

It is understood and agreed that the party of the second part shall not exercise any of its rights under this assignment of rents unless and until there has been a default in the payment of the indebtedness secured by the deed of trust hereinafter mentioned, or default in the payment of any other sums secured by said deed of trust.

It is understood and agreed that the party of the first part shall not have the right to collect any installment or installments of rent in advance of the date prescribed in said lease or leases for the payment thereof.

And the party of the first part does hereby authorize and empower the said PILOT LIFE INSURANCE COMPANY, its successors and assigns, to collect the said rents, issues, profits, revenues, royalties, rights and benefits, as they shall become due, and does hereby direct each and all of the tenants of the aforesaid premises to pay such rents as may now be due or shall hereafter become due to the said PILOT LIFE INSURANCE COMPANY, its successors and assigns, upon demand for payment thereof by said Company, its successors or assigns. It being understood and agreed, however, that until such demand is made the party of the first part is authorized to collect, or continue collecting, said rents, issues, profits, revenues, royalties, rights and benefits.

The term of this assignment shall be until the certain note dated January 18, 1961, ~~made, executed and delivered by Catalina Hotel Court, Inc. (or any extension or renewal thereof),~~ made, executed and delivered by Catalina Hotel Court, Inc. (or any extension or renewal thereof), secured by mortgage dated January 18, 1961, made, executed and delivered by Catalina Hotel Court, Inc., in favor of

PILOT LIFE INSURANCE COMPANY covering the above described premises for the sum of One Hundred Fifty Thousand and no/100- - - - - (\$150,000.00)

DOLLARS shall have been fully paid and satisfied, or until the expiration of the period of redemption, if any, at which times this assignment is to be fully satisfied, cancelled and released, and the releasing of said deed of trust or mortgage shall constitute a release hereof.

This assignment is given as additional security for the performance of each and all of the obligations and covenants if the note and deed of trust or mortgage above described (or any extension or renewal thereof), and the amounts collected hereunder, less the expenses of collection, if any, shall be applied on account of taxes and assessments on said real estate, insurance premiums and delinquencies of principal and interest thereunder.

It is expressly covenanted and agreed by the undersigned party of the first part, that at the time of the execution and delivery of this assignment there has been no anticipation or prepayment of any rents by any of the tenants occupying the above described property or by any of the lessees in any of the above described leases.

It is further covenanted and agreed that the party of the first part, and his successors or assigns, shall have no right, power or authority to alter, modify or amend the terms, or any of them, of any of the leases above described in any particular whatsoever without first obtaining the consent in writing of PILOT LIFE INSURANCE COMPANY to such alteration, modification or amendment.

Nothing herein contained shall be construed as making PILOT LIFE INSURANCE COMPANY, or its successors and assigns, a mortgagee in possession, nor shall said Company, or its successors and assigns, be liable for laches, or failure to collect said rents, issues, profits, revenues, royalties, rights and benefits, and it is understood that said Company is to account only for such sums as are actually collected.

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