

4. Notice to Lessees. Borrower hereby irrevocably directs any lessee under any Lease upon demand and notice from Lender of default of Borrower in payment of the indebtedness evidenced by the Note, or breach in the performance of the terms, conditions and covenants contained in the Note, the Deed of Trust, any collateral security documents or this Assignment to pay to Lender all Rents accruing or due under any Lease from and after the receipt of such demand and notice. In making such payments, such lessees shall be under no obligation to inquire into or determine the actual existence of any such default or breach claimed by Lender.

5. Indemnity. Borrower agrees to indemnify and hold Lender harmless from and against any and all liability, loss, damage or expense, including reasonable attorneys' fees, which it may incur under any Lease or by reason of this Assignment, or by reason of any action taken by Lender or Borrower hereunder, and from and against any and all claims and demands whatsoever which may be asserted against Lender by reason of any alleged obligation or undertaking on its part to perform or discharge any of the terms, conditions and covenants contained in any of the Leases. Should Lender incur any such liability, loss, damage or expense, the amount thereof together with interest thereon at the rate set forth in the Note in respect of default shall be payable by Borrower to Lender immediately upon demand therefor, or at the option of Lender, Lender may reimburse itself therefor out of any Rents collected by Lender.

6. Borrower's Warranties. Borrower represents and warrants:

(a) That Borrower (i) is the owner in fee simple of the Property, (ii) has good title to, and the right to assign the Leases and Rents, and (iii) that no other person, firm, corporation or entity has any rights, title or interest therein;

(b) That Borrower is not in default under the Leases and that the Leases are valid and unmodified except as indicated herein; and

(c) That there has been no anticipation or prepayment of Rents under any of the Leases, and that Borrower has not waived, released, discounted or otherwise discharged or compromised any Rents due after the date hereof.

7. Borrower's Covenants. Borrower covenants and agrees:

(a) To duly and punctually perform all the terms, conditions and covenants of any Leases on Borrower's part to be kept, observed and performed;

(b) To enforce or secure the performance of all terms, conditions and covenants of the Leases to be kept, observed and performed by lessees thereunder;

(c) To execute and deliver to Lender such further instruments as Lender may deem necessary from time to time to make effective the assignment and covenants contained herein.

(d) Not to sell, assign, transfer or pledge any of the Rents arising from the Property, whether now due or hereafter to become due;

(e) Not to receive or collect any Rents from any present or future lessee under any Lease for a period of more than one month in advance;

(f) Not to waive, set-off, compromise, or in any manner release or discharge any lessee under any Lease of and from any terms, conditions and covenants to be kept, observed and performed by said lessee, including the obligation to pay Rent; and

(g) Not to cancel, terminate or consent to any surrender of any Lease, nor modify or amend any of the terms thereof, nor consent to the subletting of the Property, or any part thereof, or to the assignment of any Lease by the lessee thereunder without the prior written consent of Lender.

8. No Obligations on Lender. Nothing contained herein shall operate or be construed to obligate Lender to perform any of the terms, covenants and conditions contained in any lease of or relating to the Property or otherwise to impose any obligation upon Lender with respect to any lease of the Property, including, but not limited to, any obligation arising out of any covenant of quiet enjoyment therein contained in the event the lessee under any such lease shall have been joined as a party defendant in any action to foreclose the Deed of Trust and the estate of such lessee shall have been thereby terminated. Prior to actual entry into and taking possession of the Property by Lender, this Assignment shall not operate to place upon Lender any responsibility for the operation, control, care, management or repair of the Property, and the execution of this Assignment by Borrower shall constitute conclusive evidence that all responsibility for the operation, control, care, management and repair of the Property is and shall be that of Borrower, prior to such actual entry and taking of possession.

9. Termination; No Merger. Upon payment in full of the Note and all other indebtedness secured by the Deed of Trust, as evidenced by a recorded satisfaction or release of the Deed of Trust, as well as any sums which may be payable hereunder, this Assignment shall become and be void and of no effect and, in that event, upon the request of Borrower, Lender shall execute and deliver to Borrower instruments effective to evidence the termination of this Assignment or the reassignment to Borrower of the rights, power and authority granted herein; provided, however, that, as to any lessee of the Property, any affidavit, certificate or other written statement of Lender or any agent of Lender, stating that any part of such indebtedness remains unpaid, shall be and constitute conclusive evidence of the validity, effectiveness and continuing force of this Assignment, and any person, firm or corporation receiving any such affidavit, certificate or statement may, and hereby is authorized to, rely thereon. As against Lender, at all times during which this Assignment shall be in effect there shall be no merger of any leases of the Property with the fee estate in the Property by reason of the fact that any such leases or any interest therein may be held by or for the account of any person, firm or corporation which may be or become the owner of such fee estate, unless Lender shall consent in writing to such merger.

10. Cumulative Rights and No Waiver. The rights granted Lender under this Assignment, the Note, the Deed of Trust, or any other collateral security documents, or allowed it by law or equity, shall be cumulative and may be exercised at any time and from time to time. No failure on the part of Lender to exercise, and no delay in exercising any right shall be construed or deemed to be a waiver thereof, nor shall any single or partial exercise by Lender of any right preclude any other or future exercise thereof or the exercise of any other right.