**ASSIGNMENT OF MANAGEMENT AGREEMENT**

**(Master Lease - Alternate)**

**[DRAFTING NOTE: USE THIS FORM FOR SHARIA MASTER LEASE STRUCTURES; USE FORM 6405.ML FOR NON-SHARIA OR NON-DST MASTER LEASE STRUCTURES WHERE THE MANAGEMENT AGREEMENT IS BETWEEN PROPERTY MANAGER AND MASTER LESSEE (NOT BORROWER); USE THE STANDARD 6405 FOR MASTER LEASE STRUCTURES WHERE THE MANAGEMENT AGREEMENT IS BETWEEN PROPERTY MANAGER AND BORROWER; USE FORM 6405.DST FOR DELAWARE STATUTORY TRUST MASTER LEASE STRUCTURES.]**

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

**RECITALS:**

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

B. Pursuant to the terms of that certain [**Master Lease**] dated as of \_\_\_\_\_\_\_, 20\_\_ by and between Lessor and Master Lessee (as may be hereinafter amended and modified from time to time, the “**Master Lease**”), Lessor has leased to Master Lessee the Mortgaged Property.

C. 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**”).

D. For purposes of providing assurance to Lessor of the due payment and performance by Master Lessee of its obligations under the Master Lease and the other Master Lease Documents (as hereinafter defined), Master Lessee has agreed to provide for the assignments, grants, security interests, subordination and agreements as set forth pursuant to this Assignment.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, Lessor, 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.**

Master Lessee hereby transfers, assigns and sets over to Lessor, its successors and assigns, all right, title and interest of Master Lessee in and to the Management Agreement. Manager hereby consents to the foregoing assignment. The foregoing assignment is being made by Master Lessee to Lessor as collateral security for the full payment and performance by Master Lessee of all of its obligations under the Master Lease Documents. Although it is the intention of the parties that the assignment hereunder is a present assignment, until the occurrence of any default or failure to perform or observe any obligation, condition, covenant, term, agreement or provision required to be performed or observed by Master Lessee or any other party under any of the Master Lease Documents beyond any applicable grace or cure period provided for therein (an “**Event of Default**”), Master Lessee may exercise all rights as owner of the Mortgaged Property under the Management Agreement, except as otherwise provided in this Assignment. The foregoing assignment shall remain in effect as long as the Master Lease, or any part thereof, remains in effect, but shall automatically terminate upon the termination of the Master Lease.

1. **Representations and Warranties.**

Master Lessee and Manager represent and warrant to Lessor that the Management Agreement is unmodified and is in full force and effect, the Management Agreement is a valid and binding agreement enforceable against the parties in accordance with its terms, and neither party is in default in performing any of its obligations under the Management Agreement. Master Lessee further represents and warrants to Lessor that it has not executed any prior assignment of the Management Agreement that remains in effect, nor has it performed any acts or executed any other instrument which might prevent Lessor from operating under any of the terms and conditions of this Assignment, or which would limit Lessor in such operation. Manager further represents and warrants to Lessor that Manager has not assigned its interest in the Management Agreement, Manager has no notice of any prior assignment, hypothecation or pledge of Master Lessee’s interest 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 Master Lessee, and as of the date hereof, Manager has been paid all amounts due under the Management Agreement.

1. **Lessor’s Right to Cure.**

In the event of any default by Master Lessee under the Management Agreement, Lessor shall have the right, but not the obligation, upon notice to Master Lessee 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 Lessor 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 Lessor in such event, without question. Any advances made by Lessor to cure a default by Master Lessee under the Management Agreement shall become part of the obligations by Master Lessee under the Master Lease.

1. **Covenants.**
   1. **Master Lessee Covenants.**

Master Lessee hereby covenants with Lessor that, during the term of this Assignment:

* + 1. Master Lessee shall not assign Master Lessee’s 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 Lessor;
    2. Master Lessee shall not cancel, terminate, surrender, modify or amend any of the terms or provisions of the Management Agreement without the prior written consent of Lessor;
    3. Master Lessee shall not forgive any material obligation of the Manager or any other party under the Management Agreement, without the prior written consent of Lessor;
    4. Master Lessee shall perform all obligations of Master Lessee 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 shall give Lessor written notice of any notice or information that Master Lessee 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 done or suffered to be done without Lessor’s prior written consent shall constitute an Event of Default under the Master Lease.

* 1. **[DRAFTING NOTE: ADD THIS SECTION 5(b) FOR AFFILIATED MANAGERS:**  **Affiliated Manager Subordination.**

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 Master Lease Documents, and the Management Agreement is and shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of the Master Lease Documents and to all advances heretofore made or which may hereafter be made pursuant to the Master Lease Documents (including all sums advanced for the purposes of curing Events of Default by Master Lessee under the Master Lease Documents or for any other purposes expressly permitted by the Master Lease 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 Master Lease, then, in that event, such lien shall be subject and subordinate to the Master Lease;
    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 Lessor’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 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 Lessor and unless Lessor otherwise notifies Manager, will be promptly remitted, in cash or readily available funds, to Lessor, properly endorsed to Lessor, to be applied to the principal of, interest on and other amounts due under the Master Lease Documents in such order and in such manner as Lessor shall determine in its sole and absolute discretion. Manager hereby irrevocably designates, makes, constitutes and appoints Lessor (and all persons or entities designated by Lessor) 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 Lessor;
    6. Manager shall notify (via telephone or email, followed by written notice) Lessor of Manager’s receipt from any person or entity other than Master Lessee of a payment with respect to Master Lessee’s obligations under the Master Lease 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, without Lessor’s prior written consent.**]**

1. **Lessor’s Rights Upon an Event of Default.**
   1. Upon receipt by Manager of written notice from Lessor that an Event of Default has occurred and is continuing, Lessor shall have the right to exercise all rights as owner of the Mortgaged Property under the Management Agreement.
   2. **[DRAFTING NOTE: ADD THIS SECTION 6(b) FOR AFFILIATED MANAGERS:** Master Lessee agrees that after 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 Lessor’s prior written consent.**]**
2. **Termination of Management Agreement.**

After the occurrence and during the continuance of an Event of Default, Lessor (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. Lessor’s notice shall specify the date of termination, which shall not be less than thirty (30) days after the date of such notice.

1. **Books and Records.**

On the effective date of termination of the Management Agreement, Manager shall turn over to Lessor 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 Lessor may reasonably require. Manager shall cooperate with Lessor in the transfer of management responsibilities to Lessor 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.

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, Lessor, and Manager 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 the laws of the State 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 and Manager each consents to the exercise of personal jurisdiction by State court or federal court in such State. Master Lessee 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 and Manager each waives any right to remove to federal court or to contest the State court’s jurisdiction. Master Lessee 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 LESSOR, MASTER LESSEE, AND MANAGER 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 LESSOR, MASTER LESSEE, AND MANAGER, THAT IS TRIABLE OF RIGHT BY A JURY, AND 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. **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 knowledge is implicated in this Assignment or the phrase “to Master Lessee’s knowledge” or a similar phrase is used in this Assignment, Master Lessee’s knowledge or such phrase(s) shall be interpreted to mean to the best of Master Lessee’s knowledge after reasonable and diligent inquiry and investigation.
   7. Unless otherwise provided in this Assignment, if Lessor’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 Lessor’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. “Lessor may” shall mean at Lessor’s discretion, but shall not be an obligation.

**[Remainder of Page Intentionally Blank]**

**IN WITNESS WHEREOF**, Master Lessee, Lessor and Manager 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, Lessor and Manager intend that this Assignment shall be deemed to be signed and delivered as a sealed instrument.

**MASTER LESSEE**:

By: (SEAL)

Name:

Title:

Address:

**LESSOR**:

By: (SEAL)

Name:

Title:

Address:

**MANAGER**:

By: (SEAL)

Name:

Title:

Address: