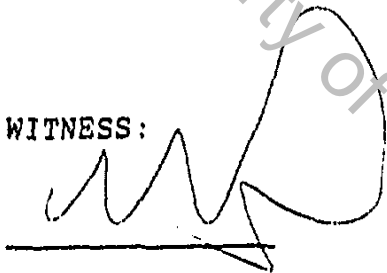
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owned or hereafter acquired by Mortgagor, and if the terms of any such purchase money security interest prohibits the existence of subordinate security interests in the Equipment covered thereby, the security interest created herein shall not attach to or encumber such Equipment, provided, however, that such security interest shall attach to and encumber such Equipment immediately upon the release and discharge of such purchase money security interest.

IN WITNESS WHEREOF, Mortgagor has caused these presents to be signed and witnessed the day and year first above written. MORTGAGOR HAS RECEIVED A TRUE COPY OF THIS MORTGAGE.

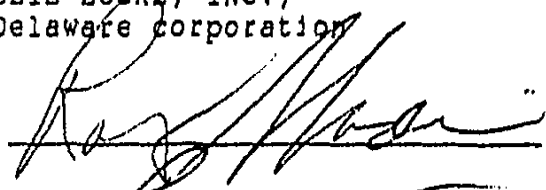
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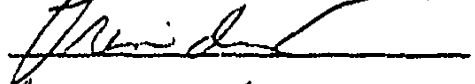
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LESLIE-LOCKE, INC.,
a Delaware corporation

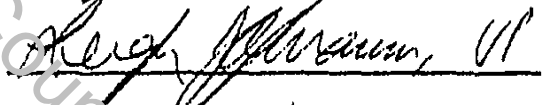
By



Its



By



Its

V.P.

[SEAL]

ATTEST:



Secretary

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EXHIBIT "B"

The part of the Southeast Quarter (SE $\frac{1}{4}$) of Section Nineteen (19), Township Forty (40) North, Range Twelve (12) East of the Third Principal Meridian, described as:

Commencing at a point in the East line of said Southeast Quarter (SE $\frac{1}{4}$) which is Eleven Hundred Twenty-two and Ninety-three Hundredths (1122.93) feet north of the Southeast corner thereof; thence South 89° 59' 13" West, in a line drawn at right angles to said East line, for a distance of Nineteen Hundred Twenty-seven and Forty-one Hundredths (1927.41) feet to a point of beginning of the tract of land to be described:

Thence North 0° 00' 47" West in a line parallel to said East line, One Hundred Forty-four and Forty-eight Hundredths (144.48) feet; thence North 89° 59' 13" East, Two Hundred Sixty-six and Forty-one Hundredths (266.41) feet to a point in a line Sixteen Hundred Sixty-one and No Tenths (1661.0) feet West of (at right angular measurement) and parallel with said East line; thence South 0° 00' 47" East in said parallel line (being the West line of a private street known as N. Ruge Avenue), Four Hundred Ten and Twenty-seven Hundredths (410.27) feet to its point of intersection with the Northerly line of a private street known as King Street; thence South 79° 12' 28" West in said Northerly line, One Hundred Ninety and Thirty-one Hundredths (190.31) feet to an angle point or bend in said Northerly line of W. King Street; thence South 89° 09' West in said Northerly line, Seventy-nine and Thirty-seven Hundredths (79.37) feet to its point of intersection with a line, Nineteen Hundred Twenty-seven and Forty-one Hundredths (1927.41) feet west of (at right angular measurement) and parallel with said East line of Southeast Quarter (SE $\frac{1}{4}$); thence North 0° 00' 47" West in said parallel line, Three Hundred Two and No Hundredths (302.00) feet to the point of beginning;

W. King Street
Cook County, Ill.

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PARCEL A:

That part of the Southeast 1/4 of Section 19, Township 40 North, Range 12 East of the Third Principal Meridian, described as follows:

Commencing at a point in the South line of said Southeast 1/4 which is 416.28 feet West of the Southeast corner of said Section 19 and continuing thence West on the South line of said Southeast 1/4, a distance of 177.00 feet to a point; thence North at right angles to said South line for a distance of 230.00 feet to a point in the South line of a private street known as Melrose Street; thence East on said South line of said line being parallel with the South line of said Southeast 1/4, for a distance of 177.0 feet to a point; thence South at right angles to said South line for a distance of 230.00 feet to the point of beginning, in Cook County, Illinois.

PARCEL B:

That part of the Southeast 1/4 of Section 19, Township 40 North, Range 12 East of the Third Principal Meridian, described as follows:

Commencing at a point in the South line of said Southeast 1/4 which is 593.28 feet West of the Southeast corner of said Section 19 and continuing thence West on the South line of said Southeast 1/4, for a distance of 122.00 feet to a point; thence North at right angles to said South line for a distance of 230.00 feet to a point in the South line of a private street known as Melrose Street; thence East on said South line, said line being parallel with the South line of said South East 1/4 for a distance of 122.00 feet to a point; thence South at right angles to said South line for a distance of 230.00 feet to the point of beginning, in Cook County, Illinois.

PARCEL C:

That part of the Southeast 1/4 of Section 19, Township 40 North, Range 12 East of the Third Principal Meridian, described as follows:

Commencing at a point in the South line of said Southeast 1/4 which is 715.28 feet West of the Southeast corner of said Section 19 and continuing thence West on the South line of said Southeast 1/4, a distance of 170.00 feet; thence North at right angles to said South line 230.00 feet to a point in the South line of a private street known as Melrose Street; thence East on said South line, said line being 230.00 feet North of and parallel with the South line of said Southeast 1/4, 170.00 feet; thence South at right angles to said South line, 230.00 feet to the place of beginning, all in Cook County, Illinois.

Permanent Tax Numbers: 12-19-400-031
(Affects Parcel A)

Volume: 64

12-19-400-051
(Affects Parcels B and C)

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EXHIBIT "C"

Permitted Encumbrances

Mortgages encumbering the Property described in Exhibit "B" attached hereto as of the date hereof, and any mortgages hereafter encumbering such Property to which the Lease, by its terms, is automatically subordinated or is required to be subordinated.

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