

such alterations, renovations, repairs and replacements as may seem proper to Assignee, and apply such rents, income and profits to payment of all expenses of managing, operating and maintaining the premises, all expenses incident to taking and retaining possession of the premises, and the principal, interest and other indebtedness secured by the note and mortgage, together with all costs and attorneys' fees, in such order of priority as to any of the items mentioned in this paragraph as Assignee in its sole discretion may determine, any statute, law, custom or use to the contrary notwithstanding. Exercise or nonexercise by Assignee of the options granted in this paragraph, or collection and application of rents, income and profits, shall not be considered a waiver of any default by Assignor under the note and mortgage or under the leases or this assignment.

(c) Assignee shall not be liable for any loss sustained by Assignor resulting from Assignee's failure to let the premises or from any other act or omission of Assignee in managing the premises unless such loss is caused by the willful misconduct and bad faith of Assignee. Nor shall Assignee be obligated to perform or discharge nor does the Assignee undertake to perform or discharge any obligation, duty or liability under the lease or under or by reason of this assignment and Assignor agrees to indemnify Assignee for, and to hold Assignee harmless from, any liability, loss or damage which may be incurred under the leases or under or by reason of this assignment and from any claims and demands which may be asserted against Assignee by reason of any alleged obligations or undertakings to perform or discharge any of the terms, covenants or agreements contained in the lease. Should Assignee incur any such liability under the lease or under or by reason of this assignment or in defense of any such claims or demands, the amount thereof, including costs, expenses and reasonable attorneys' fees shall be secured by this assignment, and Assignor shall reimburse Assignee therefor immediately upon demand and upon the failure of Assignor to do so Assignee may, at its option, declare all sums secured by this Assignment or by the note and mortgage immediately due and payable.