

4. The Mortgagor will faithfully observe and perform or cause to be observed and performed all the agreements, covenants, obligations and conditions made by or imposed upon it herein and in the Note and in the Indenture and, without limiting the generality of or otherwise affecting its obligations under the foregoing, the Mortgagor covenants and agrees with the Mortgagees that it will punctually pay the principal and interest (and premium, if any) to become due in respect of the Note and the Bonds at the times and places specified therein; that at all times the Mortgaged Premises shall be leased to Gulf Oil Corporation, a Pennsylvania corporation, or any other corporation or individual whose obligations under the Lease are guaranteed by Gulf Oil Corporation, as Lessee, under the Leases hereinabove mentioned, that the Mortgagor will cause to be performed all obligations of it or any lessor under each Lease in accordance with its terms, and will compel performance by the Lessee under each Lease of all its obligations thereunder, that the Mortgagor will cause to be maintained the effectiveness of all assignments to the Mortgagees of the Leases and all rents due thereunder, and will permit no action to be taken which will release the Lessee from its obligations under any Lease or result in the termination or modification of, or impair the validity of, any Lease or of said assignments; that the Mortgagor will cause to be done all things necessary to preserve and keep in full force and effect its existence and franchises as a corporation and its rights to own property and transact business in the States in which the Mortgaged Premises are located, and will cause to be done all things necessary to preserve and keep in full force and effect the existence and franchises of any Subsidiary as a corporation, and the rights of such Subsidiary to own property and transact business in the States in which the Mortgaged Premises are located, and will comply and cause each Subsidiary to comply with all applicable laws and regulations; that the Mortgagor will cause to be paid and discharged all taxes, water and sewer rents and assessments levied upon or assessed against it or any Subsidiary or any of the Mortgaged Premises or upon the rents and profits thereof or arising in respect of the occupancy or possession thereof, which might result in the creation of a lien on any of the Mortgaged Premises or on the rents and profits thereof, and all lawful claims and demands of mechanics, laborers and materialmen which might result in the creation of such a lien; that, unless permitted by the Indenture, the Mortgagor will not own any stock of any other corporation or permit any Subsidiary to own any stock of any other corporation, or dispose of or encumber any stock of any Subsidiary, or dispose of any properties or consolidate with or merge into any other corporation or permit any other corporation to merge into it or permit any Subsidiary to dispose of any properties or to consolidate with or merge into any other corporation or permit any other corporation to merge into any Subsidiary; that unless permitted by the Indenture, the Mortgagor will not, and will not permit any Subsidiary to, borrow any money, guarantee any obligation of any person, firm or corporation or issue any securities, or engage in any business other than that arising out of the ownership and leasing to Gulf Oil Corporation, or any other corporation or individual whose obligations under the Lease are guaranteed by Gulf Oil Corporation, of the Mortgaged Premises under Leases assigned to the Mortgagees; that if pursuant to any provision of any Lease assigned to the Mortgagees, the Lessee shall become obligated to purchase any parcel of the Mortgaged Premises, the Mortgagor will cause all applicable provisions of said Lease to be complied with so that the purchase by the Lessee of said premises shall be duly consummated, and if the Mortgagor shall fail to cause said provisions to be complied with, Mellon National Bank and Trust Company is hereby irrevocably appointed the attorney in fact of the Mortgagor and of any Subsidiary to comply therewith, including without limitation the execution and delivery, in the name of and on behalf of the Mortgagor, of a deed to said premises to the Lessee; that the Mortgagor will keep and cause each Subsidiary to keep correct records reflecting all its financial transactions and will permit Mellon National Bank and Trust Company to examine all the books and records of the Mortgagor or such Subsidiary including copies of all tax returns, will deliver to said Bank copies of all financial reports which the Mortgagor or any Subsidiary shall file with the Securities and Exchange Commission, and will deliver to said Bank within 90 days after the end of each fiscal year, statements of income and surplus of the Mortgagor for such year and for the preceding year and a balance sheet of the Mortgagor as of the end of such year and as of the end of the preceding year, and consolidated statements of income and surplus of the Mortgagor and all Subsidiaries for such year and for the preceding year and a consolidated balance sheet as of the end of such year and as of the end of the preceding year, certified by independent public accountants, together with a copy of any detailed reports as submitted by such accountants; that said Bank must be given notice of the institution of and may participate in any proceedings for the condemnation of any of the Mortgaged Premises, and in the event that any of the Mortgaged Premises is taken in or by any such condemnation proceedings, the award or compensation payable to the Mortgagor or any Subsidiary shall be paid to said Bank except to the extent that the Lessee is entitled to receive any portion thereof under the provisions of any Lease. The term "Subsidiary" as used herein refers to any corporation, all of whose stock except any shares that may be required to qualify directors under any applicable law, is owned by the Mortgagor. The grantee of any deed given by Mellon National Bank and Trust Company as hereinabove provided need not question the authority of said Bank nor see to the application of the proceeds of the purchase of any parcel of the Mortgaged Premises conveyed by any such deed.

5. The Mortgagor will not claim any credit on or make any deduction from the interest or principal hereby secured by reason of the payment of any taxes levied or to be levied upon the real property embraced in this Mortgage during the continuance of the lien hereof, and upon the breach of this covenant, this Mortgage and the Note may become immediately due and payable at the option of the Mortgagees, as hereinafter set forth.

6. The Mortgagor will receive the advances secured hereby and will hold the right to receive such advances as a trust fund to be applied first for the purpose of paying the cost of the improvements and will apply the same first to the payment of the cost of the improvements before using any part of the total of the same for any other purpose.

PROVIDED, NEVERTHELESS, that if the Mortgagor, its successors and assigns, shall pay unto the Mortgagees, their successors and assigns, the full amount due for the principal of the Note together with interest thereon from the date thereof at the rate and on the dates specified in the Note and in the manner specified therein, and until such payment shall pay all other sums payable by the Mortgagor hereunder and under the Note, and shall not permit or suffer any breach of any covenant, agreement or condition herein or in the Note or the Indenture contained, then this Mortgage shall be void and the estate hereby granted shall cease and terminate.

The Mortgagor further covenants and agrees that if it shall fail to pay any taxes, water or sewer rents or assessments, or claims and demands of mechanics, laborers, or materialmen, the Mortgagees, without waiver of any rights or remedies arising from default, may pay such taxes, water and sewer rents and assessments, and such claims and demands, and add the amount so paid, including costs and expenses connected therewith and interest thereon, to the amount of said Note and indebtedness, and the Mortgagees may add to the mortgage debt all costs and expenses which are reasonably necessary for the preservation of the security, whether incurred before or after or during any proceedings for the enforcement of the lien hereof or any other mortgage hereinabove mentioned, and also all costs and expenses paid or incurred in foreclosure or other legal proceedings by the Mortgagees involving the security, and other expenses actually incurred and reasonably necessary for collecting the debt or foreclosing this Mortgage, including a reasonable amount for legal services actually performed, appraisers' fees, stenographers' charges, publication costs and costs of title searches and examinations. Each such disbursement shall be deemed to be an advance made by the Mortgagees to the Mortgagor and the payment of the same shall be secured by and under this Mortgage.

BUT UPON ANY DEFAULT in the performance or observance of the foregoing covenants or if any of the following events (such defaults in covenants and such events being herein termed events of default) should happen, namely: if default shall be made in the payment of any instalment payment on the Note and such default shall continue for a period of ten days, or in any