

MORTGAGE

MORTGAGE dated as of September 7, 1972 from FOO-JIK PROPERTIES CORP. (the "Company"), a Delaware corporation, having an office c/o Hubbard, Westervelt & Mottelay, Inc., 60 East 42nd Street, New York, New York 10017, to THE WESTERN SAVING FUND SOCIETY OF PHILADELPHIA, a Pennsylvania banking corporation, having its principal office at Broad & Chestnut Streets, Philadelphia, Pennsylvania 19107 (the "Mortgagee").

W I T N E S S E T H:

TO SECURE (a) the payment of an indebtedness in the principal amount of \$900,000.00, with interest thereon, as evidenced by an 8-1/4% interim promissory note and any renewal or extension thereof or substitution therefor (the "Interim Note"), of the Company, dated September 12, 1972, to the order of Mortgagee, and maturing on a date (the "Second Closing Date") not later than December 31, 1972, at which time the Interim Note shall be surrendered to and cancelled by the Company upon the issuance of the Term Note hereinafter mentioned, (b) the payment of the principal amount, with interest thereon, and premium, if any, of an 8-1/4% term promissory note (and any renewal or extension thereof or substitution therefor, the "Term Note") of the Company to be issued to the Mortgagee on the Second Closing Date pursuant to the provisions of Section 3.1 or 3.7 of the Note Purchase Agreement (as that term and certain other terms used herein are defined in Article I), (c) the payment of any and all other indebtedness which this Mortgage by its terms secures and (d) the performance of the covenants and agreements contained herein, the Company hereby mortgages and grants to Mortgagee, the retail store properties (collectively the "First Closing Properties" and individually a "First Closing Property") with all buildings, structures and other improvements presently situated or hereafter constructed thereon, more particularly described in Schedule A, together with all furnishings and fixtures therein with any additions or replacements thereof and together with all easements, rights and appurtenances relating thereto; subject, however, to the Leases and such of the Permitted Encumbrances set forth in Schedule A as shall at the time be in effect and applicable to the respective First Closing Properties,