**ASSIGNMENT OF MANAGEMENT AGREEMENT
(Delaware Statutory Trust)**

This ASSIGNMENT OF MANAGEMENT AGREEMENT (this “**Assignment**”) dated as of \_\_\_\_\_\_\_\_\_\_\_\_\_\_ is executed by and among (i) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“**Borrower**”), (ii) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“**Lender**”), (iii) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“**Manager**”); and (iv) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“**Master Lessee**”).

**RECITALS:**

A. Borrower is the owner of a multifamily residential apartment project (the “**Mortgaged Property**”). located in \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **[INSERT COUNTY, STATE]** (the “**State**”).

B. Manager is the managing agent of the Mortgaged Property pursuant to a Management Agreement dated as of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, between Master Lessee and Manager (the “**Management Agreement**”).

C. Master Lessee is the master lessee of the Mortgaged Property pursuant to that certain **[Master Lease]** dated \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, by and between Borrower, as landlord, and Master Lessee (the “**Master Lease**”).

D. Pursuant to that certain Multifamily Loan and Security Agreement dated as of the date hereof, executed by and between Borrower and Lender (as amended, restated, replaced, supplemented or otherwise modified from time to time, the “**Loan Agreement**”), Lender has agreed to make a loan to Borrower in the original principal amount of $\_\_\_\_\_\_\_\_\_ (the “**Mortgage Loan**”), as evidenced by that certain Multifamily Note dated as of the date hereof, executed by Borrower and made payable to the order of Lender in the amount of the MortgageLoan (as amended, restated, replaced, supplemented or otherwise modified from time to time, the “**Note**”).

E. In addition to the Loan Agreement, the MortgageLoan and the Note are also secured by, among other things, a certain Multifamily Mortgage, Deed of Trust or Deed to Secure Debt dated as of the date hereof, which encumbers the Mortgaged Property (as amended, restated, replaced, supplemented or otherwise modified from time to time, the “**Security Instrument**”; the Loan Agreement, the Note, the Security Instrument, and all other documents evidencing or securing the Mortgage Loan, the “**Loan Documents**”).

F. As additional security for Master Lessee’s obligations under the Master Lease, Master Lessee is willing to assign its rights and interests under the Management Agreement to Borrower.

G. As additional security for the Mortgage Loan, Borrower is willing to assign its rights and interests under the Management Agreement as assigned to it by Master Lessee pursuant to the terms hereof.

H. Manager is willing to consent to this Assignment and to attorn to Lender upon **receipt of notice of the occurrence of** an Event of Default (as defined in the Loan Agreement), and perform its obligations under the Management Agreement and this Assignment for Lender, or its successors and assigns in interest, or to permit Lender to terminate the Management Agreement without liability.

NOW, THEREFORE, for good and valuable consideration, including the material financial benefit to be derived by Master Lessee and Manager as a result of the parties entering into the Master Lease and the Management Agreement, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, Borrower, Lender, Master Lessee and Manager agree as follows:

**AGREEMENTS:**

1. **Recitals.**

The recitals set forth above are incorporated herein by reference as if fully set forth in the body of this Assignment.

1. **Assignment.**
	1. Master Lessee hereby transfers, assigns and sets over to Borrower, its successors and assigns, all right, title and interest of Master Lessee in, to and under the Management Agreement. Manager hereby consents to the foregoing assignment. It is the intention of Master Lessee to establish a present, absolute and irrevocable transfer and assignment to Borrower of all of Master Lessee’s right, title and interest in, to and under the Management Agreement, and Master Lessee and Borrower intend this assignment of the Management Agreement to be immediately effective and to constitute an absolute present assignment and not an assignment for additional security only. If this present, absolute and unconditional assignment of the Management Agreement is not enforceable by its terms under the laws of the Property Jurisdiction (as defined below), then it is the intention of Master Lessee that in this circumstance this Assignment create and perfect a lien on the Management Agreement in favor of Borrower to secure the obligations of Master Lessee under this Assignment and Master Lessee’s obligations under the Master Lease and the other Master Lease Documents, which lien shall be effective as of the date of this Assignment. The acceptance by Borrower of this Assignment shall not at any time or in any event obligate Borrower to take any action under this Assignment or to expend any money or to incur any expenses.
	2. Borrower hereby transfers, assigns and sets over to Lender, its successors and assigns, all right, title and interest of Borrower, including those assigned to Borrower, in, to and under the Management Agreement (all of such right, title and interest of Borrower in, to and under the Management Agreement, including those assigned to Borrower by Master Lessee, collectively, “**Borrower’s Management Agreement Rights**”). Manager hereby consents to the foregoing assignment. It is the intention of Borrower to establish a present, absolute and irrevocable transfer and assignment to Lender of all of Borrower’s Management Agreement Rights, and Borrower and Lender intend this assignment of Borrower’s Management Agreement Right’s to be immediately effective and to constitute an absolute present assignment and not an assignment for additional security only. If this present, absolute and unconditional assignment of Borrower’s Management Agreement Rights is not enforceable by its terms under the laws of the Property Jurisdiction, then it is the intention of Borrower that in this circumstance this Assignment create and perfect a lien on Borrower’s Management Agreement Rights in favor of Lender to secure the obligations of Borrower under this Assignment and Borrower’s obligations under the Loan Documents, which lien shall be effective as of the date of this Assignment. The acceptance by Lender of this Assignment shall not at any time or in any event obligate Lender to take any action under this Assignment or to expend any money or to incur any expenses.
	3. Until the occurrence of an Event of Default, Master Lessee and Borrower may exercise all rights as lessee and owner, respectively, of the Mortgaged Property except as otherwise provided in this Assignment. Upon Lender’s delivery of notice to Borrower and Master Lessee of an Event of Default, Lender shall immediately have all of Borrower’s Management Agreement Rights, including the right, power and authority to modify the terms of, extend or terminate the Management Agreement. The foregoing assignment shall remain in effect as long as the MortgageLoan, or any part thereof, remains unpaid, but shall automatically terminate upon the release of the Security Instrument as a lien on the Mortgaged Property.
2. **Representations and Warranties.**

Master Lessee, Borrower and Manager represent and warrant that  the Management Agreement is unmodified and in full force and effect,  the Management Agreement is a valid and binding agreement enforceable against the parties thereto in accordance with its terms, and no party thereto is in default in performing any of its obligations under the Management Agreement. Master Lessee and Borrower each further represents and warrants to Lender that it has not executed any prior assignment of the Management Agreement that remains in effect, nor has Master Lessee or Borrower performed any acts or executed any other instrument which might prevent Lender from operating under any of the terms and conditions of this Assignment, or which would limit Lender in such operation. Manager further represents and warrants to Lender that  Manager has not assigned its interest in the Management Agreement and has not sub-contracted or delegated any of its rights and obligations created by the Management Agreement,  Manager has no notice of any prior assignment, hypothecation or pledge of Borrower’s or Master Lessee’s interests under the Management Agreement that remains in effect,  as of the date hereof, Manager has no counterclaim, right of set-off, defense or like right against Borrower or Master Lessee, and  as of the date hereof, Manager has been paid all amounts due under the Management Agreement.

1. **Lender’s Right to Cure.**

In the event of any default by Master Lessee under the Management Agreement, Lender shall have the right, but not the obligation, upon notice to Borrower and Manager and until such default is cured, to cure any default and take any action under the Management Agreement to preserve the same. Master Lessee hereby grants to Borrower and Borrower hereby grants to Lender the right of access to the Mortgaged Property for this purpose, if such action is necessary. Master Lessee hereby authorizes Manager to accept the performance of Lender in such event, without question. Any advances made by Lender to cure a default by Master Lessee under the Management Agreement shall become part of the indebtedness and shall bear interest at the Default Rate under the Loan Agreement and shall be secured by the Security Instrument.

1. **Covenants.**
	1. **Master Lessee and Borrower Covenants.**

Master Lessee and Borrower each hereby covenants that, during the term of this Assignment:

* + 1. neither Master Lessee nor Borrower shall assign its interest in the Management Agreement or any portion thereof, or transfer the responsibility for management of the Mortgaged Property from Manager to any other person or entity without the prior written consent of Lender;
		2. neither Master Lessee nor Borrower shall cancel, terminate, surrender, modify or amend any of the terms or provisions of the Management Agreement without the prior written consent of Lender;
		3. neither Master Lessee nor Borrower shall forgive any material obligation of Manager or any other party under the Management Agreement without the prior written consent of Lender;
		4. Master Lessee and Borrower shall perform all obligations of Master Lessee and Borrower, respectively, under the Management Agreement in accordance with the provisions thereof, any failure of which would constitute a default under the Management Agreement; and
		5. Master Lessee and Borrower shall give Lender written notice of any notice or information that Master Lessee or Borrower receives which indicates that Manager is terminating the Management Agreement or that Manager is otherwise discontinuing its management of the Mortgaged Property.

Any of the foregoing acts described in subsections (1), (2) and (3) of this Section 5(a) done or suffered to be done without Lender’s prior written consent shall constitute an Event of Default.

* 1. **Subordination of Management Fee.**

Manager agrees that:

* + 1. any fees payable to Manager pursuant to the Management Agreement are and shall be subordinated in right of payment, to the extent and in the manner provided in this Assignment, to the prior payment in full of the indebtedness described in the Loan Agreement, and  the Management Agreement is and shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of the Security Instrument and the other Loan Documents and to all advances heretofore made or which may hereafter be made pursuant to the Loan Documents (including all sums advanced for the purposes of  protecting or further securing the lien of the Security Instrument, curing Events of Default under the Loan Documents or for any other purposes expressly permitted by the Loan Documents, or  constructing, renovating, repairing, furnishing, fixturing or equipping the Mortgaged Property);
		2. if, by reason of its exercise of any other right or remedy under the Management Agreement, Manager acquires by right of subrogation or otherwise a lien on the Mortgaged Property which (but for this Section 5(b)) would be senior to the lien of the Security Instrument, then, in that event, such lien shall be subject and subordinate to the lien of the Security Instrument;
		3. until Manager receives notice (or otherwise acquires actual knowledge) of an Event of Default, Manager shall be entitled to retain for its own account all payments made under or pursuant to the Management Agreement;
		4. after Manager receives notice (or otherwise acquires actual knowledge) of an Event of Default, it will not accept any payment of fees under or pursuant to the Management Agreement without Lender’s prior written consent;
		5. if, after Manager receives notice (or otherwise acquires actual knowledge) of an Event of Default, Manager receives any payment of fees under the Management Agreement, or if Manager receives any other payment or distribution of any kind from Borrower, Master Lessee or from any other person or entity in connection with the Management Agreement which Manager is not permitted by this Assignment to retain for its own account, such payment or other distribution will be received and held in trust for Lender and unless Lender otherwise notifies Manager, will be promptly remitted, in cash or readily available funds, to Lender, properly endorsed to Lender, to be applied to the principal of, interest on and other amounts due under the Loan Documents evidencing and securing the Mortgage Loan in such order and in such manner as Lender shall determine in its sole and absolute discretion. Manager hereby irrevocably designates, makes, constitutes and appoints Lender (and all persons or entities designated by Lender) as Manager’s true and lawful attorney in fact with power to endorse the name of Manager upon any checks representing payments referred to in this Section 5(b), which power of attorney is coupled with an interest and cannot be revoked, modified or amended without the written consent of Lender;
		6. Manager shall notify (via telephone or email, followed by written notice) Lender of Manager’s receipt from any person or entity other than Borrower of a payment with respect to Borrower’s obligations under the Loan Documents, promptly after Manager obtains knowledge of such payment; and
		7. during the term of this Assignment, Manager will not commence or join with any other creditor in commencing any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings with respect to Master Lessee or Borrower, without Lender’s prior written consent.
1. **Lender’s Rights Upon an Event of Default.**
	1. Upon receipt by Manager of written notice from Lender (or Manager otherwise obtaining actual knowledge) that an Event of Default has occurred and is continuing, Lender shall have the right to exercise all rights as owner of the Mortgaged Property under the Management Agreement.
	2. Each of Master Lessee and Borrower agrees that after Borrower or Master Lessee receives notice (or otherwise has actual knowledge) of an Event of Default, it will not make any payment of fees under or pursuant to the Management Agreement without Lender’s prior written consent.
2. **Termination of Management Agreement.**

After the occurrence and during the continuance 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 payment of any cancellation or termination fee, penalty or other 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, except such lesser notice as Lender deems to be appropriate in the event of an emergency or impairment of Lender’s collateral. Such termination right shall supersede any limitation on termination rights contained in the Management Agreement and serve as consideration for the material benefit derived by Manager from Lender’s approval of the Management Agreement and Master Lease and the making of the Mortgage Loan.

1. **Books and Records.**

On the effective date of termination of the Management Agreement, Manager shall turn over to Lender all books and records relating to the Mortgaged 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 Mortgaged Property, or Lender becomes a mortgagee in possession.

1. **Notice.**
	1. **Process of Serving Notice.**

All notices under this Assignment shall be:

* + 1. in writing and shall be:
			1. delivered, in person;
			2. mailed, postage prepaid, either by registered or certified delivery, return receipt requested;
			3. sent by overnight courier; or
			4. sent by electronic mail with originals to follow by overnight courier;
		2. addressed to the intended recipient at its respective address set forth at the end of this Assignment; and
		3. deemed given on the earlier to occur of:

(A) the date when the notice is received by the addressee; or

(B) if the recipient refuses or rejects delivery, the date on which the notice is so refused or rejected, as conclusively established by the records of the United States Postal Service or any express courier service.

* 1. **Change of Address.**

Any party to this Assignment may change the address to which notices intended for it are to be directed by means of notice given to the other parties to this Assignment in accordance with this Section 9.

* 1. **Default Method of Notice.**

Any required notice under this Assignment which does not specify how notices are to be given shall be given in accordance with this Section 9.

* 1. **Receipt of Notices.**

Master Lessee, Borrower, Manager and Lender shall not refuse or reject delivery of any notice given in accordance with this Assignment. Each party is required to acknowledge, in writing, the receipt of any notice upon request by the other party.

1. **Counterparts.**

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.

1. **Governing Law; Venue and Consent to Jurisdiction; Waiver of Jury Trial**.
	1. **Governing Law.**

The validity, enforceability, interpretation, and performance of this Assignment shall be governed by State (as defined in the Security Instrument) law without giving effect to any conflict of law or choice of law rules that would result in the application of the laws of another jurisdiction.

* 1. **Venue; Consent to Jurisdiction.**

In the administration or litigation of a controversy arising under or in relation to this Assignment or the security for the Indebtedness, Master Lessee, Borrower and Manager each consents to the exercise of personal jurisdiction by State court or federal court in such State. Master Lessee, Borrower and Manager each agrees that the State courts have subject matter jurisdiction over such controversies. If Lender elects to sue in State court, Master Lessee, Borrower and Manager each waives any right to remove to federal court or to contest the State court’s jurisdiction. Master Lessee, Borrower and Manager each waives any objection to venue in any State court or federal court in such State, and covenants and agrees not to assert any objection to venue, whether based on inconvenience, domicile, habitual residence, or other ground.

* 1. **WAIVER OF TRIAL BY JURY.**

TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH OF MASTER LESSEE, BORROWER, LENDER, AND MANAGER (i) COVENANTS AND AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS ASSIGNMENT, OR THE RELATIONSHIP BETWEEN THE PARTIES AS MASTER LESSEE, BORROWER, LENDER, AND MANAGER THAT IS TRIABLE OF RIGHT BY A JURY, AND (ii) WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN BY EACH PARTY, KNOWINGLY AND VOLUNTARILY, WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL.

1. **Severability; Amendments.**

The invalidity or unenforceability of any provision of this Assignment shall not affect the validity or enforceability of any other provision of this Assignment, all of which shall remain in full force and effect. This Assignment contains the complete and entire agreement among the parties as to the matters covered, rights granted and the obligations assumed in this Assignment. This Assignment may not be amended or modified except by written agreement signed by the parties hereto.

1. **Indemnification.**

By executing this Assignment, Borrower agrees to the fullest extent permitted by applicable law to indemnify and hold harmless Lender and its successors and assigns from and against any and all losses, claims, damages, liabilities and expenses including attorneys’ fees and costs, which may be imposed or incurred in connection with this Assignment.

1. **Construction.**
	1. The captions and headings of the sections of this Assignment are for convenience only and shall be disregarded in construing this Assignment.
	2. Any reference in this Assignment to an “Exhibit” or “Schedule” or a “Section” or an “Article” shall, unless otherwise explicitly provided, be construed as referring, respectively, to an exhibit or schedule attached to this Assignment or to a Section or Article of this Assignment. All exhibits and schedules attached to or referred to in this Assignment, if any, are incorporated by reference into this Assignment.
	3. Any reference in this Assignment to a statute or regulation shall be construed as referring to that statute or regulation as amended from time to time.
	4. Use of the singular in this Assignment includes the plural and use of the plural includes the singular.
	5. As used in this Assignment, the term “including” means “including, but not limited to” or “including, without limitation,” and is for example only and not a limitation.
	6. Whenever Master Lessee’s, Borrower’s or Manager’s knowledge is implicated in this Assignment or the phrase “to Master Lessee’s knowledge”, “to Borrower’s knowledge”, “to Manager’s knowledge” or a similar phrase is used in this Assignment, Master Lessee’s, Borrower’s or Manager’s knowledge or such phrase(s) shall be interpreted to mean to the best of Master Lessee’s, Borrower’s or Manager’s knowledge after reasonable and diligent inquiry and investigation.
	7. Unless otherwise provided in this Assignment, if Lender’s approval, designation, determination, selection, estimate, action or decision is required, permitted or contemplated hereunder, such approval, designation, determination, selection, estimate, action or decision shall be made in Lender’s sole and absolute discretion.
	8. All references in this Assignment to a separate instrument or agreement shall include such instrument or agreement as the same may be amended or supplemented from time to time pursuant to the applicable provisions thereof.
	9. “Lender may” shall mean at Lender’s discretion, but shall not be an obligation.

**[Remainder of Page Intentionally Blank]**

**IN WITNESS WHEREOF**, Borrower, Lender, Manager, and Master Lessee have signed and delivered this Assignment under seal (where applicable) or have caused this Assignment to be signed and delivered under seal (where applicable), each by its duly authorized representative. Where applicable law so provides, Master Lessee, Borrower, Lender and Manager intend that this Assignment shall be deemed to be signed and delivered as a sealed instrument.

**BORROWER**:

By: (SEAL)

Name:

Title:

Address:

Email:

**LENDER**:

By: (SEAL)

Name:

Title:

Address:

Email:

**MANAGER**:

By: (SEAL)

Name:

Title:

Address:

Email:

**MASTER LESSEE**:

By: (SEAL)

Name:

Title:

Address:

Email: