

Prepared by:

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After recordation return to:

Pepper Hamilton LLP
Hercules Plaza, Suite 5100
1313 Market Street
P.O. Box 1709
Wilmington, DE 19899-1709
Attention: David M. Fournier

(Space above this line for Recorder's use)

**MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY
AGREEMENT AND FINANCING STATEMENT (WITH FIXTURE FILING)**

MORTGAGOR: AMERICAN LAFRANCE, LLC, a Delaware limited liability company

MORTGAGEE: ALF Creditors Trust

MORTGAGOR'S STATE OF ORGANIZATION: Delaware

MORTGAGOR'S ORGANIZATIONAL IDENTIFICATION NO (IF ANY): 4050375

**NOTICE TO RECORDER REGARDING PAYMENT OF DOCUMENTARY STAMP
TAX AND INTANGIBLE TAX:**

This **MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT, AND FINANCING STATEMENT (WITH FIXTURE FILING)**, recorded in Seminole County (this "Mortgage"), encumbers certain real property within Florida, as security for, inter alia, the indebtedness in the principal amount of \$_____ evidenced by the Plan of Reorganization (as defined herein) executed by Mortgagor outside the State of Florida. This Mortgage is the only security document related to the Plan of Reorganization that encumbers any real or personal property located in the State of Florida.

A. Pursuant to Sec. 21 of this Mortgage, the obligations secured hereby are limited to \$_____ and, accordingly, pursuant to Sec. 201.08, Florida Statutes, and Rule 12B-4.053(31)(C), Florida Administrative Code, documentary stamp tax in the amount of \$_____ is being paid on a taxable base equal to that limitation amount.

B. Pursuant to Sec. 199.133, Florida Statutes, and Rule 12C-2.004(2), Florida Administrative Code, nonrecurring intangible tax payable on the Florida Security Documents is being paid in the amount of \$_____ on a taxable base equal to the portion of the indebtedness secured by Florida real property.

C. The entire amount of Florida Documentary Stamp and Intangible Taxes on this Mortgage are being paid upon the recording of this Mortgage in Seminole County, Florida.

Mortgagee's Address is:

ALF Creditors Trust
c/o Daimler Trucks North America LLC
P.O. Box 3849 MP9-EXC
Portland, OR 97208-3849
Attn: Stefan H. Kurschner
Facsimile: 503-745-8188

**MORTGAGE, ASSIGNMENT OF LEASES AND RENTS,
SECURITY AGREEMENT AND FINANCING STATEMENT
(WITH FIXTURE FILING)**

DATED AS OF: _____, 2008

BETWEEN: **AMERICAN LAFRANCE, LLC,**
 a Delaware limited liability company
 1090 Newton Way
 Summerville, South Carolina 29483
 (as "**MORTGAGOR**")

AND: **ALF CREDITORS TRUST**
 a Grantor Trust
 c/o Daimler Trucks North America LLC
 P.O. Box 3849 MP9-EXC
 Portland, OR 97208-3849
 (as "**MORTGAGEE**")

Background

A. Mortgagor, a Delaware limited liability company, executed that certain Third Amended Plan of Reorganization of American LaFrance, LLC (the "Plan of Reorganization") confirmed by the confirmation order entered by the United States Bankruptcy Court District of Delaware in the Chapter 11 proceedings of American LaFrance, LLC, Case No. 08-10178 (BLS).

B. Pursuant to the Plan of Reorganization, the Mortgagor has agreed to secure its obligations under the Plan of Reorganization to Creditors holding Class 4 Allowed General Unsecured Claims (the "Class 4 Claims").

C. Mortgagor is the owner of the fee simple estate in the parcel(s) of real property described on Exhibit A attached hereto (the "Land") and all of the buildings, improvements, structures, and fixtures now or subsequently located on the Land (the "Improvements"; the Land and the Improvements being collectively referred to as the "Real Estate").

D. In order to secure its obligations to Creditors holding the Class 4 Claims under the Plan of Reorganization, Mortgagor has agreed to execute and deliver this **MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FINANCING STATEMENT (WITH FIXTURE FILING)** (as amended, supplemented or otherwise modified from time to time, this "Mortgage").

Granting Clauses

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and intending to be legally bound hereby, Mortgagor agrees that to secure (a) the payment by Mortgagor to Mortgage, for the benefit of holders of Allowed Class 4 Claims under the Plan, of cash equal to 22.5% of the aggregate amount of the Allowed Class 4 Claims

under the Plan of Reorganization; (b) the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Mortgage; (c) the performance of the covenants and agreements of Mortgagor herein contained or contained in the Plan of Reorganization in connection with the treatment provided for Allowed Class 4 Claims, and (d) the payment of all obligations and liabilities of Mortgagor which may arise from time to time to Mortgagee under or in connection with the Plan of Reorganization and the Allowed Class 4 Claims (including, without limitation, all fees and disbursements of counsel to the Mortgagee that are required to be paid by Mortgagor pursuant to the terms of this Mortgage or the Plan or Reorganization) (collectively, the “Indebtedness”).

MORTGAGOR HEREBY GRANTS TO MORTGAGEE A LIEN UPON AND A SECURITY INTEREST IN, AND HEREBY MORTGAGES, WARRANTS, GRANTS, ASSIGNS, TRANSFERS, CONVEYS AND SETS OVER TO MORTGAGEE, FOR THE RATABLE BENEFIT OF THE CREDITORS HOLDING ALLOWED CLASS 4 CLAIMS, AND WITH ALL POWERS OF SALE AND OTHER STATUTORY RIGHTS AND COVENANTS IN THE STATE OF FLORIDA:

(a) the Land;

(b) all right, title and interest Mortgagor now has or may hereafter acquire in and to the Improvements or any part thereof and all the estate, right, title, claim or demand whatsoever of Mortgagor, in possession or expectancy, in and to the Real Estate or any part thereof;

(c) all right, title and interest of Mortgagor in, to and under all easements, rights of way, licenses, operating agreements, abutting strips and gores of land, streets, ways, alleys, passages, sewer rights, waters, water courses, water and flowage rights, development rights, air rights, mineral and soil rights, plants, standing and fallen timber, and all estates, rights, titles, interests, privileges, licenses, tenements, hereditaments and appurtenances belonging, relating or appertaining to the Real Estate, and any reversions, remainders, rents, issues, profits and revenue thereof and all land lying in the bed of any street, road or avenue, in front of or adjoining the Real Estate to the center line thereof;

(d) all right, title and interest of Mortgagor in and to all of the fixtures, chattels, business machines, machinery, apparatus, equipment, furnishings, fittings, appliances and articles of personal property of every kind and nature whatsoever, and all appurtenances and additions thereto and substitutions or replacements thereof (together with, in each case, attachments, components, parts and accessories) currently owned or subsequently acquired by Mortgagor and now or subsequently attached to, or contained in or used or usable in any way in connection with any operation or letting of the Real Estate, including but without limiting the generality of the foregoing, all screens, awnings, shades, blinds, curtains, draperies, artwork, carpets, rugs, storm doors and windows, furniture and furnishings; heating, electrical, and mechanical equipment, lighting, switchboards, plumbing, ventilating, air conditioning and air-cooling apparatus, refrigerating, and incinerating equipment, escalators, elevators, loading and unloading equipment and systems, stoves, ranges, laundry equipment, cleaning systems (including window cleaning apparatus), telephones, communication systems (including satellite dishes and antennae), televisions, computers, sprinkler systems and other fire prevention and

extinguishing apparatus and materials, security systems, motors, engines, machinery, pipes, pumps, tanks, conduits, appliances, fittings and fixtures of every kind and description (all of the foregoing in this paragraph (d) being referred to as the “Equipment”);

(e) all right, title and interest of Mortgagor in and to all substitutes and replacements of, and all additions and improvements to, the Real Estate and the Equipment, subsequently acquired by or released to Mortgagor or constructed, assembled or placed by Mortgagor on the Real Estate, immediately upon such acquisition, release, construction, assembling or placement, including, without limitation, any and all building materials whether stored at the Real Estate or offsite, and, in each such case, without any further deed, conveyance, assignment or other act by Mortgagor (all of the foregoing in this paragraph (e) being referred to as the “Replacements”);

(f) all right, title and interest of Mortgagor in, to and under all leases, subleases, underlettings, concession agreements, management agreements, licenses and other agreements relating to the use or occupancy of the Real Estate or the Equipment or any part thereof, now existing or subsequently entered into by Mortgagor and whether written or oral and all guarantees of any of the foregoing (collectively, as any of the foregoing may be amended, restated, extended, renewed or modified from time to time, the “Leases”), and all rights of Mortgagor in respect of cash and securities deposited thereunder and the right to receive and collect the revenues, income, rents, issues and profits thereof, together with all other rents, royalties, issues, profits, revenue, income and other benefits arising from the use and enjoyment of the Mortgaged Property (as defined below) (collectively, the “Rents”);

(g) all right, title and interest of Mortgagor in and to all unearned premiums under insurance policies now or subsequently obtained by Mortgagor relating to the Real Estate or Equipment and Mortgagor’s interest in and to all proceeds of any such insurance policies (including title insurance policies) including the right to collect and receive such proceeds, subject to the provisions relating to insurance generally set forth below; and all awards and other compensation, including the interest payable thereon and the right to collect and receive the same, made to the present or any subsequent owner of the Real Estate or Equipment for the taking by eminent domain, condemnation or otherwise, of all or any part of the Real Estate or any easement or other right therein;

(h) to the extent not prohibited under the applicable contract, consent, license or other item unless the appropriate consent has been obtained, all right, title and interest of Mortgagor in and to (i) all contracts from time to time executed by Mortgagor or any manager or agent on its behalf relating to the ownership, construction, maintenance, repair, operation, occupancy, sale or financing of the Real Estate or Equipment or any part thereof and all agreements and options relating to the purchase or lease of any portion of the Real Estate or any property which is adjacent or peripheral to the Real Estate, together with the right to exercise such options and all leases of Equipment, (ii) all consents, licenses, building permits, certificates of occupancy and other governmental approvals relating to construction, completion, occupancy, use or operation of the Real Estate or any part thereof, and (iii) all drawings, plans, specifications and similar or related items relating to the Real Estate;

(i) all personal property of Mortgagor related to the Real Estate and/or related to all tangible and intangible personal property utilized in Mortgagor's operations conducted from the Real Estate, including the following, all whether now owned or hereafter acquired or arising and wherever located: (i) accounts (including, but not limited to, health care insurance receivables and credit card receivables); (ii) securities entitlements, securities accounts, commodity accounts, commodity contracts and investment property; (iii) deposit accounts; (iv) instruments (including promissory notes); (v) documents (including chattel receipts); (vi) chattel paper (including electronic chattel paper and tangible chattel paper); (vii) inventory, including raw materials, work in process, or materials used or consumed in Borrower's businesses, items held for sale or lease or furnished or to be furnished under contracts of service, sale or lease, goods that are returned, reclaimed or repossessed; (viii) goods of every nature, including stock-in-trade, goods on consignment, standing timber that is to be cut and removed under a conveyance or contract for sale, crops grown, growing or to be grown, manufactured homes, computer programs embedded in such goods and farm products; (ix) letter of credit rights; (x) general intangibles of every kind and description, including payment intangibles, software, computer information, source codes, object codes, records and data, all existing and future customer lists, choses in action, claims (including claims for indemnification or breach of warranty), books, records, patents and patent applications, copyrights, trademarks, tradenames, tradestyles, trademark applications, goodwill, blueprints, drawings, designs and plans, trade secrets, contracts, licenses, license agreements, formulae, tax and any other types of refunds, returned and unearned insurance premiums, rights and claims under insurance policies; (xi) all supporting obligations of all the foregoing property; (xii) all cash and cash equivalents thereof; and (xiii) all cash and noncash proceeds (including insurance proceeds) of all of the foregoing property, all products thereof and all additions and accessions thereto, substitutions therefore and replacements thereof; and

(j) all proceeds, both cash and noncash, of the foregoing.

(All of the foregoing property and rights and interests now owned or held or subsequently acquired by Mortgagor and described in the foregoing clauses (a) through (c) are collectively referred to as the "Premises", and those described in the foregoing clauses (a) through (j) are collectively referred to as the "Mortgaged Property").

TO HAVE AND TO HOLD the Mortgaged Property and the rights and privileges hereby mortgaged unto Mortgagee, its successors and assigns for the uses and purposes set forth, until the Indebtedness are fully paid and performed, provided, however, that the condition of this Mortgage is such that if the Indebtedness are fully paid and performed, then the estate hereby granted shall cease, terminate and become void but shall otherwise remain in full force and effect.

1. **Defined Terms.** Capitalized terms used and not otherwise defined herein shall have the meanings ascribed thereto in the Plan of Reorganization. References to this "Mortgage" shall mean this instrument and any and all renewals, modifications, amendments, supplements, extensions, consolidations, substitutions, spreaders and replacements of this instrument.

2. **Warranty of Title.** Mortgagor warrants that it has good and marketable record title in fee simple to the Real Estate, and good and valid title to the rest of the Mortgaged Property. Mortgagor shall warrant, defend and preserve such title and the lien of this Mortgage against all claims of all Persons. Mortgagor represents and warrants that it has the right to mortgage the Mortgaged Property. To Mortgagor's best knowledge, all of the Improvements lie within the boundaries of the Land.

3. **Payment of Indebtedness.** Mortgagor shall pay and perform the Indebtedness at the times and places and in the manner specified in the Plan of Reorganization.

4. **Requirements.** Mortgagor shall comply with all federal, state, local and foreign laws and regulations applicable to it.

5. **Taxes and Assessments: Liens and Claims.**

(a) **Payment.** Mortgagor shall pay, before the same become delinquent, all taxes and assessments against the Property and all claims and demands arising from Mortgagor's use or occupancy of the Property, or for work done on or for services rendered or material furnished to the Mortgaged Property, subject to Mortgagor's right to contest the same by appropriate action or proceeding. Evidence of payment of taxes will be submitted to Mortgagee on request, not more frequently than annually.

(b) **Protection of the Property.** Mortgagor agrees not to permit any lien, or charge prior to the lien or charge of this Mortgage to be imposed upon or to exist against the Property without first obtaining the consent of the Mortgagee, which shall not be unreasonably withheld, conditioned or delayed, and subject in all respects to Mortgagor's right to contest liens as permitted in subsection (c) below.

(c) **Mortgagor's Right to Contest.** Mortgagor may withhold payment of any taxes, assessments, claims or demands or may elect to contest any lien if Mortgagor is in good faith conducting appropriate action or proceedings to contest the obligation to pay and so long as Mortgagee's interest in the Property is not jeopardized.

6. **Insurance.**

(a) Mortgagor shall obtain and maintain at all times throughout the term of this Mortgage the following insurance: (i) comprehensive general public liability insurance covering all operations of Mortgagor; (ii) "All-Risk" fire and extended coverage hazard insurance (non-reporting Commercial Property Policy with Special Cause of Loss form) covering the Mortgaged Property, as applicable, in an aggregate amount not less than 100% of the agreed upon full insurable replacement value of the applicable Mortgaged Property, including coverage for loss of rents or business interruption, if applicable; (iii) during the course of any construction, reconstruction, remodeling or repair of any Improvements, builders' all-risk extended coverage insurance (non-reporting Completed Value with Special Cause of Loss form) in amounts based upon the completed replacement value of the Improvements (excluding roads, foundations, parking areas, paths, walkways and like improvements) and endorsed to provide that occupancy by any person shall not void such coverage; (iv) if the Property is required to be insured pursuant to the National Flood Insurance Reform Act of 1994, and the regulations

promulgated thereunder, flood insurance in an amount at least equal to the lesser of the agreed upon full insurable replacement value of the applicable Mortgaged Property (less any value attributable to the Land) or the maximum limit of coverage available; (v) insurance which complies with the workers' compensation and employers' liability laws of all states in which Mortgagor shall be required to maintain such insurance; and (vi) such other insurance as Mortgagee may reasonably require.

(b) Each insurance policy required under this Section shall: (i) be written by an insurance company acceptable to Mortgagee and authorized or licensed to do business in the state within which the Mortgaged Property; (ii) be for terms of a least one year, with premium prepaid; (iii) be subject to the reasonable approval of Mortgagee as to insurance companies, amounts (provided, however, such amounts shall not be less than (1) \$1,000,000 per occurrence and \$2,000,000 in the aggregate for liability coverage and/or (2) the amount required under any Lease, content, forms of policies and expiration dates; and (iv) name Mortgagee, its successors and assigns: (1) as an additional insured under all liability insurance policies, and (2) as the first mortgagee, under a standard non-contributory mortgagee clause, on all property insurance policies and all loss of rents or loss of business income insurance policies.

(c) Mortgagor further agrees that each insurance policy: (i) shall provide at least thirty (30) days' prior written notice to Mortgagee prior to any policy reduction or cancellation for any reason; (ii) shall contain an endorsement or agreement by the insurer that any loss shall be payable to Mortgagee in accordance with the terms of such policy notwithstanding any act or negligence of Mortgagor that might otherwise result in forfeiture of such insurance; (iii) shall waive all rights of setoff, counterclaim, deduction or subrogation against Mortgagor; and (iv) shall exclude Mortgagee from the operation of any coinsurance clause.

(d) At least thirty (30) days prior to the expiration of any insurance policy, Mortgagor shall furnish evidence satisfactory to Mortgagee that such policy has been renewed or replaced or is no longer required.

(e) Notwithstanding the foregoing, in the event that Mortgagor fails to maintain insurance in accordance with this Section, and Mortgagee elects to obtain insurance to protect its interests hereunder, Mortgagee may obtain insurance in any amount and of any type Mortgagee deems appropriate to protect Mortgagee's interest only and Mortgagee shall have no duty or obligation to Mortgagor to maintain insurance in any greater amount or of any other type for the benefit of Mortgagor. All insurance premiums incurred or paid by Mortgagee shall be at Mortgagor's sole cost and expense. Mortgagee's election to obtain insurance shall not be deemed to waive any Event of Default (as hereinafter defined) hereunder.

7. Damage, Destruction and Condemnation

(a) If all or any part of the Mortgaged Property shall be damaged or destroyed, or if title to or the temporary use of the whole or any part of the Mortgaged Property shall be taken or condemned by a competent authority for any public or quasi-public use or purpose, there shall be no abatement or reduction in the amounts payable by Mortgagor under the Plan or Reorganization and Mortgagor shall continue to be obligated to make such payments.

(b) If all or any part of the Mortgaged Property is partially or totally damaged or destroyed, Mortgagor shall give prompt notice thereof to Mortgagee, and Mortgagee may make proof of loss if not made promptly by Mortgagor. Mortgagor hereby authorizes and directs any affected insurance company to make payment under such insurance, including return of unearned premiums, to Mortgagee instead of to Mortgagor and Mortgagee jointly, and Mortgagor appoints Mortgagee as Mortgagor's attorney-in-fact to endorse any draft thereof, which appointment, being for security, is coupled with an interest and irrevocable. Mortgagee is hereby authorized and empowered by Mortgagor to settle, adjust or compromise, in consultation with Mortgagor, any claims for loss, damage or destruction to the Mortgaged Property. Mortgagor shall pay all costs of collection of insurance proceeds payable on account of such damage or destruction. Mortgagor shall have no claim against the insurance proceeds, or be entitled to any portion thereof, and all rights to the insurance proceeds are hereby assigned to Mortgagee as security for payment of the Obligations. Mortgagee shall have the option, in its sole discretion, of paying or applying all or any part of the insurance proceeds to: (i) reduction of the Indebtedness; or (ii) restoration, replacement or repair of the Mortgaged Property in accordance with Mortgagee's standard construction loan disbursement conditions and requirements.

(c) Immediately upon obtaining knowledge of the institution of any proceeding for the condemnation of all or any part of the Mortgaged Property, Mortgagor shall give notice to Mortgagee. Mortgagor shall, at its sole cost and expense, diligently prosecute any such proceeding and shall consult with Mortgagee, its attorneys and experts, and shall cooperate with it in the defense of any such proceeding. Mortgagee may participate in any such proceeding and Mortgagor shall from time to time deliver to Mortgagee all instruments requested by it to permit such participation. Mortgagor shall not, without Mortgagee's prior written consent, enter into any agreement (i) for the taking or conveyance in lieu thereof of all or any part of the Mortgaged Property, or (ii) to compromise, settle or adjust any such proceeding. All awards and proceeds of condemnation are hereby assigned to Mortgagee, and Mortgagor, upon request by Mortgagee, agrees to make, execute and deliver any additional assignments or documents necessary from time to time to enable Mortgagee to collect the same. Such awards and proceeds shall be paid or applied by Mortgagee, in its sole discretion, to: (i) reduction of the Obligations; (ii) restoration, replacement or repair of the Property in accordance with Mortgagee's standard construction loan disbursement conditions and requirements or (iii) Mortgagor.

(d) Nothing herein shall relieve Mortgagor of its duty to repair, restore, rebuild or replace the Mortgaged Property following damage or destruction or partial condemnation if no or inadequate insurance proceeds or condemnation awards are available to defray the cost of repair, restoration, rebuilding or replacement.

8. **Transfer.** Mortgagor shall not sell, assign, convey, further encumber or otherwise transfer or agree to transfer the Property or any material portion thereof or any material interest therein, except as otherwise expressly provided in the Plan of Reorganization.

9. **Satisfaction and Release.** Upon satisfaction of the Indebtedness, if Mortgagor has paid all of the Indebtedness (if any), Mortgagee shall execute and deliver to Mortgagor a good and sufficient satisfaction and release of this Mortgage in accordance with

Chapter 701, Florida Statutes, and authorizes the filing of all termination statements filed under the Florida Uniform Commercial Code with respect to the Mortgaged Property.

10. **Further Assurances.** To further assure Mortgagee's rights under this Mortgage, Mortgagor agrees promptly upon demand of Mortgagee to do any act or execute any additional documents (including, but not limited to, security agreements on any personalty included or to be included in the Mortgaged Property and a separate assignment of each Lease in recordable form) as may be reasonably required by Mortgagee to confirm the lien of this Mortgage and all other rights or benefits conferred on Mortgagee by this Mortgage.

11. **Mortgagee's Right to Perform.** If Mortgagor fails to perform any of the covenants or agreements of Mortgage, Mortgagee, without waiving or releasing Mortgagor from any obligation or default under this Mortgage, may, at any time upon TEN (10) days' written notice to Mortgagor (but shall be under no obligation to) pay or perform the same, and the amount or cost thereof, with interest at the rate equal to _____% per annum (the "**Default Rate**"), immediately be due from Mortgagor to Mortgagee and the same shall be secured by this Mortgage and shall be a lien on the Mortgaged Property prior to any right, title to, interest in, or claim upon the Mortgaged Property attaching subsequent to the lien of this Mortgage. No payment or advance of money by Mortgagee under this **Section 11** shall be deemed or construed to cure Mortgagor's default or waive any right or remedy of Mortgagee.

12. **Events of Default and Remedies.**

(a) The occurrence of any one or more of the following events shall constitute an "**Event of Default**" hereunder: (a) any event of default or default under the Plan of Reorganization or any documents related thereto; (b) the Mortgagor's failure to perform any of its obligations under this Mortgage; (c) falsity, material inaccuracy or material breach by the Mortgagor of any written warranty, representation or statement made or furnished to the Mortgagee by or on behalf of the Mortgagor; (d) an uninsured material loss, theft, damage, or destruction to any of the Mortgaged Property, or the entry of any judgment against the Mortgagor or any lien against or the making of any levy, seizure or attachment of or on the Mortgage Property; (e) the Mortgagee's failure to have a mortgage lien on the Mortgage Property with the priority required hereunder; (f) seizure or forfeiture of any of the Mortgaged Property resulting from Mortgagor's criminal wrongdoing; (g) foreclosure proceedings are instituted against the Mortgaged Property upon any other lien or claim, whether alleged to be superior or junior to the lien of this Mortgage; (h) the Mortgagor's failure to pay any impositions as required hereunder, or to maintain in full force and effect any insurance required hereunder or (i) the failure by Mortgagor to pay the full 22.5% dividend to holders of Allowed Class 4 Claims within 15 months of the Plan Effective Date as provided under the Plan.

(b) Upon the occurrence and during the continuance of any Event of Default, Mortgagee may immediately take such action, without notice or demand, as it deems advisable to protect and enforce its rights against Mortgagor and in and to the Mortgaged Property, including, but not limited to, the following actions, each of which may be pursued concurrently or otherwise, at such time and in such manner as Mortgagee may determine, in its sole discretion, without impairing or otherwise affecting the other rights and remedies of Mortgagee:

(i) Mortgagee may, to the extent permitted by applicable law, (A) institute and maintain an action of mortgage foreclosure against all or any part of the Mortgaged Property, (B) institute and maintain an action on the Plan of Reorganization, in one or more actions which may be primary or for a deficiency, (C) sell all or part of the Mortgaged Property (Mortgagor expressly granting to Mortgagee the power of sale), or (D) take such other action at law or in equity for the enforcement of this Mortgage or the Plan of Reorganization as the law may allow, including any statutory power of sale. Mortgagee may proceed in any such action to final judgment and execution thereon for all sums due hereunder, together with interest thereon at the Default Rate and all costs of suit, including, without limitation, reasonable attorneys' fees and disbursements. Interest at the lesser of (x) the Default Rate or (y) the highest rate of interest which Mortgagor may by law pay or Mortgagee may by law charge and collect, shall be due on any judgment obtained by Mortgagee from the date of judgment until actual payment is made of the full amount of the judgment; and

(ii) Mortgagee may personally, or by its agents, attorneys and employees and without regard to the adequacy or inadequacy of the Mortgaged Property or any other collateral as security for the Indebtedness enter into and upon the Mortgaged Property and each and every part thereof, and take possession thereof, and exclude Mortgagor and its agents and employees therefrom without liability for trespass, damage or otherwise (Mortgagor hereby agreeing to surrender possession of the Mortgaged Property to Mortgagee upon demand at any such time) and use, operate, manage, maintain and control the Mortgaged Property and every part thereof. Following such entry and taking of possession, Mortgagee shall be entitled, without limitation, (x) to lease all or any part or parts of the Mortgaged Property for such periods of time and upon such conditions as Mortgagee may, in its discretion, deem proper, (y) to enforce, cancel or modify any lease and (z) generally to execute, do and perform any other act, deed, matter or thing concerning the Mortgaged Property as Mortgagee shall deem appropriate as fully as Mortgagor might do.

(c) In case of a foreclosure sale, the Premises and Equipment may be sold, at Mortgagee's election, in one parcel or in more than one parcel and Mortgagee is specifically empowered (without being required to do so, and in its sole and absolute discretion) to cause successive sales of portions of the Mortgaged Property to be held. At the election of Mortgagee, the Mortgaged Property may be offered first in parcels and then as a whole, the offer producing the highest price for the entire property offered to prevail. Mortgagor hereby waives any right to require any such sale to be made.

(d) In the event of any breach of any of the covenants, agreements, terms or conditions contained in this Mortgage, Mortgagee shall be entitled to enjoin such breach and obtain specific performance of any covenant, agreement, term or condition and Mortgagee shall have the right to invoke any equitable right or remedy as though other remedies were not provided for in this Mortgage.

(e) It is agreed that if an Event of Default shall occur and be continuing; at any time at the Mortgagee's election, the Mortgagee may apply all or any part of proceeds of the Mortgaged Property in payment of the Indebtedness as provided in the Plan of Reorganization. Any balance of such proceeds remaining after the Indebtedness shall have been

paid in full, and all conditions of the Plan of Reorganization have been met, shall be paid in accordance with the Plan of Reorganization.

13. **Right of Mortgagee to Credit Sale.** Upon the occurrence of any sale made under this Mortgage, whether made under the power of sale or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale, Mortgagee may bid for and acquire the Mortgaged Property or any part thereof. In lieu of paying cash therefor, Mortgagee may make settlement for the purchase price by crediting upon the Indebtedness or other sums secured by this Mortgage, the net sales price after deducting therefrom the expenses of sale and the cost of the action and any other sums which Mortgagee is authorized to deduct under this Mortgage. In such event, this Mortgage and documents evidencing expenditures secured hereby may be presented to the person or persons conducting the sale in order that the amount so used or applied may be credited upon the Indebtedness as having been paid.

14. **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, unless otherwise required by applicable law, and without regard to the adequacy or inadequacy of the Mortgaged Property or any other collateral or the interest of Mortgagor therein as security for the Indebtedness, shall have the right to apply to any court having jurisdiction to appoint a receiver or receivers of the Mortgaged Property, without requiring the posting of a surety bond, and without reference to the adequacy or inadequacy of the value of the Mortgaged Property or the solvency or insolvency of Mortgagor or any other party obligated for payment of all or any part of the Indebtedness, and whether or not waste has occurred with respect to the Mortgaged Property, and Mortgagor hereby irrevocably consents to such appointment and waives notice of any application therefor (except as may be required by law). 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 this Mortgage, including, without limitation and to the extent permitted by law, the right to enter into leases of all or any part of the Mortgaged Property, and shall continue as such and exercise all such powers until the date of confirmation of sale of the Mortgaged Property unless such receivership is sooner terminated.

15. **Extension, Release, etc.**

(a) Without affecting the lien or charge of this Mortgage upon any portion of the Mortgaged Property not then or theretofore released as security for the full amount of the Indebtedness, Mortgagee may, from time to time and without notice to Mortgagor or any other Person obligated hereunder, (i) release any person liable for the Indebtedness, (ii) release or reconvey, or cause to be released or reconveyed at any time at Mortgagee's option any parcel, portion or all of the Mortgaged Property, (iii) take or release any other or additional security for any obligation herein mentioned, or (iv) make compositions or other arrangements with debtors in relation thereto.

(b) No recovery of any judgment by Mortgagee and no levy of an execution under any judgment upon the Mortgaged Property or upon any other property of Mortgagor or any other security for the Indebtedness shall affect the lien of this Mortgage or any liens, rights, powers or remedies of Mortgagee hereunder, and such liens, rights, powers and remedies shall continue unimpaired.

(c) If Mortgagee shall have the right to foreclose this Mortgage or to direct a power of sale, Mortgagor authorizes Mortgagee at its option to foreclose the lien of this Mortgage (or direct the sale of the Mortgaged Property, as the case may be) subject to the rights of any tenants of the Mortgaged Property. The failure to make any such tenants parties defendant to any such foreclosure proceeding and to foreclose their rights, or to provide notice to such tenants as required in any statutory procedure governing a sale of the Mortgaged Property, or to terminate such tenant's rights in such sale will not be asserted by Mortgagor as a defense to any proceeding instituted by Mortgagee to collect the Indebtedness or to foreclose the lien of this Mortgage.

(d) Unless expressly provided otherwise, in the event that ownership of this Mortgage and title to the Mortgaged Property or any estate therein shall become vested in the same person or entity, this Mortgage shall not merge in such title but shall continue as a valid lien on the Mortgaged Property for the amount secured hereby.

16. **Security Agreement under Uniform Commercial Code.**

(a) In addition to being a real property mortgage, it is the intention of the parties hereto that this Mortgage shall constitute a "security agreement" within the meaning of the Uniform Commercial Code (the "Code") of the State of Florida. If an Event of Default shall occur and be continuing, then in addition to having any other right or remedy available at law or in equity, Mortgagee shall have the option of either (i) proceeding under the Code and exercising such rights and remedies as may be provided to a secured party by the Code with respect to all or any portion of the Mortgaged Property which is personal property (including, without limitation, taking possession of and selling such property) or (ii) treating such property as real property and proceeding with respect to both the real and personal property constituting the Mortgaged Property in accordance with Mortgagee's rights, powers and remedies with respect to the real property (in which event the default provisions of the Code shall not apply). If Mortgagee shall elect to proceed under the Code, then **TEN (10)** days' notice of sale of the personal property shall be deemed reasonable notice and the reasonable expenses of retaking, holding, preparing for sale, selling and the like incurred by Mortgagee shall include, but not be limited to, attorneys' fees and legal expenses. At Mortgagee's request, Mortgagor shall assemble the personal property and make it available to Mortgagee at a place designated by Mortgagee that is reasonably convenient to both parties.

(b) Mortgagor and Mortgagee agree, to the extent permitted by law, that: (i) all of the goods described within the definition of the word "Equipment" are or are to become fixtures on the Real Estate; (ii) this Mortgage upon recording or registration in the real estate records of the proper office shall constitute a financing statement filed as a "fixture filing" within the meanings of Sections 679.334 and 679.5021 of the Code; (iii) Mortgagor is the record owner of the Land; (iv) the addresses of Mortgagor and Mortgagee are as set forth on the first page of this Mortgage; (v) Mortgagor is the "Debtor" and Mortgagee is the "Secured Party" for purposes of the Code; and (vi) Mortgagor's Organizational Identification Number is 4050375 and its Employer Identification Number is 20-3680664.

(c) Mortgagor's execution of this Mortgage constitutes an authentication pursuant to the Code of the security agreement contained herein, thereby

authorizing Mortgagee to file and record such financing statements, amendments and other Code forms as may be necessary or appropriate to establish and maintain the priority of its lien and security interests created under this Mortgage. In addition to and without limiting the foregoing, Mortgagor hereby irrevocably appoints Mortgagee as its attorney-in-fact, coupled with an interest to execute in the name of and on behalf of Mortgagor (if required) or in its own name, if applicable under the Code, and to file and record any and all such financing statements, amendments, continuations and other instruments or documents in the appropriate public office(s) in the state of Florida or such other jurisdictions as Mortgagee may deem necessary or appropriate to establish and maintain the priority of its lien and security interests created under this Mortgage.

17. **Assignment of Rents.**

(a) Mortgagor hereby assigns to Mortgagee the Rents as further security for the payment of and performance of the Indebtedness, and Mortgagor grants to Mortgagee the right to enter the Mortgaged Property for the purpose of collecting the same and to let the Mortgaged Property or any part thereof, and to apply the Rents on account of the Indebtedness. The foregoing assignment and grant is present and absolute and shall continue in effect until the Indebtedness are fully paid and performed, but Mortgagee hereby waives the right to enter the Mortgaged Property for the purpose of collecting the Rents and Mortgagor shall be entitled to collect, receive, use and retain the Rents until the occurrence and continuance of an Event of Default. Such right of Mortgagor to collect, receive, use and retain the Rents may be revoked by Mortgagee upon the occurrence and during the continuance of any Event of Default under this Mortgage upon notice to tenants; in the event such notice is given, Mortgagor shall pay over to Mortgagee, or to any receiver appointed to collect the Rents, any lease security deposits. Mortgagor shall not accept prepayments of installments of Rent to become due for a period of more than one month in advance (except for security deposits and estimated payments of percentage rent expressly provided under the applicable Lease to be paid in advance, if any).

(b) Except for any matter disclosed in the Plan of Reorganization, no action has been brought or, so far as is known to Mortgagor, is threatened, which would interfere in any way with the right of Mortgagor to execute the foregoing assignment and perform all of Mortgagor's obligations contained in this Section 17 and in the Leases.

18. **Last Dollars Secured; Priority.** This Mortgage secures only a portion of the indebtedness owing or which may become owing by Mortgagor as described in the Plan of Reorganization. The parties agree that any payments or repayments of such indebtedness shall be and be deemed to be applied first to the portion of the indebtedness that is not secured hereby, it being the parties' intent that the portion of the indebtedness last remaining unpaid shall be secured hereby. If at any time this Mortgage shall secure less than all the principal amount of the Indebtedness, it is expressly agreed that any repayments of the principal amount of the Indebtedness shall not reduce the amount of the lien of this Mortgage until the lien amount shall equal the principal amount of the Indebtedness outstanding.

19. **MAXIMUM SECURED AMOUNT OF FUTURE ADVANCES.**
NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, MORTGAGOR HEREBY ACKNOWLEDGES AND AGREES THAT THE

INDEBTEDNESS SECURED BY THIS MORTGAGE INCLUDES, AND THAT THIS MORTGAGE IS GIVEN TO SECURE, NOT ONLY THE EXISTING INDEBTEDNESS BUT ALSO (i) SUCH FUTURE ADVANCES AS ARE MADE BY MORTGAGEE TO OR FOR THE BENEFIT OF MORTGAGOR, WHETHER SUCH ADVANCES ARE OBLIGATORY, MADE PURSUANT TO THE PLAN OF REORGANIZATION OR OTHERWISE AT THE OPTION OF MORTGAGEE, AS ARE MADE WITHIN TWENTY (20) YEARS FROM THE DATE HEREOF (OR WITHIN SUCH LESSER PERIOD OF TIME AS MAY BE PROVIDED HEREAFTER BY APPLICABLE LAW AS A PREREQUISITE FOR THE SUFFICIENCY OF ACTUAL NOTICE OR RECORD NOTICE OF THE OPTIONAL FUTURE OR ADDITIONAL ADVANCES AS AGAINST THE RIGHTS OF CREDITORS OR SUBSEQUENT PURCHASERS FOR VALUABLE CONSIDERATION), TO THE SAME EXTENT, AND HAVING THE SAME PRIORITY, AS IF SUCH FUTURE ADVANCES WERE MADE ON THE DATE OF THE EXECUTION OF THIS MORTGAGE. THE TOTAL AMOUNT OF THE PRINCIPAL INDEBTEDNESS THAT MAY BE SO SECURED MAY DECREASE OR INCREASE FROM TIME TO TIME, BUT THE TOTAL UNPAID BALANCE SO SECURED, INCLUDING FUTURE ADVANCES, AT ANY ONE TIME SHALL NOT EXCEED \$_____ PLUS INTEREST THEREON, AND ANY DISBURSEMENTS MADE FOR THE PAYMENT OF TAXES, LEVIES OR INSURANCE ON THE PROPERTY COVERED BY THIS MORTGAGE, WITH INTEREST ON THOSE DISBURSEMENTS. NOTHING HEREIN SHALL OBLIGATE MORTGAGEE TO MAKE SUCH FUTURE ADVANCES OR ADDITIONAL LOANS. ALL NOTICES OF LIMITATION OF FUTURE ADVANCES PROVIDED IN ACCORDANCE WITH THE PROVISIONS OF SECTION 697.04, FLORIDA STATUTES, SHALL BE PROVIDED TO THE MORTGAGEE AT THE MORTGAGEE'S ADDRESS SPECIFIED IN THE PREAMBLE TO THIS MORTGAGE OR AT SUCH OTHER ADDRESS AS PROVIDED BY MORTGAGEE TO MORTGAGOR IN WRITING.

20. **Additional Amounts Secured.** In addition to the principal amount of the Indebtedness hereby secured, and the other sums described above, this Mortgage secures unpaid balances of advances made, with respect to the Premises, for the payment of taxes, assessments, maintenance charges, insurance premiums or costs incurred for the protection of the Premises or the lien of this Mortgage (including attorneys' fees and costs of suit, if any), expenses incurred by Mortgagee by reason of default by Mortgagor under this Mortgage (including attorney's fees and costs of suit, if any).

21. **Limitation on Amounts Secured.** NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, THE OBLIGATIONS SECURED HEREBY SHALL BE LIMITED TO AN AMOUNT NOT EXCEEDING \$_____ IN PRINCIPAL PLUS ALL COSTS OF ENFORCEMENT AND COLLECTION OF THE AMOUNTS DUE MORTGAGEE UNDER THE MORTGAGE, PLUS ANY ADVANCES MADE BY THE MORTGAGEE TO PROTECT THE PROPERTY AND THE MORTGAGEE'S INTEREST THEREIN, TOGETHER WITH INTEREST ON ALL OF THE FOREGOING IN ACCORDANCE WITH THE MORTGAGE, PROVIDED THAT THE FOREGOING LIMITATION SHALL APPLY ONLY TO THE RIGHTS CREATED BY THE MORTGAGE AND SHALL NOT IN ANY MANNER LIMIT, AFFECT OR IMPAIR ANY GRANT OF A SECURITY INTEREST

OR OTHER RIGHT HERETOFORE OR HEREAFTER GRANTED IN FAVOR OF THE MORTGAGEE PURSUANT TO THE PROVISIONS OF THE PLAN OF REORGANIZATION.

22. **Changes in Tax, Debt, Credit, and Documentary Stamp Laws.** If any law is enacted or adopted or amended after the date of this Mortgage which deducts the Indebtedness from the value of the Mortgaged Property for the purpose of taxation or which imposes a tax, either directly or indirectly, on the Indebtedness or the Creditors' interest in the Mortgaged Property, Mortgagor will pay the tax, with interest and penalties thereon, if any; and if at any time the United States of America, any state thereof or any subdivision of any such state shall require revenue or other stamps to be affixed to this Mortgage or impose any other tax or charge on the same, Mortgagor will pay for the same, with all interest and penalties thereon.

23. **Miscellaneous.**

(a) **Hazardous Materials.** Mortgagor hereby agrees to indemnify and hold harmless Mortgagee from all loss, liability, damage, cost and expense, including reasonable attorney's fees, in connection with any claim or lien relating to Mortgagor's use, treatment, storage, generation, release, spill, disposal, transport or other handling of any hazardous or toxic wastes, materials, or substances, or any failure of Mortgagor to comply in all material respects with the "**Environmental Requirements**" (as defined below), or any costs incurred by Mortgagee for removal or clean-up of any hazardous wastes, materials, or substances on the Property to the extent caused by Mortgagor or its assigns, contractors, employees or invitees. The provisions hereof shall survive payoff, release, or foreclosure of this Mortgage. The term "**Environmental Requirements**" include, without limitations, the Federal Comprehensive Environmental Response, Compensation and Liability Act ("**CERCLA**"), any other applicable federal statutes, any applicable state statutes and local ordinances, or any amendments thereto dealing with cleanup or removal of toxic or hazardous wastes or substances. As used herein, "toxic" or "hazardous" wastes, substances or materials shall be interpreted broadly to include, but not to be limited to, wastes, substances, and materials designated as toxic, hazardous, or dangerous under the Federal Resource Conservation and Recovery Act, the Federal Water Pollution Control Act, the Federal Clean Air Act, CERCLA, any so-called "Superfund" or "Superlien" law, or any other federal, state, or local law, rule, or regulation pertaining to environmental regulation, contamination, or cleanup.

(b) **No Offset.** Mortgagor's obligation to make payments and perform all obligations, covenants, and warranties under this Mortgage and under the Plan of Reorganization in favor of Mortgagee shall be absolute and unconditional and shall not be affected by any circumstances, including without limitation any setoff, counterclaim, abatement, suspension, recoupment, deduction, defense, or other right which Mortgagor or any guarantor may have or claim against Mortgagee or any of the Creditors.

(c) **Counterparts.** This instrument may be executed in counterparts and/or the signature pages for a signatory may be signed on separate counterpart signature pages, all of which executed counterparts or executed counterpart signature pages shall together constitute a single instrument. Signature pages may be detached from the counterpart and attached to a single original counterpart of this instrument to physically form one instrument.

(d) Cross-Defaulted Documents. This Mortgage and the Plan of Reorganization (the "Cross-Defaulted Documents") shall be, and hereby are, fully cross-defaulted. Any default under any of the Cross-Defaulted Documents will be, and is, a default under each and every one of the Cross-Defaulted Documents.

24. **Notices**.

(a) **Notices**. Any notice under this Mortgage shall be in writing. Any notice given under this Mortgage shall be considered complete on the earlier of (a) three days after the date the notice is sent by United States mail, postage-prepaid, or by overnight courier service, or in the case of mailing to a non-United States address, air mail, postage-prepaid, or personally delivered; or (b) the date the notice is actually received by facsimile or computer transmission. Notices shall be provided to the following recipients:

If to the Mortgagor:

American LaFrance, LLC
1090 Newton Way
Summerville, SC 29483
Attn: William Hinz
Facsimile: 843-486-7500

With a copy to

Haynes and Boone, LLP
901 Main Street, Suite 3100
Dallas, TX 75202
Attn: Ian T. Peck, Esq.
Facsimile: 817-348-2350

and

Klehr, Harrison, Harvey, Branzburg & Ellers LLP
919 Market Street, Suite 1000
Wilmington, DE 19801
Attn: Christopher A. Ward, Esq.
Facsimile: 302-426-9193

If to the Mortgagee:

Daimler Trucks North America LLC
P.O. Box 3849 MP9-EXC
Portland, OR 97208-3849
Attn: Stefan H. Kurschner
Facsimile: 503-745-8188

and

Daimler Trucks North America LLC
4747 Channel Ave.
Portland OR 97217
Attn: Wells Talmadge, Esq.
Facsimile: 503-745-8921

With a copy to

Pepper Hamilton LLP
Hercules Plaza, Suite 5100
1313 Market Street, P.O. Box 1709
Wilmington, DE 19899-1709
Attn: David M. Fournier, Esq.
Facsimile: 302-421-8390

and

Friedman Kaplan Seiler & Adelman LLP
1633 Broadway
New York, NY 10019-6708
Attn: William Weintraub, Esq.
Facsimile: 212-373-7909

25. **No Oral Modification.**

This Mortgage may not be amended, supplemented or otherwise modified except in accordance with the provisions of the Plan of Reorganization. Any agreement made by Mortgagor and Mortgagee after the date of this Mortgage relating to this Mortgage shall be superior to the rights of the holder of any intervening or subordinate lien or encumbrance.

26. **Partial Invalidity.**

In the event any one or more of the provisions contained in this Mortgage shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, but each shall be construed as if such invalid, illegal or unenforceable provision had never been included. Notwithstanding to the contrary anything contained in this Mortgage or in any provisions of the Plan of Reorganization, the obligations of Mortgagor shall be subject to the limitation that Mortgagee shall not charge, take or receive, nor shall Mortgagor or any other obligor be obligated to pay to Mortgagee, any amounts constituting interest in excess of the maximum rate permitted by law to be charged by Mortgagee.

27. **Mortgagor's Waiver of Rights.**

(a) Mortgagor hereby voluntarily and knowingly releases and waives any and all rights to retain possession of the Mortgaged Property after the occurrence and continuance of an Event of Default hereunder and any and all rights of redemption from sale under any order or decree of foreclosure (whether full or partial), pursuant to rights, if any, therein granted, as allowed under any applicable law, on its own behalf, on behalf of all Persons claiming or having an interest (direct or indirectly) by, through or under each constituent of Mortgagor and on behalf of each and every person acquiring any interest in the Mortgaged Property subsequent to the date hereof, it being the intent hereof that any and all such right's of redemption of Mortgagor and each constituent of Mortgagor and all such other Persons are and shall be deemed to be hereby waived to the fullest extent permitted by applicable law or replacement statute. Neither Mortgagor nor any constituent of Mortgagor shall invoke or utilize any such law or laws or otherwise hinder, delay, or impede the execution of any right, power, or remedy herein or otherwise granted or delegated to Mortgagee, but shall permit the execution of every such right, power, and remedy as though no such law or laws had been made or enacted.

(b) To the fullest extent permitted by law, Mortgagor waives the benefit of all laws now existing or that may subsequently be enacted providing for (i) any appraisalment before sale of any portion of the Mortgaged Property, (ii) any extension of the time for the enforcement of the collection of the Indebtedness or the creation or extension of a period of redemption from any sale made in collecting such debt and (iii) exemption of the Mortgaged Property from attachment, levy or sale under execution or exemption from civil process. To the full extent Mortgagor may do so, Mortgagor agrees that Mortgagor will not at any time insist upon, plead, claim or take the benefit or advantage of any law now or hereafter in force providing for any appraisalment, valuation, stay, exemption, extension or redemption, or requiring foreclosure of this Mortgage before exercising any other remedy granted hereunder and Mortgagor, for Mortgagor and its successors and assigns, and for any and all Persons ever claiming any interest in the Mortgaged Property, to the extent permitted by law, hereby waives and releases all rights of redemption, valuation, appraisalment, stay of execution, notice of election to mature or declare due the whole of the secured indebtedness and marshalling in the event of exercise by Mortgagee of the foreclosure rights, power of sale, or other rights hereby created. Nothing in this Mortgage shall be deemed to constitute a waiver by Mortgagee under the Code (or any successor provision of the Code) of the time limitations set out in the Code on the issuance of process for the execution of a judgment or decree of sale under a judgment or decree of foreclosure; nor shall any waiver made by Mortgagor or right granted to Mortgagee in this Mortgage be deemed to constitute consideration for a waiver or release of, or otherwise be construed as a waiver or release of, the right of Mortgagee or any holder of a judgment on any indebtedness or obligation secured hereby to seek a deficiency judgment against Mortgagor, any Guarantor or other Person liable for the Indebtedness, whether pursuant to the Code or otherwise, which right to seek a deficiency judgment is hereby preserved, reserved and retained by Mortgagee for itself and its successors and assigns.

28. **Remedies Not Exclusive.**

Mortgagee shall be entitled to enforce payment and performance of the Indebtedness and to exercise all rights and powers under this Mortgage or the Plan of

Reorganization or other agreement or any laws now or hereafter in force, notwithstanding some or all of the Indebtedness may now or hereafter be otherwise secured, whether by deed of trust, mortgage, security agreement, pledge, lien, assignment or otherwise. Neither the acceptance of this Mortgage nor its enforcement, shall prejudice or in any manner affect Mortgagee's rights 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 Mortgagee may determine in its absolute discretion. 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 Plan of Reorganization to Mortgagee, or to which either may otherwise be entitled, may be exercised, concurrently or independently, from time to time and as often as may be deemed expedient by Mortgagee, as the case may be. In no event shall Mortgagee, in the exercise of the remedies provided in this Mortgage (including, without limitation, in connection with the assignment of Rents to Mortgagee, or the appointment of a receiver and the entry of such receiver on to all or any part of the Mortgaged Property), be deemed a "mortgagee in possession," and Mortgagee shall not in any way be made liable for any act, either of commission or omission, in connection with the exercise of such remedies.

29. **Successors and Assigns.**

All covenants of Mortgagor contained in this Mortgage are imposed solely and exclusively for the benefit of Mortgagee, and its successors and assigns, and no other person or entity shall have standing to require compliance with such covenants or be deemed, under any circumstances, to be a beneficiary of such covenants, any or all of which may be freely waived in whole or in part by Mortgagee at any time if in its sole discretion it deems such a waiver advisable. All such covenants of Mortgagor shall run with the land and bind Mortgagor, the successors and assigns of Mortgagor (and each of them) and all subsequent owners, encumbrancers and tenants of the Mortgaged Property, and shall inure to the benefit of Mortgagee and its successors and assigns. The word "Mortgagor" shall be construed as if it read "Mortgagors" whenever the sense of this Mortgage so requires and if there shall be more than one Mortgagor, the obligations of the Mortgagors shall be joint and several.

30. **No Waivers, etc.**

Any failure by Mortgagee to insist upon the strict performance by Mortgagor of any of the terms and provisions of this Mortgage shall not be deemed to be a waiver of any of the terms and provisions hereof, and Mortgagee, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by Mortgagor of any and all of the terms and provisions of this Mortgage to be performed by Mortgagor. Mortgagee may release, regardless of consideration and without the necessity for any notice to or consent by the holder of any subordinate lien on the Mortgaged Property, any part of the security held for the obligations secured by this Mortgage without, as to the remainder of the security, in any way impairing or affecting the lien of this Mortgage or the priority of such lien over any subordinate lien or deed of trust.

31. **Governing Law. etc.**

This Mortgage shall be governed by and construed and interpreted in accordance with the laws of the State of Florida, except that Mortgagor expressly acknowledges that by its respective terms the Plan of Reorganization shall be governed and construed in accordance with the laws of the State of New York, and for purposes of consistency, Mortgagor agrees that in any in personam proceeding related to this Mortgage the rights of the parties to this Mortgage shall also be governed by and construed in accordance with the laws of the State of New York governing contracts made and to be performed in that State.

32. **Certain Definitions.**

Unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein, words used in this Mortgage shall be used interchangeably in singular or plural form and the word “Mortgagor” shall mean “each Mortgagor or any subsequent owner or owners of the Mortgaged Property or any part thereof or interest therein,” the word “Mortgagee” shall mean “Mortgagee or any successor thereto,” the word “person” shall include any individual, corporation, partnership, limited liability company, trust, unincorporated association, government, governmental authority, or other entity, and the words “Mortgaged Property” shall include any portion of the Mortgaged Property or interest therein. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa. The captions in this Mortgage are for convenience or reference only and in no way limit or amplify the provisions hereof.

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#9501954 v3

EXHIBIT A

Legal Description

[Sanford, FL]

Block 12, and the West 112 of vacated Right of Way lying East of Block 12 per Resolution in Official Records Book 454, Page 188, M.M. SMITHS SUBDIVISION, according to the plat recorded in Plat Book 1, Page 55, of the Public Records of Seminole County, Florida, LESS the North 20 feet for Road Right of Way granted to City of Sanford in the Official Records Book 2401, Page 1398 and Official Records Book 2409, Page 1941.

Prepared by:

David M. Fournier
Pepper Hamilton LLP
Hercules Plaza, Suite 5100
1313 Market Street
Wilmington, Delaware 19801

Recordation requested by:

David M. Fournier
Pepper Hamilton LLP
Hercules Plaza, Suite 5100
1313 Market Street
Wilmington, Delaware 19801

After recordation return to:

PEPPER HAMILTON LLP
Hercules Plaza, Suite 5100
1313 Market Street
Wilmington, Delaware 19801
Attention: David M. Fournier

(Space above this line for Recorder's use)

**OPEN-END MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY
AGREEMENT AND FINANCING STATEMENT (WITH FIXTURE FILING)**

MORTGAGOR: AMERICAN LAFRANCE, LLC, a Delaware limited liability company

MORTGAGEE: ALF Creditors Trust

ASSESSOR'S PROPERTY TAX OR PARCEL ACCOUNT NUMBERS: Parcel Nos. 35:056J-062, 35:056J-258 and 35:056J-280

AS TO PENNSYLVANIA PROPERTY (IF APPLICABLE): THIS IS AN OPEN-END MORTGAGE UNDER 42 PA.C.S.A. § 8143 WHICH SECURES FUTURE ADVANCES. THE MAXIMUM AMOUNT SECURED BY THIS OPEN-END MORTGAGE IS \$_____, PLUS ACCRUED BUT UNPAID INTEREST, FEES, COSTS AND EXPENSES. ALL NOTICES REQUIRED TO BE GIVEN TO MORTGAGEE PURSUANT TO 42 PA.C.S.A. § 8143 SHALL BE GIVEN AS SET FORTH IN SECTION 13.1 OF THIS OPEN-END MORTGAGE.

Mortgagee's Address is:

Attention: _____

**OPEN-END MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY
AGREEMENT AND FINANCING STATEMENT (WITH FIXTURE FILING)**

DATED AS OF: _____, 2008

BETWEEN: **AMERICAN LAFRANCE, LLC,**
 a Delaware limited liability company
 1090 Newton Way
 Summerville, South Carolina 29483
 (as "MORTGAGOR")

AND: **ALF Creditors Trust**
 (as "MORTGAGEE")

Background

A. Mortgagor, a Delaware limited liability company, executed that certain Third Amended Plan of Reorganization of American LaFrance, LLC (the "Plan of Reorganization") confirmed by the confirmation order entered by the United States Bankruptcy Court District of Delaware in Chapter 11 proceedings of American LaFrance, LLC, Case No. 08-10178 (BLS). The terms of the Plan of Reorganization are incorporated by reference in this Mortgage as if the terms thereof were fully set forth herein (capitalized terms not otherwise defined herein shall have the same meanings as in the Plan of Reorganization).

B. Pursuant to the Plan of Reorganization, the Mortgagor has agreed to secure its obligations to Creditors holding Class 4 Allowed General Unsecured Claims (the "Class 4 Claims") under the Plan of Reorganization upon the terms and subject to the conditions set forth therein.

C. Mortgagor is the owner of the fee simple estate in the parcels of real property described on Exhibit A attached hereto (the "Land") and all of the buildings, improvements, structures, and fixtures now or subsequently located on the Land (the "Improvements"; the Land and the Improvements being collectively referred to as the "Real Estate").

D. In order to secure its obligations to Creditors holding Class 4 Allowed General Unsecured Claims under the Plan of Reorganization, Mortgagor has agreed to execute and deliver this **OPEN- END MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FINANCING STATEMENT (WITH FIXTURE FILING)** (as amended, supplemented or otherwise modified from time to time, this "Mortgage").

Granting Clauses

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and intending to be legally bound hereby, Mortgagor agrees that to secure (a) the payment by Mortgagor to Mortgagee, for the benefit of holders of Allowed Class 4 Claims under the Plan, of cash equal to 22.5% of the aggregate amount of all Allowed Class 4

Claims under the Plan of Reorganization, (b) the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Mortgage; (c) the performance of the covenants and agreements of Mortgagor herein contained or contained in the Plan of Reorganization in connection with the treatment provided for Allowed Class 4 Claims, and (d) the payment of all obligations and liabilities of Mortgagor which may arise from time to time to Mortgagee under or in connection with the Plan of Reorganization and the Allowed Class 4 Claims (including, without limitation, all fees and disbursements of counsel to the Mortgagee that are required to be paid by Mortgagor pursuant to the terms of this Mortgage or the Plan of Reorganization) (collectively, the “Indebtedness”).

MORTGAGOR HEREBY GRANTS TO MORTGAGEE A LIEN UPON AND A SECURITY INTEREST IN, AND HEREBY MORTGAGES, WARRANTS, GRANTS, ASSIGNS, TRANSFERS, CONVEYS AND SETS OVER TO MORTGAGEE, FOR THE RATABLE BENEFIT OF THE CREDITORS HOLDING ALLOWED CLASS 4 CLAIMS, AND WITH ALL POWERS OF SALE AND OTHER STATUTORY RIGHTS AND COVENANTS IN THE COMMONWEALTH OF PENNSYLVANIA:

(a) the Land;

(b) all right, title and interest Mortgagor now has or may hereafter acquire in and to the Improvements or any part thereof and all the estate, right, title, claim or demand whatsoever of Mortgagor, in possession or expectancy, in and to the Real Estate or any part thereof;

(c) all right, title and interest of Mortgagor in, to and under all easements, rights of way, licenses, operating agreements, abutting strips and gores of land, streets, ways, alleys, passages, sewer rights, waters, water courses, water and flowage rights, development rights, air rights, mineral and soil rights, plants, standing and fallen timber, and all estates, rights, titles, interests, privileges, licenses, tenements, hereditaments and appurtenances belonging, relating or appertaining to the Real Estate, and any reversions, remainders, rents, issues, profits and revenue thereof and all land lying in the bed of any street, road or avenue, in front of or adjoining the Real Estate to the center line thereof;

(d) all right, title and interest of Mortgagor in and to all of the fixtures, chattels, business machines, machinery, apparatus, equipment, furnishings, fittings, appliances and articles of personal property of every kind and nature whatsoever, and all appurtenances and additions thereto and substitutions or replacements thereof (together with, in each case, attachments, components, parts and accessories) currently owned or subsequently acquired by Mortgagor and now or subsequently attached to, or contained in or used or usable in any way in connection with any operation or letting of the Real Estate, including but without limiting the generality of the foregoing, all screens, awnings, shades, blinds, curtains, draperies, artwork, carpets, rugs, storm doors and windows, furniture and furnishings; heating, electrical, and mechanical equipment, lighting, switchboards, plumbing, ventilating, air conditioning and air-cooling apparatus, refrigerating, and incinerating equipment, escalators, elevators, loading and unloading

equipment and systems, stoves, ranges, laundry equipment, cleaning systems (including window cleaning apparatus), telephones, communication systems (including satellite dishes and antennae), televisions, computers, sprinkler systems and other fire prevention and extinguishing apparatus and materials, security systems, motors, engines, machinery, pipes, pumps, tanks, conduits, appliances, fittings and fixtures of every kind and description (all of the foregoing in this paragraph (d) being referred to as the “Personal Property”):

(e) all right, title and interest of Mortgagor in and to all substitutes and replacements of, and all additions and improvements to, the Real Estate and the Personal Property, subsequently acquired by or released to Mortgagor or constructed, assembled or placed by Mortgagor on the Real Estate, immediately upon such acquisition, release, construction, assembling or placement, including, without limitation, any and all building materials whether stored at the Real Estate or offsite, and, in each such case, without any further deed, conveyance, assignment or other act by Mortgagor (all of the foregoing in this paragraph (e) being referred to as the “Replacements”);

(f) all right, title and interest of Mortgagor in, to and under all leases, subleases, underlettings, concession agreements, management agreements, licenses and other agreements relating to the use or occupancy of the Real Estate or the Personal Property or any part thereof, now existing or subsequently entered into by Mortgagor and whether written or oral and all guarantees of any of the foregoing (collectively, as any of the foregoing may be amended, restated, extended, renewed or modified from time to time, the “Leases”), and all rights of Mortgagor in respect of cash and securities deposited thereunder and the right to receive and collect the revenues, income, rents, issues and profits thereof (collectively, the “Rents”), together with all other rents, royalties, issues, profits, revenue, income and other benefits arising from the use and enjoyment of the Mortgaged Property (as defined below) (collectively, the “Income”);

(g) all right, title and interest of Mortgagor in and to all unearned premiums under insurance policies now or subsequently obtained by Mortgagor relating to the Real Estate or Personal Property and Mortgagor’s interest in and to all proceeds of any such insurance policies (including title insurance policies) including the right to collect and receive such proceeds, subject to the provisions relating to insurance generally set forth below; and all awards and other compensation, including the interest payable thereon and the right to collect and receive the same, made to the present or any subsequent owner of the Real Estate or Personal Property for the taking by eminent domain, condemnation or otherwise, of all or any part of the Real Estate or any easement or other right therein;

(h) to the extent not prohibited under the applicable contract, consent, license or other item unless the appropriate consent has been obtained, all right, title and interest of Mortgagor in and to (i) all contracts from time to time executed by Mortgagor or any manager or agent on its behalf relating to the

ownership, construction, maintenance, repair, operation, occupancy, sale or financing of the Real Estate or Personal Property or any part thereof (the “Contracts”) and all agreements and options relating to the purchase or lease of any portion of the Real Estate or any property which is adjacent or peripheral to the Real Estate, together with the right to exercise such options and all leases of Personal Property, (ii) all consents, licenses, building permits, certificates of occupancy and other governmental approvals relating to construction, completion, occupancy, use or operation of the Real Estate or any part thereof, and (iii) all drawings, plans, specifications and similar or related items relating to the Real Estate; and

- (i) all proceeds, both cash and noncash, of the foregoing.

(All of the foregoing property and rights and interests now owned or held or subsequently acquired by Mortgagor and described in the foregoing clauses (a) through (c) are collectively referred to as the “Premises”, and those described in the foregoing clauses (a) through (i) are collectively referred to as the “Mortgaged Property”).

TO HAVE AND TO HOLD the Mortgaged Property and the rights and privileges hereby mortgaged unto Mortgagee, its successors and assigns for the uses and purposes set forth, until the Indebtedness are fully paid and performed, provided, however, that the condition of this Mortgage is such that if the Indebtedness are fully paid and performed, then the estate hereby granted shall cease, terminate and become void but shall otherwise remain in full force and effect.

1. Payment and Performance. Mortgagor shall pay and perform the Indebtedness at the times and places and in the manner specified in the Plan of Reorganization.

2. Possession. Until such time as an Event of Default (as defined in Section 10 below) has occurred hereunder, Mortgagor (or its permitted assigns) may remain in possession and control of and operate the Mortgaged Property and collect the income from the Mortgaged Property under the Contracts.

3. Warranties of Mortgagor.

3.1. Title. Mortgagor has valid, indefeasible and marketable title to the Mortgaged Property. Mortgagor shall defend the lien granted to and the interests of Mortgagee granted pursuant to this Mortgage against the claims and demands of all persons.

3.2. Further Assurances. Upon Mortgagee’s request, Mortgagor shall make, execute and deliver to Mortgagee and, where appropriate, shall record or file and re-record or re-file, at such time and in such offices and places as shall be deemed desirable by Mortgagee, all instruments of further assurance, certificates and other documents as Mortgagee may reasonably consider necessary or desirable to effectuate, complete, perfect, or continue and preserve the obligations of Mortgagor under this Mortgage, and the lien of this Mortgage and interest in the Personal Property, Income and Contracts as a first and prior lien upon and interest in all of the Mortgaged Property, whether now owned or hereafter acquired by Mortgagor.

4. Maintenance and Alterations.

4.1. Duty to Maintain. Mortgagor shall maintain the Mortgaged Property in good condition; provided, however; Mortgagor shall not be obligated to maintain the Mortgaged Property in better condition than the condition on the date delivered to Mortgagor by Mortgagee.

4.2. Compliance with Governmental Requirements. Mortgagor shall comply with all federal, state, local and foreign laws and regulations applicable to it.

4.3. Duty to Protect. Mortgagor shall do all other reasonable acts, in addition to those set forth in this section, that are reasonably necessary to protect and preserve the security, based upon the character and use of the Mortgaged Property.

5. Taxes and Assessments: Liens and Claims.

5.1. Payment. Mortgagor shall pay, before the same become delinquent, all taxes and assessments against the Mortgaged Property and all claims and demands arising from Mortgagor's use or occupancy of the Mortgaged Property, or for work done on or for services rendered or material furnished to the Mortgaged Property, subject to Mortgagor's right to contest the same by appropriate action or proceeding. Evidence of payment of taxes will be submitted to Mortgagee on request, not more frequently than annually.

5.2. Protection of the Mortgaged Property. Mortgagor agrees not to permit any lien or charge prior to the lien or charge of this Mortgage to be imposed upon or to exist against the Mortgaged Property, and subject in all respects to Mortgagor's right to contest liens as permitted in Section 5.3 below.

5.3. Mortgagor's Right to Contest. Mortgagor may withhold payment of any taxes, assessments, claims or demands or may elect to contest any lien if Mortgagor is in good faith conducting appropriate action or proceedings to contest the obligation to pay and so long as Mortgagee's interest in the Mortgaged Property is not jeopardized.

6. Insurance.

6.1. Mortgagor shall obtain and maintain at all times throughout the term of this Mortgage the following insurance: (i) comprehensive general public liability insurance covering all operations of Mortgagor; (ii) "All-Risk" fire and extended coverage hazard insurance (non-reporting Commercial Property Policy with Special Cause of Loss form) covering the Mortgaged Property, as applicable, in an aggregate amount not less than 100% of the agreed upon full insurable replacement value of the applicable Mortgaged Property, including coverage for loss of rents or business interruption, if applicable; (iii) during the course of any construction, reconstruction, remodeling or repair of any Improvements, builders' all-risk extended coverage insurance (non-reporting Completed Value with Special Cause of Loss form) in amounts based upon the completed replacement value of the Improvements (excluding roads, foundations, parking areas, paths, walkways and like improvements) and endorsed to provide that occupancy by any person shall not void such coverage; (iv) if the Property is required to be insured pursuant to the National Flood Insurance Reform Act of 1994, and the regulations promulgated thereunder, flood insurance in an amount at least equal to the lesser of the agreed

upon full insurable replacement value of the applicable Mortgaged Property (less any value attributable to the Land) or the maximum limit of coverage available; (v) insurance which complies with the workers' compensation and employers' liability laws of all states in which Mortgagor shall be required to maintain such insurance; and (vi) such other insurance as Mortgagee may reasonably require.

6.2. Each insurance policy required under this Section shall: (i) be written by an insurance company acceptable to Mortgagee and authorized or licensed to do business in the state within which the Mortgaged Property; (ii) be for terms of a least one year, with premium prepaid; (iii) be subject to the reasonable approval of Mortgagee as to insurance companies, amounts (provided, however, such amounts shall not be less than (1) \$1,000,000 per occurrence and \$2,000,000 in the aggregate for liability coverage and/or (2) the amount required under any Lease, content, forms of policies and expiration dates; and (iv) name Mortgagee, its successors and assigns: (1) as an additional insured under all liability insurance policies, and (2) as the first mortgagee, under a standard non-contributory mortgagee clause, on all property insurance policies and all loss of rents or loss of business income insurance policies.

6.3. Mortgagor further agrees that each insurance policy: (i) shall provide at least thirty (30) days' prior written notice to Mortgagee prior to any policy reduction or cancellation for any reason; (ii) shall contain an endorsement or agreement by the insurer that any loss shall be payable to Mortgagee in accordance with the terms of such policy notwithstanding any act or negligence of Mortgagor that might otherwise result in forfeiture of such insurance; (iii) shall waive all rights of setoff, counterclaim, deduction or subrogation against Mortgagor; and (iv) shall exclude Mortgagee from the operation of any coinsurance clause.

6.4. At least thirty (30) days prior to the expiration of any insurance policy, Mortgagor shall furnish evidence satisfactory to Mortgagee that such policy has been renewed or replaced or is no longer required.

6.5. Notwithstanding the foregoing, in the event that Mortgagor fails to maintain insurance in accordance with this Section, and Mortgagee elects to obtain insurance to protect its interests hereunder, Mortgagee may obtain insurance in any amount and of any type Mortgagee deems appropriate to protect Mortgagee's interest only and Mortgagee shall have no duty or obligation to Mortgagor to maintain insurance in any greater amount or of any other type for the benefit of Mortgagor. All insurance premiums incurred or paid by Mortgagee shall be at Mortgagor's sole cost and expense. Mortgagee's election to obtain insurance shall not be deemed to waive any Event of Default (as hereinafter defined) hereunder.

7. Damage, Destruction and Condemnation

7.1. If all or any part of the Mortgaged Property shall be damaged or destroyed, or if title to or the temporary use of the whole or any part of the Mortgaged Property shall be taken or condemned by a competent authority for any public or quasi-public use or purpose, there shall be no abatement or reduction in the amounts payable by Mortgagor under the Plan or Reorganization and Mortgagor shall continue to be obligated to make such payments.

7.2. If all or any part of the Mortgaged Property is partially or totally damaged or destroyed, Mortgagor shall give prompt notice thereof to Mortgagee, and Mortgagee may make proof of loss if not made promptly by Mortgagor. Mortgagor hereby authorizes and directs any affected insurance company to make payment under such insurance, including return of unearned premiums, to Mortgagee instead of to Mortgagor and Mortgagee jointly, and Mortgagor appoints Mortgagee as Mortgagor's attorney-in-fact to endorse any draft thereof, which appointment, being for security, is coupled with an interest and irrevocable. Mortgagee is hereby authorized and empowered by Mortgagor to settle, adjust or compromise, in consultation with Mortgagor, any claims for loss, damage or destruction to the Mortgaged Property. Mortgagor shall pay all costs of collection of insurance proceeds payable on account of such damage or destruction. Mortgagor shall have no claim against the insurance proceeds, or be entitled to any portion thereof, and all rights to the insurance proceeds are hereby assigned to Mortgagee as security for payment of the Obligations. Mortgagee shall have the option, in its sole discretion, of paying or applying all or any part of the insurance proceeds to: (i) reduction of the Indebtedness; or (ii) restoration, replacement or repair of the Mortgaged Property in accordance with Mortgagee's standard construction loan disbursement conditions and requirements.

7.3. Immediately upon obtaining knowledge of the institution of any proceeding for the condemnation of all or any part of the Mortgaged Property, Mortgagor shall give notice to Mortgagee. Mortgagor shall, at its sole cost and expense, diligently prosecute any such proceeding and shall consult with Mortgagee, its attorneys and experts, and shall cooperate with it in the defense of any such proceeding. Mortgagee may participate in any such proceeding and Mortgagor shall from time to time deliver to Mortgagee all instruments requested by it to permit such participation. Mortgagor shall not, without Mortgagee's prior written consent, enter into any agreement (i) for the taking or conveyance in lieu thereof of all or any part of the Mortgaged Property, or (ii) to compromise, settle or adjust any such proceeding. All awards and proceeds of condemnation are hereby assigned to Mortgagee, and Mortgagor, upon request by Mortgagee, agrees to make, execute and deliver any additional assignments or documents necessary from time to time to enable Mortgagee to collect the same. Such awards and proceeds shall be paid or applied by Mortgagee, in its sole discretion, to: (i) reduction of the Obligations; (ii) restoration, replacement or repair of the Property in accordance with Mortgagee's standard construction loan disbursement conditions and requirements or (iii) Mortgagor.

7.4. Nothing herein shall relieve Mortgagor of its duty to repair, restore, rebuild or replace the Mortgaged Property following damage or destruction or partial condemnation if no or inadequate insurance proceeds or condemnation awards are available to defray the cost of repair, restoration, rebuilding or replacement.

8. Transfer. Mortgagor shall not sell, assign, convey, further encumber or otherwise transfer or agree to transfer the Mortgaged Property or any material portion thereof or any material interest therein, except as otherwise expressly provided in the Plan of Reorganization.

9. Satisfaction and Release. Upon satisfaction of the Obligations, if Mortgagor has paid all of the Indebtedness, Mortgagee shall execute and deliver to Mortgagor a good and sufficient satisfaction and release of this Mortgage and authorizes the filing of all termination

statements filed under the Uniform Commercial Code (the “Code”) of the Commonwealth of Pennsylvania with respect to the Mortgaged Property.

10. Events of Default. The occurrence of any one or more of the following events shall constitute an “Event of Default” hereunder: (a) any event of default or default under the Plan of Reorganization or any documents related thereto; (b) the Mortgagor’s failure to perform any of its obligations under this Mortgage; (c) falsity, material inaccuracy or material breach by the Mortgagor of any written warranty, representation or statement made or furnished to the Mortgagee by or on behalf of the Mortgagor; (d) an uninsured material loss, theft, damage, or destruction to any of the Mortgaged Property, or the entry of any judgment against the Mortgagor or any lien against or the making of any levy, seizure or attachment of or on the Mortgage Property; (e) the Mortgagee’s failure to have a mortgage lien on the Mortgage Property with the priority required hereunder; (f) seizure or forfeiture of any of the Mortgaged Property resulting from Mortgagor’s criminal wrongdoing; (g) foreclosure proceedings are instituted against the Mortgaged Property upon any other lien or claim, whether alleged to be superior or junior to the lien of this Mortgage; (h) the Mortgagor’s failure to pay any impositions as required hereunder, or to maintain in full force and effect any insurance required hereunder; or (i) Mortgagor’s failure to cause full 22.5% dividend under Plan to be paid to all holders of Allowed Class 4 Claims within 15 months of the Plan Effective Date.

11. Mortgagee’s Rights Upon Default.

11.1. Remedies. Following an Event of Default, Mortgagee may exercise any one or more of the following rights and remedies in addition to any other remedy which may be available at law, in equity or otherwise:

(a) Mortgagee may have a receiver appointed as a matter of right or may exercise all rights of a receiver as a mortgagee-in-possession.

(b) Mortgagee may, either through a receiver or as a mortgagee-in-possession, take possession of all or any part of the Mortgaged Property, which shall be peaceably surrendered by Mortgagor.

(c) Mortgagee may revoke Mortgagor’s right to collect the Income from the Mortgaged Property and may, either itself or through a receiver, collect the same. To facilitate collection, Mortgagee may notify any tenant or other party to make payments of rents or other amounts directly to Mortgagee. If the Income and such other amounts are collected by Mortgagee, then Mortgagor irrevocably designates Mortgagee as Mortgagor’s attorney in fact to endorse instruments received in payment thereof in the name of Mortgagor and to negotiate the same and collect the proceeds. Payments by tenants or other parties to Mortgagee in response to Mortgagee’s demand shall satisfy the obligation for which the payments are made, whether or not any proper grounds for the demand existed. Mortgagee shall not be deemed a mortgagee-in-possession solely by reason of exercise of the rights contained in this subsection.

(d) Mortgagee may foreclose Mortgagor’s interest in all or any part of the Mortgaged Property by judicial foreclosure in accordance with applicable law.

(e) At any such foreclosure sale, Mortgagee may purchase all or any part thereof of the Mortgaged Property.

(f) Upon completion of any judicial foreclosure, Mortgagee will be entitled to a judgment which will provide that if the foreclosure sale proceeds are insufficient to satisfy the judgment, execution may issue for any amount by which the unpaid balance of the obligations secured by this Mortgage exceeds the net sale proceeds payable to Mortgagee.

(g) With respect to all or any part of the Mortgaged Property that constitutes personalty, Mortgagee shall have all the rights and remedies of a secured party under the Code.

(h) Mortgagor shall at any time deliver or cause to be delivered to Mortgagee a notice pursuant to 42 PA.C.S.A. § 8143 electing to limit the indebtedness secured by this Mortgage.

11.2. Receiver. Upon default, Mortgagee shall be entitled to the judicial appointment of a receiver as a matter of right whether or not the apparent value of the Mortgaged Property exceeds the amount of the secured Indebtedness, and any receiver appointed may serve without bond. Employment by Mortgagee shall not disqualify a person, from serving as receiver.

11.3. Rights of Receiver or Mortgagee-in-Possession. Upon taking possession of all or any part of the Mortgaged Property, the receiver or Mortgagee may:

(a) Use, operate, manage, control and conduct business on the Mortgaged Property and make expenditures for all maintenance and improvements as in its judgment are proper;

(b) Collect the Income from the Mortgaged Property and apply the same to the expenses of use, operation and management;

(c) At Mortgagee's option, complete any construction in progress on the Mortgaged Property, and in that connection pay bills, borrow funds, employ contractors and make any changes in plans or specifications as Mortgagee deems appropriate.

If the revenues produced by the Mortgaged Property are insufficient to pay expenses, the receiver may borrow, from Mortgagee (if Mortgagee, in its sole discretion, agrees to lend) or otherwise, or Mortgagee may borrow, expend or advance, such sums as it deems necessary for the purposes stated in this Section, and repayment of such sums shall be secured by this Mortgage. The amounts borrowed, expended or advanced shall be payable by Mortgagor to Mortgagee on demand together with interest at the same rate as provided in Section 13.7 below.

11.4. Notice of Sale. Mortgagee shall give Mortgagor reasonable notice of the time and place of any public sale of any personal property or of the time after which any private sale or other intended disposition of the personal property is to be made. Reasonable notice shall mean notice given at least TEN (10) days before the time of the sale or disposition.

11.5. Election of Remedies. Election by Mortgagee to pursue one remedy shall not exclude resort to any other remedy, and all remedies of Mortgagee under this Mortgage are cumulative and not exclusive. An election to make expenditures or to take action to perform an obligation under Section 13.7 shall neither prejudice Mortgagee's right to declare a default nor constitute a waiver of the breached term or of the remedies provided in this section.

11.6. Application of Proceeds from Mortgaged Property. Proceeds realized from the exercise of Mortgagee's rights and remedies shall be applied as follows:

(a) To pay the costs of exercising such rights and remedies, including the costs of any sale, the costs and expenses of any receiver or mortgagee-in-possession, and the costs and expenses provided for in Section 13.3;

(b) To pay all amounts owed by Mortgagor, payment of which is secured by this Mortgage;

(c) The overplus, if any, shall be paid to the clerk of the court in the case of foreclosure by a judicial proceeding, or otherwise paid in accordance with the Plan of Reorganization.

12. Security Interest in Personal Mortgaged Property.

12.1. Security Agreement; Financing Statements. This instrument shall constitute a security agreement under the Code with respect to the Personal Property included in the description of the Mortgaged Property. Upon written request from Mortgagee, Mortgagor shall promptly execute the necessary financing statements in the form required by applicable state statutes, whereupon Mortgagee may file the statements at Mortgagee's expense in all public offices where filing is required to perfect the security interest of Mortgagee. Mortgagee may file copies or reproductions of this instrument as a financing statement at any time and at its option without further authorization from Mortgagor. Mortgagor shall promptly execute and file necessary refilings, renewals, modifications and amendments of such financing statements as Mortgagee shall reasonably require.

12.2. Use. The Personal Mortgaged Property was not bought for and is not used for personal, family or household purposes.

12.3. Obligations of Mortgagor. All covenants and obligations of Mortgagor contained in this Mortgage relating to the Mortgaged Property shall be deemed to apply to the Personal Property as well as the Mortgaged Property, whether or not expressly referred to in this Mortgage, unless the context requires otherwise. Upon default, Mortgagor shall assemble the Personal Property and make it available to Mortgagee within three days after receipt of written demand from Mortgagee.

12.4. Fixture Filing. This Mortgage constitutes a financing statement filed as a fixture filing in the Official Records of the County in which the Mortgaged Property is situated with respect to any and all fixtures included within the description of the Mortgaged Property and with respect to any goods or other Personal Property that may now or hereafter become such fixtures. The mailing addresses of Mortgagor (debtor) and Mortgagee (secured party), from

which information concerning the security interest granted by this Mortgage may be obtained (each as required by the Code), are as stated on the first page of this Mortgage.

13. Miscellaneous.

13.1. Notices. Any notice under this Mortgage shall be in writing. Any notice given under this Mortgage shall be considered complete on the earlier of (a) three days after the date the notice is sent by United States mail, postage-prepaid, or by overnight courier service, or in the case of mailing to a non-United States address, air mail, postage-prepaid, or personally delivered; or (b) the date the notice is actually received by facsimile or computer transmission. Notices shall be provided to the following recipients:

If to the Mortgagor:

American LaFrance, LLC
1090 Newton Way
Summerville, SC 29483
Attn: William Hinz
Facsimile: 843-486-7500

With a copy to

Haynes and Boone, LLP
901 Main Street, Suite 3100
Dallas, TX 75202
Attn: Ian T. Peck, Esq.
Facsimile: 817-348-2350

and

Klehr, Harrison, Harvey, Branzburg & Ellers LLP
919 Market Street, Suite 1000
Wilmington, DE 19801
Attn: Christopher A. Ward, Esq.
Facsimile: 302-426-9193

If to the Mortgagee:

Daimler Trucks North America LLC
P.O. Box 3849 MP9-EXC
Portland, OR 97208-3849
Attn: Stefan H. Kurschner
Facsimile: 503-745-8188

and

Daimler Trucks North America LLC
4747 Channel Ave.
Portland OR 97217
Attn: Wells Talmadge, Esq.
Facsimile: 503-745-8921

With a copy to

Pepper Hamilton LLP
Hercules Plaza, Suite 5100
1313 Market Street, P.O. Box 1709
Wilmington, DE 19899-1709
Attn: David M. Fournier, Esq.
Facsimile: 302-421-8390

and

Friedman Kaplan Seiler & Adelman LLP
1633 Broadway
New York, NY 10019-6708
Attn: William Weintraub, Esq.
Facsimile: 212-373-7909

13.2. Records. At the request of Mortgagee, its agents, or attorneys, Mortgagor shall give specific answers to questions upon which information is reasonably required from time to time by Mortgagee.

13.3. Expenses. In the event that Mortgagee shall take any action, judicial or otherwise, to enforce the Plan of Reorganization or any provision of this Mortgage or if Mortgagee shall be required to appear in any proceeding to protect and maintain the priority of this Mortgage, Mortgagee shall be entitled to recover from Mortgagor all expenses which it may incur in taking such action, including but not limited to costs incurred in searching records, the cost of title reports and surveyors' reports, fees for attorneys' fees, whether incurred in a suit of action or appeal from a judgment or decree therein or in connection with nonjudicial action. Mortgagor shall reimburse Mortgagee for expenses so incurred on demand with interest thereon from the date of expenditure until repaid at the same rate of interest as provided in Section 13.7 below.

13.4. Hazardous Materials. Mortgagor hereby agrees to indemnify and hold harmless Mortgagee from all loss, liability, damage, cost and expense, including reasonable attorney's fees, in connection with any claim or lien relating to Mortgagor's use, treatment, storage, generation, release, spill, disposal, transport or other handling of any hazardous or toxic wastes, materials, or substances, or any failure of Mortgagor to comply in all material respects with the Environmental Requirements (as defined below), or any costs incurred by Mortgagee for removal or clean-up of any hazardous wastes, materials, or substances on the Mortgaged Property to the extent caused by Mortgagor or its assigns, contractors, employees or invitees. The provisions hereof shall survive payoff, release, or foreclosure of this Mortgage. The term

Environmental Requirements include, without limitations, the Federal Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”), any other applicable federal statutes, any applicable state statutes and local ordinances, or any amendments thereto dealing with cleanup or removal of toxic or hazardous wastes or substances. As used herein, “toxic” or “hazardous” wastes, substances or materials shall be interpreted broadly to include, but not to be limited to, wastes, substances, and materials designated as toxic, hazardous, or dangerous under the Federal Resource Conservation and Recovery Act, the Federal Water Pollution Control Act, the Federal Clean Air Act, CERCLA, any so-called “Superfund” or “Superlien” law, or any other federal, state, or local law, rule, or regulation pertaining to environmental regulation, contamination, or cleanup.

13.5. Mortgage Binding Upon Successors and Assigns. Subject to the limitations on transfer contained in Section 9 of this Mortgage, this Mortgage shall be binding on and inure to the benefit of the successors and assigns of Mortgagor and Mortgagee.

13.6. Time of Essence. Time is of the essence of this Mortgage.

13.7. Mortgagee’s Right to Perform Obligations of Mortgagor. If Mortgagor fails to perform any obligation required of it under this Mortgage, Mortgagee without further notice may take any steps necessary to remedy such failure. Mortgagor shall reimburse Mortgagee for all amounts expended in so doing on demand, together with interest from the date of the expenditure until repaid the rate of interest of _____% per annum, but not in any event at a rate higher than the maximum rate permitted by law. Such action by Mortgagee shall not constitute a waiver of the default or any other right or remedy which Mortgagee may have on account of Mortgagor’s default.

13.8. Applicable Law. This Mortgage shall be governed by and construed and interpreted in accordance with the laws of the Commonwealth of Pennsylvania, except that Mortgagor expressly acknowledges that by its respective terms the Plan of Reorganization shall be governed and construed in accordance with the laws of the State of New York, and for purposes of consistency, Mortgagor agrees that in any in personam proceeding related to this Mortgage the rights of the parties to this Mortgage shall also be governed by and construed in accordance with the laws of the State of New York governing contracts made and to be performed in that State.

13.9. Changes in Writing. This Mortgage and any of its terms may only be changed, waived, discharged or terminated by an instrument in writing signed by the party against which enforcement of the change, waiver, discharge or termination is sought. Any agreement subsequently made by Mortgagor or Mortgagee relating to this Mortgage shall be superior to the rights of the holder of any intervening lien or encumbrance.

13.10. Invalid Provisions to Affect No Others. If any of the provisions contained in this Mortgage shall be invalid, illegal or unenforceable in any respect, the validity of the remaining provisions in this Mortgage shall not be affected.

13.11. Waiver. A waiver of a breach of any provision of this Mortgage shall not constitute a waiver of that provision or of any succeeding breach of or prejudice a party's right otherwise to demand strict compliance with the same or any other provision.

13.12. No Offset. Mortgagor's obligation to make payments and perform all obligations, covenants, and warranties under this Mortgage and under the other Credit Documents in favor of Mortgagee shall be absolute and unconditional and shall not be affected by any circumstances, including without limitation any setoff, counterclaim, abatement, suspension, recoupment, deduction, defense, or other right which Mortgagor or any Mortgagor may have or claim against Mortgagee or any entity participating in the trust agreement of Mortgagee or Obligations.

13.13. Counterparts. This instrument may be executed in counterparts and/or the signature pages for a signatory may be signed on separate counterpart signature pages, all of which executed counterparts or executed counterpart signature pages shall together constitute a single instrument. Signature pages may be detached from the counterpart and attached to a single original counterpart of this instrument to physically form one instrument.

13.14. Cross-Defaulted Documents. This Mortgage and the Plan of Reorganization (the "Cross-Defaulted Documents") shall be, and hereby are, fully cross-defaulted. Any default under any of the Cross-Defaulted Documents will be, and is, a default under each and every one of the Cross-Defaulted Documents.

(a) **State Specific Provisions.** The following is applicable with respect to any property located in the states referenced below:

(b) **Over all Limitation.** Notwithstanding anything to the contrary set forth herein, the maximum amount that Mortgagee may recover from the Mortgaged Property encumbered hereby in the event Mortgagee pursues any of its rights or remedies for foreclosure or otherwise under this instrument is the sum of \$_____.

(c) **Pennsylvania - Open End Mortgage.** This is an open-end mortgage under 42 PA.C.S.A. §8143 which secures future advances. The maximum amount secured by this open- end mortgage is \$_____, plus accrued but unpaid interest, fees, costs and expenses, and advances made as provided herein. All notices required to be given to mortgagee pursuant to 42 PA.C.S.A. § 8143 shall be given as set forth in Section 13.1 of this Mortgage. Mortgagor will pay all applicable documentary stamp and intangible (or other taxes imposed on filing of mortgages) taxes imposed pursuant to Pennsylvania law incurred in connection with the recordation of this Mortgage.

(d) **Pennsylvania-Confession of Judgment in Ejectment.** AT ANY TIME AFTER THE OCCURRENCE OF AN EVENT OF DEFAULT, WITHOUT FURTHER NOTICE, REGARDLESS OF WHETHER MORTGAGEE HAS ASSERTED ANY OTHER RIGHT OR EXERCISED ANY OTHER REMEDY UNDER THIS MORTGAGE OR THE PLAN OF REORGANIZATION, IT SHALL BE LAWFUL FOR ANY ATTORNEY LICENSED IN THE COMMONWEALTH OF PENNSYLVANIA AS ATTORNEY FOR MORTGAGOR TO CONFESS JUDGMENT IN EJECTMENT AGAINST MORTGAGOR

AND ALL PERSONS CLAIMING UNDER MORTGAGOR FOR THE RECOVERY BY MORTGAGEE OF POSSESSION OF ALL OR ANY PART OF THE MORTGAGED PROPERTY, FOR WHICH THIS MORTGAGE SHALL BE SUFFICIENT WARRANT. IF FOR ANY REASON AFTER SUCH ACTION SHALL HAVE COMMENCED THE SAME SHALL BE DETERMINED AND THE POSSESSION OF THE MORTGAGED PROPERTY REMAINS IN OR IS RESTORED TO MORTGAGOR, MORTGAGEE SHALL HAVE THE RIGHT UPON ANY SUBSEQUENT DEFAULT OR DEFAULTS TO BRING ONE OR MORE AMICABLE ACTION OR ACTIONS AS HEREINBEFORE SET FORTH TO RECOVER POSSESSION OF ALL OR ANY PART OF THE MORTGAGED PROPERTY.

13.15. WAIVER OF JURY TRIAL. THE MORTGAGOR IRREVOCABLY WAIVES ANY AND ALL RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR CLAIM OF ANY NATURE RELATING TO THIS MORTGAGE, ANY DOCUMENTS EXECUTED IN CONNECTION WITH THIS MORTGAGE OR ANY TRANSACTION CONTEMPLATED IN ANY OF SUCH DOCUMENTS. THE MORTGAGOR ACKNOWLEDGES THAT THE FOREGOING WAIVER IS KNOWING AND VOLUNTARY.

WARNING: THIS DOCUMENT CONTAINS A PROVISION AUTHORIZING THE ENTRY OF JUDGMENT BY CONFESSION. THIS MEANS THAT JUDGMENT MAY BE ENTERED AGAINST YOU WITHOUT NOTICE OR A TRIAL. THIS COULD RESULT IN YOUR PROPERTY BEING SOLD BY THE SHERIFF IN ORDER TO SATISFY THIS JUDGMENT. BY EXECUTING THIS DOCUMENT YOU ACKNOWLEDGE THAT YOU HAVE READ AND UNDERSTOOD ALL OF THE TERMS AND PROVISIONS CONTAINED HEREIN, THAT YOU HAVE KNOWINGLY AND VOLUNTARILY CONSENTED TO ENTRY OF JUDGMENT BY CONFESSION, AND THAT YOU HAVE BEEN REPRESENTED BY AN ATTORNEY.

REMAINDER OF PAGE LEFT INTENTIONALLY BLANK

IN WITNESS WHEREOF, the undersigned has caused this Mortgage to be duly executed and delivered, with the intent to be legally bound, as of the day and year first written above.

MORTGAGOR:

AMERICAN LAFRANCE, LLC, a
Delaware limited liability company

By:

William J. Hinz
President and CEO

STATE OF TEXAS

§

COUNTY OF _____

§

THIS instrument was acknowledged before me on _____, 2008, by
WILLIAM J. HINZ, PRESIDENT AND CHIEF EXECUTIVE OFFICER of AMERICAN
LAFRANCE, LLC, a Delaware limited liability company, on behalf of said limited liability
company.

[SEAL]

Notary Public, State of Texas

EXHIBIT A
Legal Description

(Lebanon County, PA)
PREMISES "A"

ALL THAT CERTAIN tract of land located in West Lebanon Township, Lebanon County and the Commonwealth of Pennsylvania, bounded and described as follows, to wit:

BEGINNING at an iron pin at the intersection of the Southern right-of-way line of Lehman Street (60.00 feet wide) and the Western right-of-way line of 18th Street (60.0 feet wide); thence along said Western right-of-way of 18th Street, South 8 degrees 23 minutes 30 seconds West a distance of 198.0 feet to an iron pin on the Northern right-of-way line of Lincoln Street (15.0 feet wide); thence along said Northern right-of-way line of Lincoln Street, North 81 degrees 36 minutes 30 seconds West a distance of 220.0 feet to a railroad spike; thence along lands of Mark L. and Joanne Leiss, North 8 degrees 23 minutes 30 seconds East a distance of 198.00 feet to a spike on said Southern right-of-way line of Lehman Street; thence along said Southern right-of-way Line of Lehman Street, South 81 degrees 36 minutes 30 seconds East a distance of 220.0 feet to the place of beginning.

CONTAINING 1.0 acres.

PREMISES "B"

ALL THAT CERTAIN tract of land located in West Lebanon Township, Lebanon County and the Commonwealth of Pennsylvania, bounded and described as follows, to wit:

BEGINNING at an iron pin at the intersection of the Southern right-of-way line of Church Street (50.0 feet wide) and the Western right-of-way line of 18th Street (60.00 feet wide); thence along said Western right-of-way line of 18th Street, South 8 degrees 23 minutes 30 seconds West a distance of 125.0 feet to an iron pin on the Northern right-of-way line of Garfield Alley (15.0 feet wide); thence along said Northern right-of-way line of Garfield Alley, North 81 degrees 36 minutes 30 seconds West a distance of 170.0 feet to an iron pin; thence along lands of David M. and Dianne L. Strohme, North 8 degrees 23 minutes 30 seconds East a distance of 125.00 feet to an iron pin on the Southern right-of-way line of Church Street; thence along said Southern right-of-way line of Church Street, South 81 degrees 36 minutes 30 seconds East a distance of 170.0 feet to the place of beginning.

CONTAINING 21,250 square feet (0.488 acres).

PREMISES "C"

ALL THAT CERTAIN tract of land located in West Lebanon Township, Lebanon County and the Commonwealth of Pennsylvania, bounded and described as follows, to wit:

BEGINNING at the intersection point of the center line of Lehman Street (60 feet wide) and the center line of North 16th Street (50 feet wide); thence along said center line of North 16th Street, the following four courses and distances, South 25 degrees 08 minutes 03

seconds East a distance of 241.99 feet to a spike; (2) thence South 22 degrees 49 minutes 38 seconds East a distance of 228.06 feet to a spike; (3) thence South 200 IV 49" East a distance of 206.78 feet; (4) thence South 14 degrees 41 minutes 44 seconds East a distance of 119.82 feet to a spike; thence along Northern side of existing Conrail right-of-way, along a curve to the right having a radius of 5728.65 feet, an arc distance of 958.61 feet and a bearing of North 88 degrees 28 minute 47 seconds West a distance of 957.49 feet to a spike; thence along the center line of North 18th Street, North 08 degrees 23 minutes 20 seconds East a distance of 787.89 feet to a spike in said center line of Lehman Street; thence along said center line of Lehman Street, the following three courses and distances, South 81 degrees 53 minutes 18 seconds East a distance of 818.44 feet to a spike; (2) thence South 83 degrees 17 minutes 30 seconds East a distance of 267.25 feet to a spike; (3) South 86 degrees 58 minutes 01 second East 67.55 feet to the place of beginning.

CONTAINING 13.5167 acres.

Being Parcel Nos. 35:056J-062, 35:056J-258 and 35:056J-280

Being the same premises which Acqu-Chem, Inc. (formerly known as Aqua-Chem Holding, Inc.) a Delaware Corporation by Deed dated 5/24/1999 and recorded 5/28/1999 in Lebanon County in Deed Book 0350 Page 1143 conveyed unto Aerial Innovations Incorporated, a Pennsylvania corporation, its successors and assigns, in fee.

**EXPLANATION AND WAIVER OF RIGHTS REGARDING
CONFESSION OF JUDGMENT AND EXECUTION PROCEEDINGS**

1. On the date hereof, AMERICAN LAFRANCE, LLC (“Mortgagor”) is signing and delivering to _____ (the “Mortgagee”) an open-end mortgage, assignment of leases and rents, security agreement and financing statement (with fixture filing) to Mortgagee pursuant to that certain Third Amended Plan of Reorganization of American LaFrance, LLC (the “Plan of Reorganization”) confirmed by the confirmation order entered by the United States Bankruptcy Court District of Delaware in Chapter 11 proceedings of American LaFrance, LLC, Case No. 08-10178 (BLS) (such mortgage, as the same may be renewed, modified, amended, extended, restated or replaced, whether one or more, the “Obligation”). The Mortgagor has been advised that the Obligation contains a provision that allows the Mortgagee to confess judgment against the Mortgagor. The Mortgagor has read the Obligation and clearly and specifically understand that by signing the Obligation:

(a) The Mortgagor is authorizing the Mortgagee to enter a judgment against the Mortgagor and in favor of the Mortgagee, which will give the Mortgagee a lien upon any real estate which the Mortgagor may own in any county where the judgment is entered;

(b) The Mortgagor is giving up an important right to any notice or opportunity for a hearing before the entry of this judgment on the records of the Court;

(c) The Mortgagor is agreeing that the Mortgagee may enter this judgment and understand that the Mortgagor will be unable to contest the validity of the judgment, should the Mortgagee enter it, unless the Mortgagor successfully challenges entry of the judgment through a petition to open or strike the judgment, which will require the Mortgagor to retain counsel at the Mortgagor’s expense;

(d) The Mortgagor may be giving up an important right to any notice or opportunity for a hearing before the Mortgagee may request and use the power of the state government to deprive the Mortgagor of its property pursuant to the judgment by seizing or having the Sheriff or other official seize the Mortgagor’s bank accounts, inventory, equipment, furnishings, or any other personal property that the Mortgagor may own, to satisfy the Obligation; and

(e) The Mortgagor may be immediately deprived of the use of any property that is seized by the Mortgagee pursuant to the judgment without notice or a hearing, and the procedural rules of Pennsylvania’s court system may not guarantee that the Mortgagor will receive a prompt hearing after the Mortgagor’s property is seized.

2. The Mortgagor knows and understands that it is the confession of judgment clause in the Obligation which gives the Mortgagee the rights described in subparagraphs (a) through (e) of Paragraph 1 above.

3. Fully and completely understanding the rights which are being given up if the Mortgagor signs the Obligation containing the confession of judgment, the Mortgagor nevertheless freely, knowingly and voluntarily waives such rights and choose to sign the Obligation.

4. The Mortgagor acknowledges that the indebtedness secured by the Obligation are to be used for business purposes, that it has reviewed the foregoing with its legal counsel, and that its annual income is in excess of \$10,000.

Dated this _____ day of _____, 2008.

THE MORTGAGOR HAVE READ THIS EXPLANATION AND WAIVER PRIOR TO SIGNING THE OBLIGATION AND FULLY UNDERSTAND ITS CONTENTS.

MORTGAGOR:

AMERICAN LAFRANCE, LLC, a
Delaware limited liability company

By: _____
William J. Hinz
President and CEO