

Washington Federal Bank

COLLATERAL ASSIGNMENT OF AFFORDABLE HOUSING AGREEMENT

This COLLATERAL ASSIGNMENT OF AFFORDABLE HOUSING AGREEMENT (the "Assignment") is made as of February 19, 2021.

MWIC JORY SALEM, LLC, an Oregon limited liability company ("Assignor"), for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby, to the fullest extent permitted by law, assign, transfer and set over unto **WASHINGTON FEDERAL BANK, NATIONAL ASSOCIATION**, a national banking association ("Assignee"), all of Assignor's right, title, interest, privilege, benefit, and remedies now existing or hereafter acquired in, to, or arising out of or in relation to that certain Affordable Housing Agreement between the Urban Renewal Agency of the City of Salem, as the Agency (the "Agency") and Assignor, as Owner, dated as of January 29, 2021, a memorandum of which was recorded on _____, 2021, under Recording No. _____, in Marion County, Oregon (the "Affordable Housing Agreement"), subject to the terms of such Affordable Housing Agreement.

THIS ASSIGNMENT is a present and irrevocable assignment and is made for the purpose of securing all of the following (collectively, the "Obligations"):

A. The payment of all sums and indebtedness now or hereafter due under the Construction Loan Agreement of even date herewith between Assignor and Assignee (as the same may hereafter be amended or modified, the "Loan Agreement"), the Line of Credit Promissory Note of even date executed by Assignor (as the same may hereafter be amended or modified, the "Note") in connection with that certain loan (the "Loan") from Assignee to Assignor, and any other document evidencing or securing the Loan (collectively, the "Loan Documents").

B. The performance and discharge of each and every obligation, covenant and agreement of Assignor now or hereafter existing under the Loan Agreement, the Note, and any other Loan Document.

THIS ASSIGNMENT is made on the following terms, covenants and conditions:

1. Assignor hereby appoints Assignee its true, lawful and irrevocable attorney-in-fact (coupled with an interest), effective upon the occurrence of an Event of Default (as defined in the Loan Agreement, upon the expiration of any applicable cure or grace period), to demand, receive and enforce any and all rights, interests and benefits accruing to Assignor under the terms of the Affordable Housing Agreement and to sue, either in the name of Assignor or in the name of Assignee, or both, in connection with such rights, interests and benefits set forth in the Affordable Housing Agreement, and subject to the terms of the Affordable Housing Agreement.

2. Upon the occurrence of an Event of Default (as defined in the Loan Agreement, upon the expiration of any applicable cure or grace period) by Assignor under the Loan Documents, Assignee may, at its option, exercisable in its sole and absolute discretion, upon written notice to Agency, exercise any or all of the rights and remedies granted to Assignor under the Affordable Housing Agreement with Agency as if Assignee had been an original party to the Affordable Housing Agreement. Unless otherwise agreed to in writing by Assignee, Assignee may elect to assume some or all of the obligations of Assignor under the Affordable Housing Agreement by giving notice to that effect to Agency; provided however, that Assignee shall not be responsible for any default, liability, or obligation of Assignor under the Affordable Housing Agreement occurring prior to the time Assignee gives such notice to Agency, and Assignee shall thereafter be responsible only to the extent expressly set forth in said notice, or as otherwise agreed to between Assignee and Agency.

3. Until an Event of Default (as defined in the Loan Agreement, upon the expiration of any applicable cure or grace period) has occurred, Assignor may continue to demand, receive and enforce all rights, interests and benefits under and in accordance with the terms of the Affordable Housing Agreement.

4. This Assignment is irrevocable and shall remain in full force and effect until and unless there is payment in full of the Note and satisfaction of all Obligations of Assignor owing to Assignee, or Assignor is otherwise released in writing by Assignee.

5. This Assignment, together with the agreements and warranties contained herein, shall inure to the benefit of Assignee, its successors and assigns, and shall be binding upon Assignor, its successors and assigns.

6. This Assignment does not relieve Assignor of its obligations under the Affordable Housing Agreement. Assignee does not hereby assume any of Assignor's obligations or duties concerning the Affordable Housing Agreement.

7. Assignor hereby represents and warrants to Assignee that no previous assignment of the Affordable Housing Agreement has been made, and Assignor agrees not to assign, sell, pledge, transfer, or otherwise encumber its interest in the Affordable Housing Agreement so long as this Assignment is in effect. Assignor represents and warrants that the copy of the Affordable Housing Agreement provided by Assignor to Assignee is the complete and entire agreement between the parties thereto. Assignor agrees not to modify the Affordable Housing Agreement in any material respect without Assignee's prior written consent.

8. If any provision of this Assignment shall be invalid, illegal, or unenforceable, it shall not affect or impair the validity, legality, and enforceability of the other provisions of this Assignment or of the other Loan Documents. This Assignment may not be amended, modified, or changed, nor shall any waiver of any provision hereof be effective, except by a written instrument signed by the party against whom enforcement of the waiver, amendment, change, or modification is sought.

9. Notwithstanding the governing law provisions applicable to the Loan Agreement and other Loan Documents, this Assignment shall be governed by and construed in accordance with the laws of the state of Oregon.

10. This Assignment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Signature pages may be detached from the counterparts and attached to a single copy of this Assignment to physically form one document.

[CONTINUED ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Assignor has executed this Assignment as of the date first written above.

ASSIGNOR:

MWIC JORY SALEM, LLC,
an Oregon limited liability company

By: MOUNTAIN WEST INVESTMENT
CORPORATION, an Oregon corporation,
its Manager

By: 
Jason E. Tokarski, Vice President

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CONSENT OF AGENCY TO COLLATERAL ASSIGNMENT OF AFFORDABLE HOUSING AGREEMENT

Agency hereby consents to the foregoing Collateral Assignment of Affordable Housing Agreement, and agrees to perform pursuant to the terms and conditions of Agency's agreement with Assignor, notwithstanding a foreclosure of that certain Line of Credit Deed of Trust, Assignment of Leases and Rents, Assignment of Contracts, Security Agreement, and Fixture Filing executed by Assignor, as grantor, for the benefit of Assignee, as beneficiary, of even date herewith (the "Deed of Trust") by Assignee. If requested by Assignee in the exercise of its rights under the Assignment, Agency shall continue to perform its obligations under the Affordable Housing Agreement. Agency also agrees that, in the event of a breach by Assignor of any of the terms and conditions of said Affordable Housing Agreement, Agency will give prompt written notice of such breach to Assignee at Assignee's address below or such address otherwise provided to Agency by Assignee. Assignee shall have the later of (a) the cure period afforded to Assignor under the Affordable Housing Agreement, or (b) thirty (30) days from the receipt of such notice of default, to remedy or cure said default; provided, however, that neither the Assignment nor this Consent shall require Assignee to cure said default, but Assignee shall, in its sole and absolute discretion, have the option to do so. Agency hereby expressly subordinates to the lien of the Deed of Trust any lien to which Agency may be entitled with respect to any of its rights under or in connection with the Affordable Housing Agreement or otherwise in connection with any property securing the Obligations. The undersigned acknowledges that Assignee is relying on this Consent and the assurances herein in making its Loan to Assignor and this Consent shall also be for the benefit of and bind any assignee or successors of Assignee and the undersigned. All capitalized terms used in this Consent shall have the same meaning as in the Assignment. The Affordable Housing Agreement between Assignor and the undersigned is in full force and effect as of the date hereof.

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IN WITNESS WHEREOF, Agency has caused this Consent to be executed and to be effective as of the date first above written.

“AGENCY”

URBAN RENEWAL AGENCY OF THE
CITY OF SALEM, OREGON,
an Oregon quasi-municipal corporation

By: 

STEVE D. POWERS, Executive Director

Address for notices to Agency:

City of Salem, Urban Development Department
Attn: Urban Development Director
350 Commercial Street NE
Salem, OR 97301

With a copy to:

City of Salem
City Attorney's Office
555 Liberty Street NE, Room 205
Salem, OR 97301

Address for notices to Assignee:

Washington Federal Bank
425 Pike Street, 5th Floor
Seattle, WA 98101
Attn: Commercial Loan Servicing