Assignment of Management Agreement

Document 5039A **www.leaplaw.com**

Access to this document and the LeapLaw web site is provided with the understanding that neither LeapLaw Inc. nor any of the providers of information that appear on the web site is engaged in rendering legal, accounting or other professional services. If you require legal advice or other expert assistance, you agree that you will obtain the services of a competent, professional person and will not rely on information provided on the web site as a substitute for such advice or assistance. Neither the presentation of this document to you nor your receipt of this document creates an attorney-client relationship.

ASSIGNMENT OF MANAGEMENT AGREEMENT

This ASSIGNMENT OF MANAGEMENT AGREEMENT (this "**Assignment**) is made and entered into as this ____ day of _____, 20__ by and among (i) [NAME OF BORROWER], a _____ [corporation] (the "**Borrower**"), (ii) [NAME OF LENDER], a _____ [corporation] (the "**Lender**"), (iii) [NAME OF MANAGEMENT COMPANY], a _____ [corporation] (the "**Manager**").

RECITALS

WHEREAS, Borrower is the owner of [DESCRIBE PROPERTY] located in [COUNTY/STATE] (the "**Property**").

WHEREAS, Manager is the managing agent of the Property pursuant to a Property Management Agreement dated [DATE], between Borrower and Manager (the "**Management Agreement**").

WHEREAS, Lender is about to make a loan to Borrower in the amount of $_____ (the "**Loan**"). The Loan will be evidenced by a [NAME OF NOTE] and will be secured by a [NAME OF DEED] (the "**Security Instrument**") which encumbers the Property.

WHEREAS, Borrower is willing to assign its rights under the Management Agreement to Lender as additional security for the Loan.

WHEREAS, Manager is willing to consent to this Assignment and to attorn to Lender upon a default by Borrower under the documents evidencing and securing the Loan, and perform its obligations under the Management Agreement for Lender, or its successors in interest, or to permit Lender to terminate the Management Agreement without liability.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, Borrower, Lender and Manager agree as follows:

1. Borrower hereby transfers, assigns and sets over to Lender, its successors and assigns, all right, title and interest of Borrower in and to the Management Agreement. Manager hereby consents to the foregoing assignment. The foregoing assignment is being made by Borrower to Lender as collateral security for the full payment and performance by Borrower of all of its obligations under the loan documents evidencing and securing the Loan. However, until the occurrence of an Event of Default (as such term is defined in the loan documents evidencing and securing the Loan) Borrower may exercise all rights as owner of the Property under the Management Agreement, except as otherwise provided in this Assignment. The foregoing assignment shall remain in effect as long as the Loan, or any part thereof, remains unpaid, but shall automatically terminate upon the release of the Security Instrument as a lien on the Property.

2. Borrower and Manager represent and warrant to Lender that (i) the Management Agreement is unmodified and is in full force and effect, (ii) the Management Agreement is a valid and binding agreement enforceable against the parties in accordance with its terms, and (iii) neither party is in default in performing any of its obligations under the Management Agreement.

3. Borrower hereby covenants with Lender that during the term of this Assignment: (a) Borrower shall not transfer the responsibility for management of the Property from Manager to any other person or entity without the prior written consent of Lender; (b) Borrower shall not terminate or amend any of the terms or provisions of the Management Agreement without the prior written consent of Lender; and (c) Borrower shall, give Lender written notice of any notice or information that Borrower receives which indicates that Manager is terminating the Management Agreement or that Manager is otherwise discontinuing its management of the Property.

4. Upon receipt by Manager of written notice from Lender that an Event of Default (as that term is defined in the loan documents evidencing and securing the Loan) has occurred and is continuing, Lender shall have the right to exercise all rights as owner of the Property under the Management Agreement.

5. After the occurrence of an Event of Default, Lender (or its nominee) shall have the right any time thereafter to terminate the Management Agreement, without cause and without liability, by giving written notice to Manager of its election to do so. Lender's notice shall specify the date of termination, which shall not be less than thirty (30) days after the date of such notice.

6. On the effective date of termination of the Management Agreement, Manager shall turn over to Lender all books and records relating to the Property (copies of which may be retained by Manager, at Manager's expense), together with such authorizations and letters of direction addressed to tenants, suppliers, employees, banks and other parties as Lender may reasonably require: Manager shall cooperate with Lender in the transfer of management responsibilities to Lender or its designee. A final accounting of unpaid fees (if any) due to Manager under the Management Agreement shall be made within sixty (60) days after the effective date of termination, but Lender shall not have any liability or obligation to Manager for unpaid fees or other amounts payable under the Management Agreement which accrue before Lender (or its nominee) acquires title to the Property, or Lender becomes a mortgagee in possession.

7. Manager's address for notice is [MANAGER’S ADDRESS]. All notices to be given by Lender to Manager shall be given in the same manner as notices to Borrower pursuant to the notice provisions contained in the Security Instrument.

8. This Assignment may be executed in any number of counterparts, each of which shall be considered an original for all purposes; provided, however, that all such counterparts shall constitute one and the same instrument.

[The remainder of this page has been intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF, Borrower, Lender and Manager have executed this Assignment as of the day and year first above written.

BORROWER:

[NAME OF BORROWER]

By: _____
Its:

LENDER:

[NAME OF LENDER]

By: _____
Its:

MANAGER:

[NAME OF MANAGER]

By: _____
Its: