

Information & Instructions: Assignment Of Rents and Income

PREVIEW

1. The form that follows allows an owner or lessor to assign all of his or her right, title, and interest in rents and income that may be derived from a lease held by the assignor.

2. The form provides for:

a. Assignor's right to receive income and rents from a lease and wish to assign that right;

b. Irrevocability of the assignment;

c. Collection of lease income through grant of a license;

d. Events leading to termination of the agreement,

e. Powers and duties of the parties;

f. Designation of assignee as assignor's attorney in fact with respect to all rights, powers, and duties in the lease agreement attached in exhibit A;

g. Assignee's right to collect monies and rights of ingress and egress to the property.

Form: Assignment Of Rents and income

THIS DOCUMENT

[Name] ("Assignor"), for value received, has agreed to execute in favor of [name] ("Assignee") an assignment of all income and benefits of every nature whatsoever, including all rents and profits including tenants' security deposits held by or for Assignor, that are hereafter derived from the property described as [legal description and street address]; and

This assignment shall apply to the lease agreements that are attached hereto as Exhibit "A" and made a part hereof.

Assignor absolutely, presently, and irrevocably assigns and transfers to Assignee all of the income derived or to be derived from the property described above, including all rents now due or which may hereafter become due under or by virtue of all leases now or hereafter affecting any part of the property, whether written or oral, or any letting of, or any agreement for, the use or occupancy of any part of the property that may have been made heretofore or that may be made hereafter.

It is the intention of the parties to establish an absolute transfer and assignment of all of the income to the Assignee.

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1.1 Assignor, by acceptance of this assignment, grants to Assignee the license to demand, collect, receive, sue for, attach, levy, and apply in a manner consistent with this agreement, all of the income described above and to control, operate, and manage the property and all leases in all respects except for the collection of income in advance of the time when that income becomes due.

1.2 Regardless of whether Assignee takes possession of the property, the tenants in possession of the property or any part of it and all others indebted to Assignor for any of the income are hereby authorized and directed to make the payments due under the terms of their leases, whether written or oral, or other evidences of indebtedness, whether written or oral, in accordance with this paragraph and without requiring any legal action or proof of any such default or license termination.

2. TERMINATION OF AGREEMENT

2.1 In the event that either party fails to perform the obligation owed to the other party, this agreement shall terminate.

2.2 On termination, Assignee shall surrender immediately to Assignor all of the property and all leases to the extent that Assignee's license with respect thereto has been terminated, and in such case the Assignor shall be automatically entitled to take immediate possession of the property and all leases to the extent of the license termination.

3. POWER AND DUTIES

3.1 Assignee is hereby irrevocably designated as Assignor's attorney-in-fact, coupled with an interest, (a) to collect, receive, sue for, attach, levy, and apply the income without taking possession of the property, (b) if Assignee elects in writing, to control, operate and manage the property at the expense of Assignor and to exercise and perform all rights and obligations of Assignor as provided by the leases, including the curing of any or all lease defaults, or such part of the foregoing property or leases as Assignee shall specify in writing and (c) to exercise, enforce, perform and protect all other rights, titles and interests which are granted Assignee in this agreement.

3.2 Assignee shall in the event of a default be entitled to use such measures as Assignee may deem necessary or desirable to enforce the payment of such income or, to secure possession of any part of said property or leases, and may institute, conduct or defend any legal action regarding the property or leases as Assignee may deem necessary or desirable. Assignee is hereby given the right, but not the obligation, to exercise, enforce, perform, and protect the rights, titles, and interests contained in this agreement in the event of a default. Assignee shall not be held responsible for the failure to exercise diligence in taking any such actions but shall only be held liable for the failure to apply the income.

3.3 Assignee may, from time to time, make any or all repairs, replacements, and alterations to the property as Assignee may deem necessary or desirable, insure and re-insure the property on such terms as Assignee shall deem necessary or desirable, lease said property or any part or parts thereof in such parcels and for such periods and on such terms as Assignee deems desirable, including leases or terms (excluding the nature of the indebtedness secured hereby, cancel or modify any lease for any cause which would entitle the Assignor to cancel or modify same and take

whatever measures Assignee from time to time deems necessary or desirable to exercise, enforce, perform or protect Assignee's rights.

PREVIEW

3.4 Assignee is hereby given the right of access to the books and records of Assignor or under the control of Assignor pertaining to the property, which books and records shall be kept in accordance with generally accepted accounting principles, consistently applied.

3.5 To the extent the income actually collected is sufficient, Assignee shall pay, in whatever order of priority is determined as necessary or desirable by Assignee, all expenses of controlling, managing, and operating the property or satisfying the requirements of the leases, including, but not limited to, all expenses for maintenance, repairs, replacements, alterations, special assessments, taxes, insurance, all amounts evidenced, secured, permitted, or required to be spent, escrowed or reimbursed, attorney's fees, fees of representatives designated by Assignee to manage and operate the property, and all other expenses pertaining to all or any part of the property or the leases.

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3.6 The failure of the Assignee at any time to avail [himself or herself or itself] of any of its rights, titles or interests in this assignment shall not be construed to be a waiver of any of such right, title, or interest, but the Assignee shall have full power and authority to exercise, enforce, perform or protect such rights at any time or times that it deems fit, subject to the other terms and conditions of this agreement. To be effective, any waiver of any of the terms, covenants or conditions of this agreement must be in writing and shall be valid only to the extent clearly set forth in such writing.

3.7 Assignor hereby represents, warrants and covenants that [he or she or they or it] has not executed any prior assignment of the leases or income, that no income or rents provided for in any leases has been paid or accepted in advance of the time when due pursuant to the leases, and that Assignor in the future will not make or permit any such assignment nor accept or permit payment of any income or rents in advance of the due date.

THIS DOCUMENT

3.8 Assignor hereby indemnifies and holds Assignee harmless from and against all loss, cost, or liability of any nature whatsoever suffered or incurred by Assignee in exercising, performing, enforcing or protecting its rights, titles, or interests set forth herein.

3.9 On payment of [identify other debt, if any] this assignment shall automatically become null and void and of no effect.

3.10 In the event of any conflict between the assignment of rents contained in [identify other instrument, if any] and this Assignment of Rents, this Assignment of Rents shall prevail. Except with respect to any such conflict, both assignments of rents shall be enforceable collectively or separately as Assignee shall elect from time to time.

THANK YOU

3.11 Assignor shall furnish to Assignee an annual accounting of all income and expenses pertaining to the property, such accounting to be in form and content satisfactory to Assignee in all respects, to be certified in a manner designated by Assignee and to be furnished to Assignee within 90 days after the end of Assignor's fiscal year. On demand, Assignor will furnish to Assignee and Assignee's representative for verification and for the audit of the annual statements provided, however, that Assignee may require the statements to be submitted by Assignor in audited form at

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Assignor's cost and expense and certified by an independent certified public accountant. Assignee and Assignee's representatives shall have access at all reasonable times to inspect any or all of Assignor's books and records with respect to the property and its operation and may make copies of and take extracts from those books and records.

3.12 At the expense of Assignor, Assignee is hereby given the authority to employ agents, attorneys, and others in exercising, enforcing, performing, or protecting Assignee's rights, titles, or interests under this agreement. To the extent that the income is insufficient, Assignor agrees to reimburse Assignee for all monies advanced by Assignee in so exercising, enforcing, performing, or protecting Assignee's rights, titles, or interests, together with interest on all such advances by Assignee at the rate of _____ percent per annum from the date of each of each advance respectively.

3.13 This assignment shall be binding on and inure to the benefit of the parties and their respective heirs, executors, administrators, legal representatives, successors, and assigns.

3.14 In no event do the parties intend that Assignee will be a mortgagee in possession by the mere acceptance of this assignment, nor shall Assignee be a mortgagee in possession except to the extent assignee exercises in writing any of Assignee's rights to control, operate, and manage the property.

3.15 Assignor represents and warrants that (a) all leases are in full force and effect and (b) no default exists in any of the leases by Assignor or, to the knowledge of Assignor, by the tenants under the leases.

Signed on _____ **THIS DOCUMENT**

Assignor

Assignee

THANK YOU

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