

Paragraph 27

Annual Period Ending December 1 in the Year	Applicable Premium	Annual Period Ending December 1 in the Year	Applicable Premium
1987 and prior thereto	5.000%	1993	2.000%
1988	4.500%	1994	1.500%
1989	4.000%	1995	1.000%
1990	3.500%	1996	.500%
1991	3.000%	1997 and thereafter	.000%
1992	2.500%		

"Assignment" means the assignment of lease and agreement evidenced by the composite Assignment Agreement of even date herewith, among Lessor, as assignor, and the Company, as assignee, and the Lessee, or by a separate or substitute assignment of lease and agreement contemplated by said Assignment Agreement or the Lease, as the same may be amended or supplemented from time to time as permitted thereby, which Assignment relates to the Lease.

"Assignments" has the meaning set forth in the Note Purchase Agreements.

"Assignment of Leases" means the Assignment of Tuffy Leases and Agreement, of even date herewith, among the Lessee, the Lessor, the Company and the Trustees, as the same may be amended or supplemented from time to time as permitted thereby, pursuant to which the Lessee assigns its rights, as lessor, under the Tuffy Leases to Lessor, the Company and the Trustees and agrees to perform all the obligations of the lessor under the Tuffy Leases and pursuant to which the Lessor, the Company and the Trustees will assign to the Lessee the right to collect all rent payable under the Tuffy Leases for so long as no Event of Default has occurred and is continuing under any Tuffy Lease.

"Basic Rent" has the meaning set forth in the Lease.

"business day" means any day other than a Saturday, Sunday or any other day on which banking institutions in New York City are authorized to suspend operations under the laws of New York.

"Capitalized Cost" means, with reference to the Property, the amount specified as the Capitalized Cost thereof on Schedule A hereto.

"Company" has the meaning specified at the beginning of this Mortgage.

"Default" means any event which, with notice or lapse of time, or both, would constitute an Event of Default under this Mortgage.

"Event of Default" under this Mortgage means any occurrence or act of the character specified in paragraph 14.

"Grant" means to grant, bargain, sell, warrant, alien, demise, release, convey, assign, transfer, mortgage, pledge, deposit, set over, confirm and create a security interest, and "Granted" means the past tense of "Grant". A Grant relating to the Lease or any other document shall include, all rights, powers and options (but none of the obligations) of the Granting party thereunder, including, without limitation, the immediate and continuing right to claim for, collect, receive and receipt for rents, insurance proceeds, condemnation awards, purchase prices and all other moneys payable thereunder, to give and receive notices and other communications, to make waivers or other agreements, to exercise all rights and options, to bring Proceedings in the name of the Granting party or otherwise, and generally to do anything which the Granting party is or may be entitled to do thereunder or with respect thereto.

"Granted Property" means the property described in the Granting Clauses of this Mortgage.

"Guarantor" means Arvin Industries, Inc., an Indiana corporation, together with any corporation succeeding thereto by merger, consolidation or acquisition of all or substantially all of its assets.