

any material respect the provisions of any of the Leases; not agree to terminate or accept a surrender of any Lease except with respect to the closing of a retail store in the ordinary course of Grossman's business; not waive, excuse, condone or in any manner release or discharge the lessees, sublessees or sublicensees under the Leases of or from any material obligations, covenants, conditions and agreements to be performed by the lessees, sublessees or sublicensees thereunder, including the obligation to pay the full rent required thereunder in the manner and at the place and time specified therein, as modified pursuant to this Assignment. Except as permitted by the foregoing, Assignor hereby expressly releases, relinquishes, surrenders and assigns to Assignee the right, power and authority to Assignor to modify, amend or alter the provisions of any of the Leases or to terminate or accept a surrender thereof.

(b) Defense by Assignor. Assignor shall appear in and defend any action or proceeding arising under, resulting from or in any manner connected with the Leases or the obligations, duties or liabilities of Assignor thereunder. Assignor agrees to pay all costs and expenses of Assignee, including reasonable attorneys' fees, in any such action or proceeding in which Assignee appears.

(c) Performance by Assignee. Assignor agrees that if it shall fail to pay or perform any of its obligations herein contained or under sections 5.10 and 5.11 of the Collateral Agreement with respect to any Collateral, Assignee may, but need not, make any such payment or perform (or cause to be performed) any such obligation of Assignor hereunder or thereunder, in any form and manner deemed reasonably expedient by Assignee as agent or attorney-in-fact of Assignor, and any amount so paid or expended shall be added to the Secured Obligations and shall be repaid to Assignee upon demand. By way of illustration and not in limitation of the foregoing, Assignee may, but need not, make payments of principal or interest or otherwise on any obligations secured by a Permitted Exception or other lien or charge; purchase, discharge, compromise or settle any tax lien or any other lien or encumbrance; pay any premium owing on any insurance policy covering the Collateral; or redeem from any tax sale or forfeiture affecting the Leased Property or contest any tax or assessment. In making any payment or securing any performance relating to any such obligation of Assignor hereunder or thereunder, Assignee, so long as it acts reasonably in good faith, shall be the sole judge of the legality, validity and amount of any lien or encumbrance and of all other matters necessary to be determined in satisfaction thereof. No such action of Assignee shall ever be considered as a waiver of any right accruing to it on account of the occurrence of any default on the part of Assignor under this Assignment, any "Event of Default" under the Loan Agreement or any default under any other instrument evidencing Secured Obligations.

(d) Perfection. Assignor agrees to deposit with Assignee immediately upon execution of each Lease Assignor's original counterpart thereof.

(CONTINUED ON NEXT PAGE)