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MORTGAGE, SECURITY AGREEMENT,
ASSIGNMENT OF LEASES, RENTS AND PROFITS,
FINANCING STATEMENT AND FIXTURE FILING

made by

PETROLANE, INC.,

as Mortgagor,

to

CHEMICAL BANK,

as Collateral Agent,

as Mortgagee

DEPT-01 RECORDING \$49.00
T#4444 TRAN 2267 01/05/90 09:48:00
#1976 # D *-90-006937
COOK COUNTY RECORDER

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:
WHITE & CASE
1155 Avenue of the Americas
New York, New York 10036
Attention: Jeffrey J. Temple, Esq.

THIS MORTGAGE SECURES FUTURE
ADVANCES AND OBLIGATIONS.

Property of Cook County Clerk's Office

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This document is intended to
be recorded in Cook County,
Illinois

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AND WHEN RECORDED MAIL TO:
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1155 Avenue of the Americas
New York, New York 10036
Attention: Jeffrey J. Temple, Esq.

MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF LEASES, RENTS AND PROFITS, FINANCING STATEMENT AND FIXTURE FILING

THIS MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF
LEASES, RENTS AND PROFITS, FINANCING STATEMENT AND FIXTURE
FILING, dated as of December 27, 1989 (this "Mortgage")
made by Petrolane, Inc., a California corporation, having
its principal place of business c/o QFB Partners, 99 Park
Avenue, New York, New York 10016, as mortgagor (the
"Mortgagor"), to Chemical Bank, a New York State banking
corporation, as Collateral Agent for the benefit of the
Banks (as such term is defined in the Credit Agreement
hereinafter defined), having an address at 277 Park Avenue,
New York, New York 10017 (hereinafter the "Mortgagee").

W I T N E S S E T H :

WHEREAS, pursuant to the terms of that certain
Credit Agreement dated as of September 20, 1989 (as the same
may be amended, supplemented or otherwise modified from time

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to time, the "Credit Agreement"), by and among Mortgagor, the Banks and Mortgagee, as agent, the Banks have agreed, inter alia, upon the terms and conditions contained in the Credit Agreement, to make and provide the following loans and letters of credit:

1) Certain Term Loans, which Term Loans are evidenced by separate Term Notes made by Mortgagor to the order of each of the Banks, in the aggregate principal amount of \$360,000,000 bearing interest at variable rates as set forth in the Credit Agreement, and having a maturity date of March 20, 1996;

2) Certain Revolving Loans, which Revolving Loans are evidenced by separate Revolving Notes made by Mortgagor to the order of each of the Banks, in the aggregate principal amount of \$130,000,000, bearing interest at variable rates as set forth in the Credit Agreement, and having a maturity date of March 20, 1996; and

3) Certain Letters of Credit, which Mortgagor, subject to and upon the terms set forth in the Credit Agreement, may request of any Issuing Bank at any time and from time to time on or after the Initial Borrowing Date and in any event prior to March 20, 1996;

WHEREAS, Mortgagor desires to execute this Mortgage to secure the following:

(1) the payment of the principal balance of the indebtedness evidenced by each and all of the Notes (including any renewals, extensions, substitutions, exchanges or modifications thereof) together with interest on all such indebtedness, any prepayment or late charges, and any and all other amounts whatsoever payable at the times and in the manner described therein or in the Credit Agreement, including without limitation, amounts of principal which may be repaid and readvanced under the Revolving Notes in accordance with the Credit Agreement; and

(2) the prompt and faithful payment, performance, discharge and observance of all obligations, covenants, agreements, conditions, representations, warranties, indemnities and liabilities of Mortgagor to be paid, observed or performed by or due or to become due to the Banks under or pursuant to any Note, the Credit Agreement or any of the Security Documents (as such terms are defined in the Credit Agreement) together

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with interest thereon; provided, however, that with respect to any indemnity contained in the Credit Agreement or in any Security Document which by its terms survives repayment of the principal balance of any of the Notes, this Mortgage shall secure the same only so long as any of the Notes shall remain unpaid; and

(3) the prompt and faithful payment of all sums, if any, as may be expended or advanced by Mortgagee in the payment, performance, discharge or observance of any obligation, covenant, agreement, condition, representation, warranty, indemnity or liability of Mortgagor hereunder, together with interest thereon; and

(4) the prompt and faithful payment, performance, discharge and observance of any and all other indebtedness, obligations, covenants, agreements, conditions, representations, warranties, indemnities and liabilities which this Mortgage by its terms secures (all of the foregoing matters specified in paragraphs (1) through (4) hereof being collectively referred to herein as the "Obligations"); and

WHEREAS, this Mortgage is one of a number of deeds of trust, deeds to secure debt and mortgages given pursuant to the Credit Agreement. Each and every term and provision of the Credit Agreement, including the rights, remedies, obligations, covenants, conditions, agreements, indemnities, representations and warranties of all parties thereto are hereby incorporated by reference herein as though set forth in full and shall be considered a part of this Mortgage. Terms used in this Mortgage which are not defined herein or which are not defined by reference to the Credit Agreement shall have the meanings assigned to them in the Credit Agreement (including any exhibits thereto). In the event of any conflict between the terms of the Credit Agreement and the terms of this Mortgage, the terms of the Credit Agreement shall control.

NOW, THEREFORE, in consideration of the benefits accruing to Mortgagor, the receipt and sufficiency of which are hereby acknowledged, MORTGAGOR HEREBY GIVES, GRANTS, BARGAINS, SELLS, MORTGAGES AND CONFIRMS TO MORTGAGEE all of its estate, right, title and interest, whether now owned or hereafter acquired, in and to that property described on Exhibit A hereto, which Exhibit A is incorporated herein by reference.

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The property described in Exhibit A includes one or more fee estates in the Improvements (as hereinafter defined) and land underlying and adjacent to said Improvements (but only if identified on Exhibit A hereto). The land so owned is hereinafter referred to as the "Land". The Improvements, the Land and all other real property, and interests and rights appurtenant thereto and described below as being subject to this Mortgage are herein referred to collectively as "this Property".

TOGETHER with all appurtenant rights and easements, rights of way, and other rights used in connection with the Land and/or the Improvements;

TOGETHER with all of Mortgagor's right, title and interest in, to and under leasehold estates, and in any or other agreements, relating to the use and occupancy of the Land and/or the Improvements or any portion thereof;

TOGETHER with all rents, issues and profits of this Property (collectively, "Rents");

TOGETHER with Mortgagor's right, title and interest in any and all buildings and improvements now or hereafter erected on the Land (hereinafter sometimes collectively referred to as the "Improvements") and all personal property, including, but not limited to, that portion of the personal property that constitutes fixtures, attachments, appliances, equipment, machinery and other tangible personal property now or hereafter attached to said Improvements or now or at any time hereafter located on the Land and/or Improvements and necessary for the continued operation of the Land and/or Improvements (hereinafter sometimes collectively referred to as the "Equipment");

TOGETHER with all the right, title, other claim or demand, including claims or demands with respect to the proceeds of insurance in effect with respect thereto, which Mortgagor now has or may hereafter acquire in this Property, and any and all awards made for the taking by eminent domain, or by any proceedings or purchase in lieu thereof, of the whole or any part of this Property.

The entire estate, property and interest hereby mortgaged to Mortgagee may be referred to herein as the "Mortgaged Property" as well as "this Property".

TO HAVE AND TO HOLD as provided herein the above granted and described Mortgaged Property unto Mortgagee and

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to its successors and assigns forever, and Mortgagor hereby binds itself and its successors and assigns to warrant and forever defend the Mortgaged Property unto Mortgagee, its successors and assigns against the claim or claims of all persons claiming or to claim the same, or any part thereof.

AND TO PROTECT THE SECURITY OF THIS MORTGAGE, Mortgagor covenants and agrees as follows:

ARTICLE I

REPRESENTATIONS, WARRANTIES, COVENANTS AND AGREEMENTS OF MORTGAGOR

1.01 Title to this Property. Mortgagor represents and warrants as of the date hereof (a) that it has good and valid fee simple title to the Land, free and clear of any liens and encumbrances (except the permitted encumbrances set forth on Exhibit B hereto, hereinafter "Permitted Encumbrances"); (b) that this Mortgage is a valid first lien upon this Property, and it has not created any other lien or encumbrance upon this Property which will remain undischarged after recording of this Mortgage (except Permitted Encumbrances); (c) that Mortgagor has full power and lawful authority to encumber this Property in the manner set forth herein; and (d) that there are no defenses or offsets to this Mortgage or to the Obligations which it secures. Mortgagor shall, subject to Permitted Encumbrances, preserve such title and the validity and priority of this Mortgage and shall forever warrant and defend the same to Mortgagee against the claims of all persons and parties whatsoever.

1.02 Operation of this Property. Mortgagor during the term hereof will obtain and maintain all required licenses, authorizations, permits and/or approvals necessary for the ownership, operation and management of this Property, including, without limitation, all required environmental permits.

1.03 Payment and Performance of Obligations. Mortgagor shall pay all of the Obligations when due and without offset or counterclaim, and shall observe and comply in all respects with all of the terms, provisions, conditions, covenants and agreements to be observed and performed by it under this Mortgage, the Credit Agreement and all other documents evidencing or securing the Obligations or delivered in connection therewith.

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1.04 Maintenance, Repair, Alterations, Etc. Mortgagor will: keep and maintain this Property in its present condition and state of repair; make or cause to be made, as and when necessary, all repairs, renewals and replacements, structural and nonstructural, exterior and interior, ordinary and extraordinary, foreseen and unforeseen which are necessary to so maintain this Property; except as otherwise provided in Sections 1.07 or 1.12 hereof or the Credit Agreement, restore any Improvement which may be damaged or destroyed so that the same shall, to the extent permitted by applicable law be at least equal to its value, condition and character immediately prior to the damage or destruction, and promptly pay when due all claims for labor performed and materials furnished therefor; comply with all laws, ordinances, regulations, covenants, conditions and restrictions (collectively, a "Law") now or hereafter affecting this Property or any part thereof or the use thereof or requiring any alterations or improvements; not commit or permit any waste or deterioration (usual wear and tear excepted) of this Property; comply with the provisions of any lease, easement or other agreement affecting all or any part of this Property if failure to comply would have a material adverse effect on the value of this Property; and not permit the Improvements or any part thereof to become deserted or unguarded.

1.05 Required Insurance. Mortgagor will, at its expense, at all times during the term hereof provide, maintain and keep in force policies of property and hazard insurance which provide substantially the same (or greater) coverage as those policies of insurance described in Schedule II of the Credit Agreement, together with statutory workers' compensation insurance with respect to any work performed on or about this Property; and such other insurance against loss or damage with respect to this Property and the Equipment incorporated therein of the kinds from time to time customarily insured against by persons owning or using property similar to this Property and in such amounts as are customary.

1.06 Policy Provisions, Etc. (a) Each policy of insurance maintained by Mortgagor pursuant to Section 1.05 shall (i) name Mortgagee as an additional insured with respect to liability insurance coverage; (ii) contain the standard non-contributory mortgagee clause endorsement in favor of Mortgagee with respect to hazard insurance coverage; (iii) name Mortgagee as loss payee and all insurance proceeds for losses with respect to hazard insurance coverage shall be adjusted and be payable in

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accordance with Section 1.07 hereof; (iv) include effective waivers by the insurer of all rights of subrogation against any named insured; (v) except in the case of public liability insurance and workers' compensation insurance, provide that any losses shall be payable notwithstanding (A) any act, failure to act, negligence of, or violation or breach of warranties, declarations or conditions contained in such policy by Mortgagor or Mortgagee or any other named insured or loss payee, (B) the occupation or use of the insured properties for purposes more hazardous than those permitted by the terms of the policy, if such coverage is obtainable at commercially reasonable rates and is of the kind from time to time customarily insured against by persons owning or using property similar to this Property and in such amounts as are customary, (C) any foreclosure or other proceeding or notice of sale relating to the insured properties or (D) any change in the title to or ownership or possession of the insured properties; (vi) provide that if all or any part of such policy is cancelled, terminated or expires, the insurer will forthwith give notice thereof to each named insured and loss payee and that no cancellation, termination, expiration or reduction in amount or material change in coverage thereof shall be effective until at least ten (10) days after receipt by each named insured and loss payee of written notice thereof; and (vii) not be subject to a deductible in excess of that set forth in the Credit Agreement.

(b) Mortgagor shall pay as and when the same become due and payable the premiums for all property and hazard insurance policies that Mortgagor is required to maintain hereunder, and all such policies shall be nonassessable.

(c) Prior to the expiration, termination or cancellation of any insurance policy which Mortgagor is required to maintain hereunder, Mortgagor shall obtain a replacement policy or policies (or a binding commitment for such replacement policy or policies), which shall be effective no later than the date of the expiration, termination or cancellation of the previous policy.

(d) All insurers shall be authorized to issue insurance, and all insurers and reinsurers shall have the A.M. Best rating of "A" or better and a financial size rating of XII in the current edition of Best Insurance Reports (or for those insurers and reinsurers which are not listed in Best Insurance Reports, have a financial size

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equivalent thereto) or such other ratings as shall be acceptable to Mortgagee in its reasonable discretion.

1.07 Insurance Proceeds. (a) Mortgagor shall give prompt written notice to Mortgagee of the occurrence of any damage to or destruction of the Improvements (which term as used in this Section 1.07 shall include Equipment) in an amount greater than \$50,000.

(b) Subject to any lien which is a Permitted Encumbrance, in the event of any damage to or destruction of the Improvements or any part thereof and at such time an Event of Default shall have occurred and be continuing hereunder, Mortgagee shall receive all proceeds of hazard insurance and shall apply such proceeds to the prepayment of the Obligations in accordance with the applicable terms of the Credit Agreement.

(c) Subject to any lien which is a Permitted Encumbrance, in the event of any damage to or destruction of the Improvements, and if Mortgagor shall elect to repair or restore the Improvements, and if an Event of Default shall not have occurred and be continuing hereunder, Mortgagor shall be entitled to receive all insurance proceeds and Mortgagor shall apply such proceeds to the payment of the costs and expenses of repairing and restoring the Improvements.

(d) Subject to any lien which is a Permitted Encumbrance, if Section 1.07(b) shall be applicable because of the occurrence and continuance of an Event of Default, Mortgagee shall have the right to settle, adjust or compromise any claim under any policy of insurance. In all other cases, Mortgagor may settle, adjust or compromise any claim.

1.08 Indemnification; Subrogation; Waiver of Offset. If Mortgagee or any of the Banks is made a party defendant to any litigation concerning this Mortgage or this Property or any part thereof, or the construction, operation or occupancy of the Improvements by Mortgagor or anyone else, Mortgagor shall indemnify, defend and hold Mortgagee and the Banks harmless from all liability by reason of said litigation, including reasonable attorneys' fees and expenses incurred by Mortgagee or the Banks in any such litigation, whether or not any such litigation is prosecuted to judgment; provided, however, that nothing herein shall be deemed to require Mortgagor to indemnify, defend and hold harmless Mortgagee with respect to the gross negligence or

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willful misconduct of Mortgagee or the Banks. If Mortgagor breaches any term of this Mortgage, Mortgagee may employ an attorney or attorneys to protect its rights hereunder, and Mortgagor shall pay the reasonable attorneys' fees and expenses incurred by Mortgagee, whether or not an action is actually commenced against Mortgagor by reason of such breach.

1.09 Impositions. (a) Mortgagor will pay or cause to be paid when due all real property taxes and assessments, general and special, and all other taxes and assessments of any kind or nature whatsoever, which are assessed or imposed upon any of this Property, or arising in respect of the operation, occupancy, use or possession thereof (all of which taxes, assessments and other governmental or non-governmental charges of like or different nature are hereinafter referred to as "Impositions"); provided, however, that if, by Law, any such Imposition is payable, or may at the option of the payer be paid, in installments, Mortgagor may pay the same together with any accrued interest on the unpaid balance of such Imposition in installments as the same may become due.

(b) If under the provisions of any Law now or hereafter in effect there shall be assessed or imposed: (i) a tax or assessment on this Property in lieu of or in addition to the Impositions payable by Mortgagor pursuant to subparagraph (a) of this Section 1.09, or (ii) a license fee, tax or assessment imposed on Mortgagee and measured by or based in whole or in part upon the amount of the outstanding Obligations, then all such taxes, assessments or fees shall be deemed to be included within the term "Impositions" as defined in subparagraph (a) of this Section 1.09, and Mortgagor shall pay and discharge or cause to be paid and discharged the same as herein provided or shall reimburse or otherwise compensate Mortgagee for the payment thereof. Anything to the contrary herein notwithstanding, Mortgagor shall not have any obligation to pay any franchise, doing business, estate, inheritance, income, excess profits or similar taxes levied on Mortgagee or on the Obligations.

(c) Mortgagor covenants to furnish to Mortgagee, promptly following Mortgagee's request, official receipts of the appropriate taxing or other authority, or other proof reasonably satisfactory to Mortgagee, evidencing the payment of Impositions.

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(d) Mortgagor will pay all taxes, charges, filing, registration and recording fees, excises and levies imposed in connection with the recording of this Mortgage or imposed upon Mortgagee by reason of its ownership of this Mortgage, other than income, estate, inheritance, excess profits, franchise and doing business taxes or similar taxes, and shall pay any and all stamp taxes and other taxes required to be paid on any of the Obligations. In the event Mortgagor fails to make any such payment within thirty (30) days after written notice thereof from Mortgagee, then Mortgagee shall have the right, but shall not be obligated to, pay the amount due and Mortgagor shall, on demand, reimburse Mortgagee for said amount.

1.10 Utilities. Mortgagor will pay when due all utility charges which are incurred by Mortgagor for the benefit of this Property or which may become a charge or lien against this Property for gas, electricity, steam, water or sewer services furnished to this Property and all other assessments or charges of a similar nature, whether public or private, affecting this Property whether or not such taxes, assessments or charges are liens thereon.

1.11 Actions Affecting this Property. Mortgagor will appear in and contest any action or proceeding purporting to affect the security hereof or the rights or powers of Mortgagee hereunder; and Mortgagor will pay all costs and expenses incurred by Mortgagor, including cost of evidence of title and attorneys' fees, in any such action or proceeding.

1.12 Condemnation. (a) Should this Property or any part thereof or interest therein be taken or damaged by reason of any public improvements or condemnation proceeding or in any other similar manner ("Condemnation"), or should Mortgagor receive any notice or other information thereof, Mortgagor shall give prompt written notice thereof to Mortgagee.

(b) Subject to any lien which is a Permitted Encumbrance, in the event of a Condemnation of this Property or any part thereof and if Mortgagor shall elect not to repair or restore this Property, or if an Event of Default shall have occurred and be continuing hereunder, Mortgagee shall receive all compensation, awards and other payments or relief therefor made or granted (the "Proceeds") and shall be entitled, at Mortgagee's option, to commence, appear in and prosecute in its own name any action or proceeding in connection therewith. All Proceeds shall be deemed assigned

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to Mortgagee, and Mortgagor agrees to execute such further assignments of the Proceeds as Mortgagee may require. Mortgagee shall have the right to receive and apply all such Proceeds in the manner set forth in Section 1.07(b) hereof as if the Proceeds were insurance proceeds. Such application or release shall not, by itself, cure or waive any default hereunder or notice of default under this Mortgage or invalidate any act done pursuant to such notice, and shall affect the lien of this Mortgage only to the extent of a reduction in the amount of said lien by the amount so applied.

(c) Subject to any lien which is a Permitted Encumbrance, in the event of a Condemnation and if Mortgagor shall elect to repair and restore this Property, if an Event of Default shall not have occurred and be continuing hereunder, Mortgagor shall be entitled to receive all Proceeds and Mortgagor shall apply the Proceeds to the payment of the costs and expenses of repairing and restoring this Property.

(d) If Section 1.12(b) shall govern because of the occurrence and continuance of an Event of Default, Mortgagee alone shall have the right to settle, adjust or compromise any claim in connection with a Condemnation of this Property. In all other cases Mortgagee and Mortgagor shall consult and cooperate with each other and each shall be entitled to participate in all meetings and negotiations with respect to the settlement of such claim.

1.13 Additional Security. In the event Mortgagee at any time holds additional security for any of the Obligations, it may enforce, sell or otherwise realize upon the same, at its option, either before or concurrently herewith or after enforcing its remedies hereunder.

1.14 Successors and Assigns. This Mortgage applies to, inures to the benefit of and binds the parties hereto, the Banks and their respective successors and assigns.

1.15 Inspections. Mortgagor hereby authorizes Mortgagee, its agents, representatives or workmen, to enter at any reasonable time after at least forty eight (48) hours advance notice to Mortgagor, and accompanied by a representative designated by Mortgagor (except that with respect to any emergency, Mortgagee, its agents, representatives or workman may enter at any time and alone if a representative of Mortgagor is not immediately available) upon or in any

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part of this Property for the purpose of inspecting the same, and for the purpose of performing any of the acts which Mortgagee is authorized to perform under the terms of this Mortgage.

1.16 Transfers. Subject to the provisions of the Credit Agreement, without the prior written approval of Mortgagee in each instance, no part of this Property or of any legal or beneficial interest in this Property shall be sold, assigned, conveyed, transferred or otherwise disposed of (whether voluntarily or involuntarily, directly or indirectly, by sale of stock or any interest in Mortgagor, or by operation of law or otherwise).

1.17 Indebtedness Secured by Liens. Except as otherwise provided in the Credit Agreement and except for Permitted Encumbrances, Mortgagor shall not create, incur or suffer to exist, directly or indirectly, any lien or other exception to title or ownership upon or against this Property or any part thereof or any rents or income arising therefrom.

1.18 Environmental Protection Matters. Mortgagor shall not cause or permit (or knowingly allow any tenant or other occupant of this Property to cause or permit) this Property to be used to generate, use, collect, treat, store, handle, transfer, produce or process Hazardous Substances except where done in a manner that is in substantial compliance with all Environmental Laws relating to the same. Mortgagor shall not cause or knowingly permit a release in excess of reportable quantities of Hazardous Substances on, in, over or under this Property, except where done in a manner that is in substantial compliance with all Environmental Laws relating to the same. Mortgagor shall notify Mortgagee in writing immediately upon the receipt of: (i) any Notice which could reasonably result in liabilities of or expenditures by Mortgagor with respect to this Property in excess of \$100,000 or, (ii) Mortgagor's discovery of any occurrence or condition on this Property or any real property adjoining or in the vicinity of this Property that could reasonably cause this Property or any part thereof to be subject to any material restrictions on its ownership, occupancy, transferability or use under any Environmental Law. Mortgagor shall cooperate in allowing from time to time such examinations, tests (including but not limited to a geohydrological survey of soil and subsurface conditions), inspections, and reviews (collectively, "Examinations") of this Property or any part thereof if requested by Mortgagee, provided that Mortgagee

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and Mortgagor have reasonable cause to believe that such Examinations would reveal environmental problems at this Property. Mortgagor and Mortgagee shall cooperate with each other in making such determination. The cost of any such Examination shall be paid by Mortgagor. All information relating to any such Examination shall be made available to Mortgagor, Mortgagee and the Banks but neither Mortgagee nor the Banks shall disclose any such Examination or any information relating thereto to any person or entity without Mortgagor's prior written consent (which consent shall not be unreasonably withheld or delayed) unless (i) such disclosure is required by any governmental or regulatory authority with jurisdiction over such matters or (ii) such disclosure is made in connection with a syndication of the Credit Agreement or otherwise in connection with this transaction, provided however, that in any such instance, Mortgagee shall require any such person or entity to maintain the confidential nature of such Examination. Unless caused by the conduct of an indemnified party or its agents or employees, Mortgagor shall defend, indemnify and hold Mortgagee and the Banks harmless from and against any and all obligations, costs, losses, claims, damages, penalties, forfeitures, suits, liabilities and reasonable expenses (including, but not limited to, costs of defense, settlement, investigation and legal expenses) incurred by Mortgagee and the Banks in connection with the existence of Hazardous Substances at this Property. The foregoing indemnification shall survive the repayment of the Obligations.

1.19 Permitted Contests. Notwithstanding anything to the contrary contained in this Mortgage, Mortgagor at its expense may contest (after prior written notice to Mortgagee if the contested amount is in excess of \$50,000), by appropriate legal, administrative or other proceedings conducted in good faith and with due diligence, the amount or validity or application, in whole or in part, of any Imposition or lien therefor or any Law or the application of any instrument of record affecting this Property or any part thereof or any claims of mechanics, materialmen, suppliers or vendors and lien therefor, or any utility charges and lien therefor, and may withhold payment of the same pending such proceedings if permitted by Law; provided that (a) in the case of any Impositions or lien therefor or any claims of mechanics, materialmen, suppliers or vendors and lien therefor, such proceedings shall suspend the collection therefor from Mortgagee and this Property, (b) neither this Property nor any part thereof or interest therein will be sold, forfeited or lost if Mortgagor pays

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the amount or satisfies the condition being contested, and Mortgagor would have the opportunity to do so in the event of Mortgagor's failure to prevail in the contest, (c) Mortgagee shall not, by virtue of such permitted contest, be in any danger of any criminal liability, or any civil liability for which Mortgagor has not furnished security as provided in clause (d) below, and neither this Property nor any interest therein would be subject to the imposition of any lien which would have priority over the lien of this Mortgage for which Mortgagor has not furnished security as provided in clause (d) below, and (d) Mortgagor shall have furnished to Mortgagee a good and sufficient bond or surety or other security as reasonably requested by and reasonably satisfactory to Mortgagee if so required pursuant to clause (c) above or if the failure to comply with such Imposition or Law will result in a lien or charge against this Property in excess of \$50,000 or Mortgagee would be in danger of any civil liability.

ARTICLE II

SECURITY AGREEMENT

2.01 Creation of Security Interest. Mortgagor, as debtor, hereby grants to Mortgagee, as secured party, a security interest in, and lien on, the following property (collectively, the "Secured Property");

- (a) All casualty insurance policies required to be maintained by Mortgagor hereunder, together with all general intangibles, contract rights and accounts arising therefrom;
- (b) All leases and Rents and all Proceeds in any Condemnation, together with all general intangibles, contract rights and accounts arising therefrom;
- (c) All of the Equipment which constitutes personal property and all other personal property described in the Granting Clauses hereof;
- (d) Any and all renewals or replacements of or additions and substitutions to any of the above-mentioned items; and

- (e) All proceeds of the above-mentioned items.

These security interests and liens shall secure all the Obligations.

2.02 Representations, Warranties and Covenants of Mortgagor. Mortgagor hereby warrants, represents and covenants as follows:

- (a) Mortgagor is, and as to all the Secured Property acquired after the date hereof will be, the sole owner of the Secured Property, free from any lien, security interest, encumbrance or claim thereon of any kind whatsoever (other than Permitted Encumbrances). Mortgagor will notify Mortgagee of, and will defend the Secured Property against, all claims and demands of all persons at any time claiming the Secured Property or any interest therein other than such interests as are permitted herein or in the Credit Agreement.
- (b) The Secured Property is not used or bought for personal, family or household purposes.
- (c) Subject to the terms of the Credit Agreement, the Secured Property affixed or attached to this Property will be kept on or at this Property and Mortgagor will not remove any portion or item of such Secured Property without the prior written consent of Mortgagee, except such portions or items of such Secured Property which are consumed or worn out in ordinary usage or removed in the ordinary course of business.
- (d) Mortgagor maintains a place of business at the address above stated for Mortgagor and Mortgagor will immediately notify Mortgagee in writing of any change in its place of business.
- (e) Mortgagor shall cause all financing and continuation statements and other instruments with respect to the Secured Property at all times to be kept recorded, filed or registered in such manner and in such places as may be required by law fully to evidence, perfect and secure the interests of Mortgagee in the Secured Property, and shall pay all filing fees in connection therewith. At the request of Mortgagee, Mortgagor will join Mortgagee in executing one or more financing

statements and renewals, continuation statements and amendments thereof pursuant to the Uniform Commercial Code of the State in which this Property is located (the "Code") in form satisfactory to Mortgagee, and will pay the cost of filing the same in all public offices wherever filing is deemed by Mortgagee to be necessary or desirable. Without limiting the foregoing, Mortgagor hereby irrevocably appoints Mortgagee its attorney-in-fact to execute, deliver and file such instruments for or on behalf of Mortgagor upon the failure of Mortgagor to do so within a reasonable time after demand, and Mortgagor will pay the cost of any such filing.

- (f) This Mortgage constitutes a Security Agreement, Fixture Filing and Financing Statement as those terms are used in the Code.

2.03 Survival of Security Agreement. Notwithstanding any release of any or all of the property included in the Mortgaged Property which is deemed "real property", or any proceedings to foreclose this Mortgage or its satisfaction of record, the terms hereof shall survive as a security agreement with respect to the security interest created hereby and referred to above until the repayment or satisfaction in full of the Obligations.

ARTICLE III

ASSIGNMENT OF LEASES, RENTS AND PROFITS

3.01 Assignment. To further secure the indebtedness secured hereby, Mortgagor hereby sells, assigns and transfers unto Mortgagee all the Rents now due and which may hereafter become due under or by virtue of any lease, whether written or verbal, or any letting of, or of any agreement for the use or occupancy of this Property or any part thereof, which may have been heretofore or may be hereafter made or agreed to or which may be made or agreed to by Mortgagee under the powers herein granted, it being the intention hereby to establish an absolute transfer and assignment of all such leases and agreements, and all the avails thereunder, to Mortgagee and not merely the passing of a security interest. Mortgagor hereby irrevocably appoints Mortgagee its true and lawful attorney in its name, place and stead (with or without taking possession of this Property as provided in Section 4.02(a) hereof) to rent, lease or let all

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or any portion of this Property to any party or parties at such rental and upon such terms as Mortgagee shall, in its discretion, determine, and to collect all of said Rents arising from or accruing at any time hereafter, and all now due or that may hereafter become due under each and every of the leases and agreements, written or verbal, or other tenancy existing, or which may hereafter exist on this Property, with the same rights and powers and subject to the same immunities, exoneration of liability and rights of recourse and indemnity as Mortgagee would have upon taking possession pursuant to the provisions of Section 4.02(a) hereof. Mortgagor represents and agrees that except with the prior written approval of Mortgagee, no Rent has been or will be paid by any person in possession of any portion of this Property for more than one installment in advance and that the payment of none of the Rents to accrue for any portion of this Property will be waived, released, reduced, discounted or otherwise discharged or compromised by Mortgagor, except as may be approved in writing by Mortgagee. As between Mortgagor and Mortgagee, Mortgagor waives any rights of set-off against any person in possession of any portion of this Property. Mortgagor agrees that it will not assign any of the Rents of this Property. Nothing herein contained shall be construed as constituting Mortgagee a mortgagee in possession in the absence of the taking of actual possession of this Property by Mortgagee pursuant to Section 4.02(a) hereof. In the exercise of the powers herein granted Mortgagee, no liability shall be asserted or enforced against Mortgagee, all such liability being expressly waived and released by Mortgagor, except liability arising out of the bad faith, gross negligence or wilful misconduct of Mortgagee. Mortgagor further agrees to assign and transfer to Mortgagee all future leases upon all or any part of this Property and to execute and deliver, at the request of Mortgagee, all such further assurances and assignments in this Property as Mortgagee shall from time to time reasonably require. Although it is the intention of the parties that the assignment contained in this Section 3.01 shall be a present absolute assignment, it is expressly understood and agreed, anything herein contained to the contrary notwithstanding, that Mortgagee shall not exercise any of the rights or powers conferred upon it by this Section except after the occurrence and during the continuance of an Event of Default.

ARTICLE IV

EVENTS OF DEFAULT AND
REMEDIES

4.01 Events of Default. The occurrence of any of the following specified events shall constitute an "Event of Default" hereunder:

(a) Mortgagor shall default in the payment when due of any amounts owed by it hereunder to Mortgagee or any other Person and such default shall continue unremedied for a period of five (5) Business Days after written notice to it by Mortgagee; provided, however, that if such default is not susceptible of complete cure within such twenty (20) Business Day period and Mortgagor has commenced to cure within such period, no Event of Default shall be deemed to have occurred if Mortgagor diligently and continuously prosecutes such cure to completion; or

(b) Mortgagor shall default in the due performance or observance of any term, covenant or agreement contained in Section 1.18 and such default shall continue unremedied for a period of twenty (20) Business Days after written notice to it by Mortgagee; or

(c) An "Event of Default" as defined in the Credit Agreement shall occur and be continuing; or

(d) Mortgagor shall default in the due performance by it of any other term, covenant or agreement contained in this Mortgage, not listed in clauses (a) through (c), and such default shall continue unremedied for a period of twenty (20) Business Days after written notice to Mortgagor by Mortgagee; provided, however, that if such default is not susceptible of complete cure within such twenty (20) Business Day period and Mortgagor has commenced to cure within such period, no Event of Default shall be deemed to have occurred if Mortgagor diligently and continuously prosecutes such cure to completion and (i) if in Mortgagee's sole judgment such failure is material, such cure is completed within ninety (90) days after notice to Mortgagor that Mortgagee deems such failure to be material or (ii) if such cure or a partial cure is required by Law within a certain time period, such cure or such partial cure is completed within such time period or any period during which Mortgagor in good faith contests such Law, and

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Mortgagor provides Mortgagee for the benefit of the Banks with a bond, if required by law or requested by Mortgagee, or other collateral in an amount sufficient to assure the cure and to pay any damages resulting from the delay caused by such contest, or (iii) if in Mortgagee's reasonable judgment such cure or a partial cure may be required to be completed in a shorter period in order to prevent imminent risk of damage to property or imminent risk of danger to health and safety as specified in a notice from Mortgagee to Mortgagor, the portion of such cure necessary to eliminate such risks is completed within such shorter period.

4.02 Remedies Upon Default. If an Event of Default shall occur and be continuing, Mortgagee may:

(a) either in person or by agent with or without bringing any action or proceeding, or by a receiver appointed by a court and without regard to the adequacy of its security, enter upon and take possession of this Property or any part thereof, in its own name or in the name of Mortgagor, and do or cause to be done any acts which it deems necessary or desirable to preserve the value of this Property or any part thereof or interest therein, increase the income therefrom or protect the security hereof and, with or without taking possession of this Property, make, cancel or modify leases and sue for or otherwise collect the Rents thereof, including those past due and unpaid, and apply the same, less costs of operation and collection, including attorney's fees, to the payment of the Obligations in accordance with the applicable terms of the Credit Agreement. The entering upon and taking possession of this Property, the collection of such Rents and the application thereof as aforesaid, shall not, by itself, cure or waive any Event of Default or notice of default hereunder or invalidate any act done in response to such Event of Default or pursuant to such notice of default hereunder or invalidate any act done in response to such Event of Default or pursuant to such notice of default and, notwithstanding the continuance in possession of this Property or the collection, receipt and application of Rents, Mortgagee shall be entitled to exercise every right provided for herein or in the Credit Agreement or at law or in equity upon the occurrence of any Event of Default;

(b) commence and maintain one or more actions at law or in equity or by any other appropriate remedy (i)

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to protect and enforce Mortgagee's rights, whether for the specific performance of any covenant or agreement herein contained (which covenants and agreements Mortgagor agrees shall be specifically enforceable by injunctive or other appropriate equitable remedy), (ii) to collect any sum then due hereunder, (iii) to aid the execution of any power herein granted, or (iv) to foreclose this Mortgage, without prejudice to the right of Mortgagee thereafter to pursue and enforce any other appropriate remedy against Mortgagor; and

(c) exercise any or all of the remedies available to a secured party under the Code.

4.03 Right of Foreclosure. Mortgagee shall have the right, at its option, to proceed at law or in equity to foreclose fully or partially this Mortgage, any statute or rule of law at any time existing to the contrary notwithstanding. Mortgagee may, to the extent permitted by law, adjourn from time to time any sale by it to be made under or by virtue of this Mortgage by announcement at the time and place appointed for such sale or for such adjourned sale or sales; and, except as otherwise provided by an applicable provision of law, Mortgagee may make such sale at the time and place to which the same shall be so adjourned. With respect to all components of the Mortgaged Property, except the Land and the Improvements, Mortgagee is hereby irrevocably appointed the true and lawful attorney of Mortgagor (coupled with an interest), in its name and stead, to make all necessary conveyances, assignments, transfers and deliveries of the Mortgaged Property, exclusive of the Land and the Improvements, and for that purpose Mortgagee may execute all necessary instruments of conveyance, assignment, transfer and delivery, and may substitute one or more persons with such power, Mortgagor hereby ratifying and confirming all that its said attorney or such substitute or substitutes shall lawfully do by virtue hereof. Notwithstanding the foregoing, Mortgagor, if so requested by Mortgagee, shall ratify and confirm any such sale or sales by executing and delivering to Mortgagee or to such purchaser or purchasers all such instruments as may be advisable in the judgment of Mortgagee, for such purpose, and as may be designated in such request. To the extent permitted by law, any such sale or sales made under or by virtue of this Article IV shall operate to divest all the estate, right, title, interest, claim and demand whatsoever, whether at law or in equity, of Mortgagor in and to the properties and rights so sold, and shall be a perpetual bar both at law and in equity against Mortgagor and against any and all persons

claiming or who may claim the same, or any part thereof, from, through or under Mortgagor. Upon any sale made under or by virtue of this Article IV, Mortgagee may, to the extent permitted by law, bid for and acquire the Mortgaged Property or any part thereof and in lieu of paying cash therefor may make settlement for the purchase price by crediting upon the Obligations secured hereby the net sales price after deducting therefrom the expenses of the sale and the cost of the action and any other sums which Mortgagee is authorized to deduct by Law or under this Mortgage.

4.04 Sale of Premises Pursuant to Foreclosure.

In case of a sale pursuant to a foreclosure of this Mortgage, the Mortgaged Property, whether real, personal or mixed, may be sold for cash or credit as an entirety or in parcels, by one sale or by several sales held at one time or at different times, all as Mortgagee, in its unrestricted discretion, may elect, and Mortgagor, for and on behalf of itself and all persons claiming by, through or under Mortgagor, waives any and all right to have the property and estates comprising the Mortgaged Property marshalled upon any foreclosure sale. Any such sale shall bind Mortgagor, shall operate to divest all right, title and interest whatsoever, either at law or in equity, of Mortgagor in and to the property sold, and shall be a perpetual bar, both at law and in equity, against Mortgagor and its successors and assigns, and against any all persons claiming through or under Mortgagor. The proceeds of any sale made under or by virtue of this Article IV, together with any other sums which then maybe held by Mortgagee under this Mortgage, whether under the provisions of this Article or otherwise, shall be applied to the payment of the Obligations in accordance with the applicable terms of the Credit Agreement.

4.05 Appointment of Receiver.

If an Event of Default shall have occurred and be continuing, Mortgagee as a matter of right and without notice to Mortgagor or anyone claiming under Mortgagor, and without regard to the then value of this Property or the interest of Mortgagor therein, shall have the right to apply to any court having jurisdiction to appoint a receiver or receivers of this Property, and Mortgagor hereby irrevocably consents to such appointment and waives notice of any application therefor. Any such receiver or receivers shall have all the usual powers and duties of receivers in like or similar cases and all the powers and duties of Mortgagee in case of entry as provided in subparagraph 4.02(a) and shall continue as such and exercise all such powers until the date of confirmation of sale

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of this Property unless such receivership is sooner terminated.

4.06 Remedies Not Exclusive. Mortgagee shall be entitled to enforce payment and performance of any Obligations secured hereby and to exercise all rights and powers under this Mortgage or under the Credit Agreement or other agreement or any laws now or hereafter in force, notwithstanding that some or all of the said Obligations secured hereby may now or hereafter be otherwise secured, whether by mortgage, deed or trust, pledge, lien, assignment or otherwise. Neither the acceptance of this Mortgage nor its enforcement, whether by court action or pursuant to the powers herein contained, shall prejudice or in any manner affect Mortgagee's right to realize upon or enforce any other security now or hereafter held by Mortgagee, it being agreed that Mortgagee shall be entitled to enforce this Mortgage and any other security now or hereafter held by Mortgagee in such order and manner as it may in its absolute discretion determine. No remedy herein conferred upon or reserved to Mortgagee is intended to be exclusive of any other remedy herein or by law provided or permitted, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. Every power or remedy given by the Credit Agreement to Mortgagee, or to which it may be otherwise entitled, may be exercised, concurrently or independently, from time to time and as often as may be deemed expedient by Mortgagee, and Mortgagee may pursue inconsistent remedies.

4.07 Waiver of Redemption, Notice, Marshalling, Etc. Notwithstanding anything herein contained to the contrary, to the extent permitted by law, Mortgagor: (a) hereby waives trial by jury; (b) will not (i) at any time insist upon, or plead, or in any manner whatever, claim or take any benefit or advantage of any stay or extension or moratorium law, any exemption from execution or sale of this Property or any part thereof, wherever enacted, now or at any time hereafter in force, which may affect the covenants and terms of performance of this Mortgage, nor (ii) claim, take or insist upon any benefit or advantage or any law now or hereafter in force providing for the valuation or appraisal of this Property or any part thereof, prior to any sale or sales thereof which may be made pursuant to any provision hereof, or pursuant to the decree, judgment or order of any court of competent jurisdiction; nor (iii) after any such sale or sales, claim or exercise any right under any statute heretofore or hereafter enacted to redeem the property so

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sold or any part thereof; and (c) covenants not to hinder, delay or impede the execution of any power herein granted or delegated to Mortgagee, but to suffer and permit the execution of every power as though no such law or laws had been made or enacted. Mortgagor, for itself and all who may claim under it, waives, to the extent that it lawfully may, all right to have the Mortgaged Property marshalled upon any foreclosure hereof.

4.08 Expenses of Enforcement. In connection with any action to enforce any remedy of Mortgagee under this Mortgage, Mortgagor agrees to pay all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee including, without limitation, reasonable attorneys' fees, receiver's fees, appraiser's fees, outlays for documentary and expert evidence, stenographer's charges, publication costs, and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies and similar data and assurances with respect to title and value as Mortgagee may deem reasonably necessary, and neither Mortgagee nor any other person shall be required to accept tender of any portion of the indebtedness then secured hereby unless the same be accompanied by a tender of all such expenses, costs and commissions. All expenditures and expenses of the nature in this Section 4.08 mentioned, and such expenses and fees as may be incurred in the protection of this Property and the maintenance of the lien of this Mortgage, including the fees of any attorney employed by Mortgagee in any litigation or proceeding, including appellate proceedings, affecting this Mortgage or this Property (including, without limitation, the occupancy thereof or any construction work performed thereon), including probate and bankruptcy proceedings, or in preparation for the commencement or defense of any proceeding or threatened suit or proceeding whether or not an action is actually commenced, shall be immediately due and payable by Mortgagor, with interest thereon at the default rate set forth in the Security Documents and shall be part of the indebtedness secured by this Mortgage.

ARTICLE V

MISCELLANEOUS

5.01 Definitions. As used in this Mortgage, the following terms have the following respective meanings:

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Environmental Laws: any federal, state or local law, statute, ordinance, or regulation pertaining to health, industrial hygiene, or the environmental conditions on, under or about this Property, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 ("CERCLA") as amended, 42 U.S.C. Sections 9601 et seq., and the Resource Conservation and Recovery Act of 1976 ("RCRA"), 42 U.S.C. Sections 6901 et seq.

Hazardous Substances: (i) Those substances included within the definitions of "hazardous substances," "hazardous materials," "toxic substances," or "solid waste" in CERCLA, RCRA, and the Hazardous Materials Transportation Act, 49 U.S.C. Sections 1801 et seq., and in the regulations promulgated pursuant to said laws;

(ii) Those substances listed in the United States Department of Transportation Table (49 C.F.R. 172.101 and amendments thereto) or by the Environmental Protection Agency (or any successor agency) as hazardous substances (40 C.F.R. Part 302 and amendments thereto);

(iii) Such other substances, materials and wastes which are or become regulated under applicable local, state or federal law, or the United States government, or which are classified as hazardous or toxic under federal, state, or local laws or regulations; and

(iv) Any material, waste or substance which is (A) petroleum, (B) asbestos, (C) polychlorinated biphenyls, (D) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act, 33 U.S.C. §§1251 et seq. (33 U.S.C. §1321) or listed pursuant to Section 307 of the Clean Water Act (33 U.S.C. §1317); (E) flammable explosives; or (F) radioactive materials.

5.02 Governing Law. This Mortgage shall be governed by and construed in accordance with the laws of the State in which this Property is located. In the event that any provision or clause of this Mortgage conflicts with applicable laws, such conflicts shall not affect other provisions of this Mortgage which can be given effect without the conflicting provision, and to this end the provisions of this Mortgage are declared to be severable. This Mortgage cannot be waived, changed, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of any waiver, change, discharge or termination is sought.

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5.03 Limitation on Interest. It is the intent of Mortgagor and Mortgagee in the execution of this Mortgage and all other instruments evidencing or securing the Obligations to contract in strict compliance with the relevant usury laws. In furtherance thereof, Mortgagee and Mortgagor stipulate and agree that none of the terms and provisions contained in this Mortgage shall ever be construed to create a contract for the use, forbearance or detention of money requiring payment of interest at a rate in excess of the maximum interest rate permitted to be charged by relevant law.

5.04 Notices. Except as otherwise set forth herein, all notices, requests and demands required or permitted to be made hereunder shall be in writing and sent by certified or registered mail, return receipt requested or by express overnight courier or delivery service (provided the same shall provide dated evidence of delivery), shall be deemed given or made three (3) Business Days after mailing if sent by mail or one (1) Business Day after consignment to an express overnight courier or delivery service and shall be directed as follows:

If to Mortgagee: Chemical Bank, as Agent
277 Park Avenue
New York, New York 10017
Attn: Lisa Murphy

If to Mortgagor: c/o QFB Partners
99 Park Avenue
New York, New York 10016
Attention: John Salisbury

or to such other address or to such other addressee as the party to be served with notice may have furnished in writing to the party servicing or desiring to serve notice as a place for the service of notice.

5.05 Captions. The captions or headings at the beginning of each Article and Section hereof are for the convenience of the parties and are not a part of this mortgage.

5.06 Non-Waiver. No failure by Mortgagee to insist upon the strict performance of any term hereof or to exercise any right, power or remedy consequent upon a breach thereof shall constitute a waiver of any such term or of any such breach. No waiver of any breach shall affect or alter this Mortgage, which shall continue in full force and ef-

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fect, or the rights of Mortgagee with respect to any other then existing or subsequent breach.

5.07 Further Assurances. Mortgagor, at its own expense, will execute, acknowledge and deliver all such instruments and take all such action as may be necessary to assure to Mortgagee the interest in the Mortgaged Property herein described and the rights intended to be provided to Mortgagee herein.

5.08 Remedies Cumulative. No remedy herein conferred upon or reserved to Mortgagee is intended to be exclusive of any other remedy herein or by law provided or permitted, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. Every power or remedy given by this instrument to Mortgagee or to which Mortgagee may be otherwise entitled may be exercised from time to time and as often as may be deemed expedient by Mortgagee, and Mortgagee may pursue inconsistent remedies.

5.09 Partial Invalidity. If any of the provisions of this Mortgage or the application thereof to any person, party or circumstances shall to any extent be invalid or unenforceable, the remainder of this Mortgage, or the application of such provision or provisions to persons, parties or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby, and every provision of this Mortgage shall be valid and enforceable to the fullest extent permitted by law.

5.10 Revolving Credit, Additional Advances. This Mortgage is given to secure, among other things, Revolving Loans and shall secure not only presently existing indebtedness under the Credit Agreement but also any and all other indebtedness now owing or which may hereafter be owing by Mortgagor to the Banks, however incurred, whether interest, discount or otherwise, and whether the same shall be deferred, accrued or capitalized (but only at the option of the Banks), including future advances and readvances, pursuant to the Credit Agreement, whether such advances are obligatory or to be made at the option of the Banks, or otherwise, to the same extent as if such future advances were made on the date of the execution of this Mortgage. The lien of this Mortgage shall be valid as to all indebtedness secured hereby, including future advances, from the time of its filing for record in the recorder's or registrar's office of the county in which this Property is

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located. The total principal amount of indebtedness secured hereby may increase or decrease from time to time, but the total unpaid balance of indebtedness secured hereby at any one time outstanding shall not exceed the amounts set forth in the first Whereas clause above, plus interest thereon and any disbursements which Mortgagee may make under this Mortgage, the Credit Agreement or any other document with respect hereto (e.g., for payment of Impositions or insurance on this Property) and interest on such disbursements (all such indebtedness being hereinafter referred to as the "maximum amount secured hereby"). This Mortgage is intended to and shall be valid and have priority over all subsequent liens and encumbrances, including statutory liens, excepting solely taxes and assessments levied on the real estate, to the extent of the maximum amount secured hereby.

5.11 Inclusion of Various Advances of Mortgagee as Additional Mortgage and Judgment Indebtedness. All advances, disbursements and expenditures (collectively "advances") made by Mortgagee before and during a foreclosure and at any time prior to sale, and where applicable after sale, for the following purposes, with interest thereon at the Post Maturity Rate, in addition to those otherwise authorized by this Mortgage or by the Act, shall have the benefit of all applicable provisions of the Act, including those provisions of the Act hereinbelow referred to:

(a) All advances by Mortgagee in accordance with the term of this Mortgage to: (i) preserve or restore the mortgaged real estate; (ii) preserve the lien of this Mortgage or the priority thereof; or (iii) enforce this Mortgage, as referred to in Subsection (b)(5) of Section 15-1302 of the Act;

(b) Payments of when due installments of principal, interest or other obligations in accordance with the terms of any senior mortgage or other prior lien or encumbrance; when due installments of real estate taxes and other Impositions (as said term is defined in Subsection (a) of Section 1.08 of this Mortgage); other obligations authorized by this Mortgage; or, with court approval any other amounts in connection with other liens, encumbrances or interests reasonably necessary to preserve the status of title, all as referred to in Section 15-1505 of the Act;

(c) Attorneys' fees and other costs incurred in connection with the foreclosure of this Mortgage as

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referred to in Sections 1504(d)(2) and 15-1510 of the Act;

(d) Mortgagee's fees and costs arising between the entry of judgment of foreclosure and the confirmation hearing as referred to in Subsection (b)(1) of Section 15-1508 of the Act;

(e) Advances by Mortgagee of insurance premiums as provided in Section 1.04 of this Mortgage;

(f) Advances by Mortgagee as provided in Section 1.07 of this Mortgage;

(g) Advances of any amount required to make up a deficiency in deposits for installments of taxes and assessments as provided in Section 1.08(e) of this Mortgage;

(h) Advances of costs and expenses incurred by Mortgagee in connection with the exercise by Mortgagee of Mortgagee's rights under Section 1.12 of this Mortgage;

(i) Advances of any amount claimed to be due or of the cost of depositing in court a bond or otherwise giving security if Mortgagor shall fail to discharge certain liens as provided in Section 1.18 of this Mortgage;

(j) Advances of additional funds to protect the security of this Mortgage or discharge the obligations of Mortgagor under this Mortgage or the Loan Instruments as provided in Section 1.19 of this Mortgage;

(k) Payment of all of Mortgagee's expenditures and expenses made pursuant to Section 4.05 of this Mortgage and any other items mentioned in Section 15-1504(d)(2) of the Act;

(l) Expenses deductible from proceeds of sale referred to in subsections (a) and (b) of Section 15-1512 of the Act; and

(m) Expenses incurred and expenditures made by Mortgagee for any one or more of the following: (i) if the premises or any portion thereof constitutes one or more units under a condominium declaration, assessments imposed upon the owner thereof; (ii) if any interest in

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the premises is a leasehold estate under a lease or sublease, rentals or other payments required to be made by the lessee under the terms of the lease or sublease; (iii) premiums upon casualty and liability insurance paid by Mortgagee whether or not Mortgagee or a receiver is in possession, if reasonably required, without regard to the limitations to maintaining of insurance in effect at the time any receiver or mortgagee takes possession of the premises imposed by Subsection (c)(1) of Section 15-1704 of the Act; (iv) expenditures in connection with repair or restoration of damage or destruction in excess of available insurance proceeds or condemnation awards; (v) payments required or deemed by Mortgagee to be for the benefit of the premises or required to be made by the owner of the premises under any grant or declaration of easement, easement agreement, agreement with any adjoining land owners or instruments creating covenants or restrictions for the benefit of or affecting the premises; (vi) shared or common expense assessments payable to any association or corporation in which the owner of the premises is a member in any way affecting the premises; (vii) operating deficits incurred by Mortgagee in possession or reimbursed by Mortgagee to any receiver; and (viii) if the loan secured hereby is a construction loan, costs incurred by Mortgagee for completion of construction as may be authorized by the applicable commitment or credit agreement.

The foregoing advances shall, except to the extent, if any, that any of the same is clearly contrary to or inconsistent with the provisions of the Act, apply to:

(a) Determination of amount of indebtedness secured by this Mortgage at any time;

(b) Inclusion of the same in the indebtedness found due and owing to the Mortgagee in the judgment of foreclosure and any subsequent supplemental judgments, orders, adjudications or findings by the court or any additional indebtedness becoming due after such entry of judgment, it being agreed that in any foreclosure judgment, the court may reserve jurisdiction for such purpose;

(c) If right of redemption has not been waived by this Mortgage, computation of amount required to redeem, pursuant to Subsections (d)(2) and (e) of Section 15-1603 of the Act;

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(d) Determination of amounts deductible from sale proceeds pursuant to Section 15-1512 of the Act;

(e) Application of income in the hands of any receiver or mortgagee in possession; and

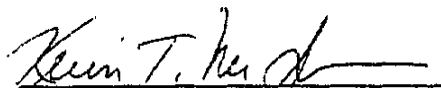
(f) Computation of any deficiency judgment pursuant to Subsections (b)(2) and (e) of Section 15-1508 and Section 15-1511 of the Act.

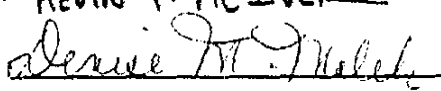
5.12 Mortgagee's Right to Possession. In addition to the provisions of Section 2.04 and Subsection 4.02(iii)(1) of this Mortgage, Mortgagee shall have all rights to be placed in possession of the real estate as provided in Section 15-1701 of the Act, or, at its request, to have a receiver appointed pursuant to Section 15-1702 of the Act, and such receiver, or mortgagee, if and when placed in possession, shall have all powers and duties as provided for in this Mortgage and in Section 15-1701 of the Act.

5.13 Cap on Advances and Other Amounts Incurred by Mortgagee. In no event shall the total amount secured hereby, excluding principal and including such additional amounts of any loan commissions, service charges, liquidated damages, etc., exceed two hundred percent (200%) of the face amount of the Note.

IN WITNESS WHEREOF, Mortgagor has caused this Mortgage to be duly executed as of the day and year first above written.


WITNESS:



KEVIN T. MCIVER


DENISE M. MALIK

PETROLANE, INC.
(successor in interest by merger to Petrolane Illinois, Inc.)

By 

Name: JOHN F. SALISBURY
Title: vice-President

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STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On this 27th day of December, 1989, before me, the undersigned officer, personally appeared John F. Salisbury ~~and~~ xxxxxx, personally known and acknowledged ~~themselves~~ himself to me to be the Vice-President and xxxxx respectively of Petrolane, Inc., a California corporation (the "Corporation"), and that as such officers, being duly authorized to do so pursuant to its by laws or a resolution of its board of directors, executed and acknowledged the foregoing instrument for the purposes therein contained, by signing the name of the Corporation by ~~themselves~~ himself as such officers ~~as their~~ free and voluntary act and deed and the free and voluntary act and deed of said Corporation.

his IN WITNESS WHEREOF, I hereunto set my hand and official seal.

[Signature]
Notary Public)

NOTARIAL SEAL

My Commission Expires:
GUIMARAES, MARIA TEREZA BAPTISTA
Notary Public, State of New York
No. 41-4572224
Qualified in Queens County
Commission Expires October 14, 1990

COOK COUNTY'S Office

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Property of Cook County Clerk's Office

PROPERTY OF
COOK COUNTY CLERK'S OFFICE
100 N. LAUREL ST.
CHICAGO, IL 60602
TEL: (773) 304-3000

COOK COUNTY CLERK'S OFFICE

COOK COUNTY CLERK'S OFFICE

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Exhibit A
Cicero, IL

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The South 472 feet of the North 452 feet of the West Half (1/2) of the West Half (1/2) of the Southwest Quarter (1/4) of Section 34, Township 35 North, Range 13 East of the Third Principal Meridian, excepting the west 200.73 feet thereof and excepting the East 30 feet thereof, all in Cook County, Illinois, containing 169,456 square feet or 3.850 acres of land.

Permanent Index No.:

16-34-301-003

Common Address:

3801 S. Cicero Chicago, Illinois

Property of Cook County Clerk's Office

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EXHIBIT A
Elston, IL

Lots 25, 26 and 27 in Block 26 in Elston Addition to Chicago in Section 5,
Township 39 North, Range 14 East of the Third Principal Meridian, in Cook
County, Illinois.

Permanent Index Nos.

17-05-120-005 and 17-05-120-006

Common Address:

1300-1306 North Elston, Chicago, Illinois

Property of Cook County Clerk's Office

90008937

UNOFFICIAL COPY

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Exhibit A
Park Forest, IL

All the following described real estate situated in the County of Cook and State of Illinois:

That part of the North 1/2 of the North East 1/4 of Section 25, Township 35 North, Range 13 East of the Third Principal Meridian described as follows: Beginning at a point on the South line and 792 feet West of the South East corner of the North 1/2 of the North East 1/4 of said Section 25; thence North on a line normal to aforesaid South line of the North 1/2 of the North East 1/4 125 feet; thence West on a line parallel to said South line of the said North 1/2 of the North East 1/4 298 feet; thence South on a line normal to aforesaid South line of said North 1/2 of the North East 1/4 125 feet; thence East on said south line of said North 1/2 of the North East 1/4 298 feet to the point of beginning in Cook County, Illinois.

A 3/25 289 008

PROPERTY OF COOK COUNTY CLERK'S OFFICE

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Exhibit A
Lansing, IL

PART OF THE SOUTHEAST 1/4 OF SECTION 30, TOWNSHIP 36 NORTH, RANGE 15, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS COMMENCING AT A POINT ON THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF THE CHICAGO, ST. LOUIS AND PITTSBURGH RAILROAD AT A DISTANCE OF 395.38 FEET NORTHWESTERLY OF THE INTERSECTION OF SAID LINE WITH THE EAST LINE OF THE SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 30 (SAID POINT OF BEGINNING BEING THE CENTER LINE OF A CERTAIN SPUR TRACK) THENCE NORTHWESTERLY ALONG SAID RIGHT-OF-WAY LINE A DISTANCE OF 1005.10 FEET TO THE SOUTHERLY RIGHT-OF-WAY LINE OF THE TRI-STATE HIGHWAY; THENCE WEST ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE OF SAID TRI-STATE HIGHWAY A DISTANCE OF 154.92 FEET; THENCE SOUTHEASTERLY AND PARALLEL TO THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF THE CHICAGO, ST. LOUIS AND PITTSBURGH RAILROAD A DISTANCE OF 892.08 FEET TO THE CENTER LINE OF SAID SPUR TRACK; THENCE EASTERLY ALONG THE CENTER LINE OF SAID SPUR TRACK A DISTANCE OF 242.45 FEET MORE OR LESS TO THE PLACE OF BEGINNING, ALL IN THE VILLAGE OF LANSING, IN COOK COUNTY, ILLINOIS (EXCEPTING THE SOUTHERLY 5 FEET AS CONVEYED BY DOCUMENT NUMBER 15210141).

3030 412 005

Cook County Clerk's Office

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Exhibit A
Arlington Heights, IL

All the following described real estate situated in the County of Cook
and State of Illinois:

That part of the Southwest Quarter (1/4) of Section 23, Township 41 North, Range 11 East of the Third Principal Meridian, described as: Commencing at the Southeast Corner of the said Southwest Quarter (1/4) of Section 23; thence North on the North-South Quarter section line, 670.7 feet; thence West on a line parallel with the South line of said Southwest Quarter (1/4), 1651.65 feet to the point of beginning; thence continuing West on a line parallel to the South line of said Southwest Quarter (1/4), 275 feet; thence North along a line forming an angle of 90°01'40", measured counter clockwise from the last described course, 460 feet; thence East on a line parallel to the South line of said Southwest Quarter (1/4), 275 feet; thence South along a line forming an angle of 90°01'40", measured counter clockwise from the last described course, 460 feet to the point of beginning, except the South 60 feet thereof (known as Terminal Drive), containing 110,000 square feet or 2.525 acres of land.

Permanent Index Nos.:

08-23-300-045 and 08-23-300-046

Common Address for this property would be time-consuming and expensive to obtain.

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EXHIBIT B

PERMITTED ENCUMBRANCES

"Permitted Encumbrances" shall mean (i) those liens, encumbrances and other matters affecting title to this Property shown on any title search in respect thereof and found acceptable by the Collateral Agent, (ii) easements, encroachments, covenants, rights of way, minor defects, irregularities or encumbrances on title with respect to property similar in character to this Property and which do not materially impair such Property for the purpose for which it is held by Mortgagor, or the Lien held by the Collateral Agent; provided, however, that if any such encumbrance materially impairs such Property, Petrolane shall have the right to cure such defect by purchasing title insurance in form, substance and amount satisfactory to the Collateral Agent in its sole discretion, (iii) municipal and zoning ordinances, which are not violated by the existing improvements and the present use made by the mortgagor thereof of the Land and Improvements (as defined in the respective Mortgage), (iv) [RIDER B-1 MISSING] (v) Liens permitted under Sections 8.01(i) and (iii) of the Credit Agreement to the extent affecting this Property, and (vi) such other items as the Collateral Agent may reasonably consent to.

County Clerk's Office

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