

7. 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 thereof or appurtenances thereto, including fair and reasonable compensation for attorneys and for agents employed by Wildaire to manage and operate the Property, Wildaire 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 Wildaire in 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.

8. ASSIGNEE'S OPTION. Wildaire is given the right to exercise the powers and authorities herein contained at its 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. Wildaire shall not be liable for failure to collect Rents. After Capital shall have been barred and foreclosed of all right, title and interest and equity of redemption in the Property, Wildaire shall not be liable to account to Capital for the Rents thereafter received.

9. REPRESENTATIONS. Capital hereby represents, covenants and warrants to Wildaire that Capital has not, except as the same has been explained to Wildaire in writing:

- (a) Executed any prior assignment of rents;
- (b) Performed any acts or executed any other instrument which might prevent it from operating under any of the terms and conditions of this Assignment, or, which would limit it in such operation;
- (c) Received knowledge of a lease default by any tenant.

10. LANDLORD'S COVENANTS. Capital does hereby covenant and agree that, during the term of this Assignment, it will not, without the written consent of Wildaire first had and obtained:

- (a) Permit the payment of any rent more than thirty (30) days in advance of the due date thereof or anticipate, discount, compromise, forgive, encumber or assign the rents or any part thereof or any lease or any interest therein;
- (b) Promptly prosecute all tenants who abandon apartments