

7. OPERATE AND MANAGE: Having taken possession as aforesaid, without any limitation of any of the rights of Assignee, Assignee may in its own name, as Assignee, operate and manage the Property by its officers, agents or employees, and shall be entitled to collect and receive all Rents due therefrom. Assignee may use such measures as Assignee may deem necessary or proper to enforce the payment of such Rents to secure possession of any part of the Property and bring or defend any legal action in connection with the Property as Assignee may deem proper.

Assignee may, from time to time, make all necessary or proper repairs, replacements, and alterations to the Property as Assignee may deem judicious.

Assignee may insure and reinsure the same. Assignee may execute documents directly related to the operation and management of the Property in Landlord's name.

Assignee may lease the Property or any part or parts thereof in such parcels and for such periods and on such terms as to Assignee may seem fit, including leases for terms expiring over the maturity of the Note.

Assignee may cancel or alter any lease for any cause which would entitle the Landlord to cancel or alter such lease.

8. APPLICATION OF FUNDS: After deducting the expenses of managing and operating the Property and all maintenance, repairs, replacements and alterations and all payments which may be made for special assessments and general real estate taxes, insurance, and prior or proper charges on the Property or any part hereof or appurtenances thereto, including fair and reasonable compensation for attorneys and for agents employed by Assignee to manage and operate the Property, and, after placing in the escrow deposit account of the Landlord all monies required to be deposited in said account under the terms of the Mortgage, Assignee may apply any and all remaining funds to the payment of the unpaid interest and principal secured by the Mortgage or to the payment of any indebtedness found due the Assignee and any proceeding brought to foreclose the lien of the Mortgage or to the payment of any deficiency decree which may be entered in any such proceeding.

9. ASSIGNEE'S OPTION: Assignee is given the right to exercise the powers and authorities herein contained at Assignee's option, in the event of Default, but shall not be required to exercise such powers and authorities and shall not be held responsible for diligence in the performance of anything done pursuant to such powers and authorities, but shall only be held liable for proper application of funds actually received as Rents from the Property. Assignee shall not be liable for failure to collect Rents. After Landlord shall have been barred and foreclosed of all right, title and interest and equity of redemption in the Property, Assignee shall not be liable to account to Landlord for the Rents thereafter received.

10. REPRESENTATIONS: Landlord hereby represents, covenants and warrants to Assignee that Landlord has not, except as the same has been explained to Assignee in writing:

1. Executed any prior assignment of leases or rents;
2. Performed any acts or executed any other instrument which might prevent Assignee from operating under any of the terms and conditions of this Assignment, or which would limit Assignee in such operation;