

Assignment of Common Interest Community Association Accounts

(Sample Only - Do Not Complete)

For and in consideration of Ten Dollars and other good and valuable consideration, receipt of which is hereby acknowledged, the _____ (“Association”) by and through its undersigned Board of Directors (“Board”), hereby assigns and transfers to Alaska Housing Finance Corporation (AHFC), as assignee, all of the monies on deposit in the Association’s name in the financial institution(s) and under the account number(s) listed below:

This assignment is to secure a loan made by AHFC to the Association in the amount of \$_____, and the amount hereby assigned shall not exceed the principal sum owing on this loan at the time that AHFC exercises its rights hereunder, plus interest, costs and attorney’s fees, accrued or incurred as of that date or thereafter until the loan is paid in full.

Further, any future advances made by AHFC to the Association, or by any successor-in-interest of AHFC, are specifically agreed by the parties to be also secured by this assignment. Unless subsequently agreed otherwise in writing by the parties, this assignment will secure such future advances whether or not they are of the same type or character as the loan secured by this assignment, or whether or not the future advances are separately secured.

The Association hereby releases the depository institution or institutions listed above from any and all liability to the Association for allowing a transfer to or withdrawal of funds by AHFC pursuant to this assignment from the account or accounts listed above.

The Association and the Board hereby agree and warrant that they will execute any assignment or transfer document required by the depository institution or institutions listed above in order to make this assignment effective and permit the assignee or its successors-in-interest to enforce its rights under this assignment. This provision shall be specifically enforceable by a suit in equity or an action at law, and in addition, the Association agrees to pay AHFC’s reasonable costs and attorney’s fees incurred in any such action.

The Association and Board warrant and agree that so long as any portion of the loan secured by this assignment remains unpaid, it will open no new accounts at any financial institution. Except for the account(s) specifically identified above as _____ (reserve account and general business accounts(s)), the Association will not withdraw any sums from the accounts hereby assigned without 10 days prior notice to AHFC, and no withdrawal shall be made while there is a delinquency in payment on the loan secured by this assignment without the express written consent of the assignee.

While any sum secured by this assignment remains unpaid, the Association will continue to make its regular deposits to the accounts listed above as provided in its annual budget. The Association will provide, in a form prescribed by AHFC, information regarding the deposits made to, withdrawals from and balances in the accounts hereby assigned. This information shall be provided annually or at such other intervals as AHFC may direct.

The Board warrants that this assignment is rightful and that there has been and will be no prior, conflicting or subsequent assignment of these accounts, that the Association is the only entity entitled to withdraw funds from these accounts or to make an assignment of them, and that this assignment is not a preference or in fraud of the Association's other creditors. The Board further warrants that this assignment is proper under the Condominium Declaration and Association Bylaws, that this assignment was authorized by a vote of the Association's membership at a properly convened meeting and approved by the number of unit owners required by statute, declaration or bylaws, and that the Board is duly elected and duly authorized to execute this assignment.

If at any time any warranty, representation or statement made herein by the Board is untrue, or if the Board or Association should fail to perform any act or observe any term hereof, or if there should be any default in payment on the loan secured by this assignment, or if AHFC should at any time reasonably deem any of its security for the loan secured by this assignment to be jeopardized, then all liabilities secured hereby shall become immediately due and payable, and the demand or notice exercise all rights to the accounts hereby assigned and treat them in all ways as AHFC's own accounts. The Association agrees to pay AHFC's expenses, including legal expenses, incurred or paid by AHFC in protecting or enforcing its rights under this assignment. In addition to the events of default described above, the Association will be in default for failure to perform any provision of this assignment, any other document securing the indebtedness secured by this assignment and any document evidencing that indebtedness.

AHFC may subsequently transfer all its rights under this agreement, and the Association hereby waives as against such subsequent transferee all defenses, counterclaims or setoffs which the Association may claim against AHFC.

IN WITNESS WHEREOF, the Board has executed this assignment this _____ day of _____, _____.

SAMPLE ONLY - DO NOT SIGN

By: _____

Its: _____

By: _____

Its: _____

By: _____

Its: _____

