

# TEXAS ANNOTATED SUBORDINATION, NON-DISTURBANCE AND ATTORNMEN T AGREEMENT

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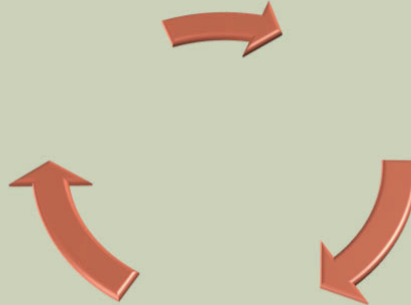
## I. INTRODUCTION

- A. Overview of SNDAs
- B. Importance of SNDAs
- C. Before the SNDA: Leverage, Leases and Loans
- D. The Role of the Landlord

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## A. OVERVIEW OF SNDAs

- SNDAs are typically three-party agreements.\*



\*Don't forget the landlord/borrower.

- SNDAs are most commonly needed in the context of commercial transfers, acquisitions and refinancing.
- Delivering SNDAs can become a very expensive task depending upon the transaction.

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## B. IMPORTANCE OF SNDAs

- SNDAs are a mechanism by which parties are able to plan for the worst case scenario—FORECLOSURE.
  - SNDAs contractually modify lien positions, lease rights and party obligations.
  - SNDAs allow parties to avoid state law default rules.
    - Little case law guidance
    - State laws vary greatly
      - Recording statutes
      - Lien theory v. title theory
      - Notice (actual v. constructive)
    - Risks are difficult to calculate
  - As the likelihood of foreclosure increases, so does the importance of an SNA.
- In one word, SNDAs mean: CERTAINTY

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## Title search: Texas Annotated Subordination, Non-Disturbance and Attornment Agreement

Also available as part of the eCourse

[Real Estate Loan Negotiation Strategies and Drafting Tips](#)

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