

Collateral Assignment of Lease

_____, referred to as DEBTOR, and
_____, referred to as SECURED PARTY, agree:

DEBTOR is indebted to SECURED PARTY pursuant to a _____ dated _____ in the original principal amount of \$ _____ (& _____/100 dollars); and DEBTOR is the lessor under a lease agreement with _____, referred to herein as tenant, for a term of _____ months, for the following described premises:

_____ entered into on _____; THEREFORE,

DEBTOR absolutely assigns to SECURED PARTY, all of DEBTOR's right title and interest in said lease, including all rents, profits or other payments on account of said lease or the occupation of the property. In the event of a termination of the lease described, DEBTOR agrees that any further leases of the same premises, or other receipts from the exploitation of the property shall be assigned to the SECURED PARTY.

DEBTOR herewith covenants:

that DEBTOR is the sole owner of the lease and that DEBTOR has the right to assign this lease;
that the DEBTOR has performed all covenants required to be performed by the lease;
that the DEBTOR has not previously assigned the lease;
that the LESSEE is not in default under the lease;
that the present remaining balance under the lease is \$ _____ (& _____/100 dollars).

DEBTOR agrees:

that DEBTOR will continue to perform all obligations under the lease required to be performed by the DEBTOR;
that the DEBTOR will make no further assignments of the lease without the prior consent of the CREDITOR;
not to materially change the lease without the prior consent of the CREDITOR;
not to agree to a release of the lessee; termination, buy out or other settlement of the lease without the prior written consent of the CREDITOR;
to irrevocably appoint CREDITOR as its agent to enforce the lease and further authorizes CREDITOR to pursue such legal or other action as may be deemed by CREDITOR to be necessary to protect its interest herein. CREDITOR may, in its sole discretion, enter into a settlement of the lease obligation with the LESSEE and may release the LESSEE on behalf of DEBTOR. DEBTOR agrees that it shall honor such releases.

In the event of a default by DEBTOR in payment or other terms of the _____, CREDITOR may take possession of the premises, and manage the same. CREDITOR shall not be liable for any loss sustained by the DEBTOR due to the management of the premises should CREDITOR determine to do so, unless the loss is caused by bad faith, gross negligence or willful misconduct.

Should the CREDITOR manage the premises, if the lease requires the DEBTOR to pay property or other taxes, CREDITOR shall withhold sums sufficient from the rental or other payments to amortize and pay the taxes.

Any net profits after expenses incurred by CREDITOR in managing the premises shall be applied to the obligation secured hereby.

This agreement provides an additional right, cumulative to all other rights, if any, possessed by the SECURED PARTY, and the SECURED PARTY shall retain all other such rights.

Dated: _____

Creditor

Secured Party

Collateral Assignment of Lease Review List

This review list is provided to inform you about this document in question and assist you in its preparation. This document is another that provides a creditor with additional collateral to either extend credit or forebear from foreclosing on a debt.

1. Make multiple copies. Give one to each signatory. Keep one copy with the transaction file.