

After Recording Return To:
Alaska Housing Finance Corporation
P.O. Box 101020
Anchorage, Alaska 99510
Attn: Planning Department



DEED OF TRUST
Last Frontier Housing Initiative
Emergency Rental Assistance 2
Rental Development

AHFC LOAN #: LFH-24-SAX-1

THIS DEED OF TRUST ("Security Instrument") is made _____, 2025, by City of Saxman (the "Borrower"), whose address is 2841 S Tongass Hwy, Ketchikan AK, 99901, _____ **TITLE INSURANCE COMPANY (the "Trustee")**, whose address is _____ and the ALASKA HOUSING FINANCE CORPORATION (the "Lender") whose address is P.O. Box 101020, Anchorage, Alaska 99510.

The Borrower owes Lender the principal sum of Four Million, Five Hundred Thousand and 0/100 Dollars (U.S. \$4,500,000.00) in Emergency Rental Assistance 2 funds. This debt is evidenced by Borrower's Note ("Note") dated the same date as this Security Instrument, which provides for repayment of the principal in accordance with terms and conditions outlined in the Note. This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, and all renewals, extensions and modifications of the Note; (b) the payment of all other sums advanced under paragraph 1 below to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale, for the benefit of the Lender, the following described property or any part of the residential building, including the physical structure and all improvements therein located on the real property described as:

Lot 2, Block 3, Lots 9 and 10, Block 23 and Lot 11, Block 24 According to Saxman Indian Townsite Plat – USS 1652A, Ketchikan Recording District, First Judicial District, State of Alaska.

With local addresses of: 2707 Bear Clan St, 2402 Eagle Ave, 2404 Eagle Ave, and 300 Wolf St, Ketchikan, AK 99901

TOGETHER WITH all the improvements now or hereafter erected on such property, and all easements, appurtenances, and fixtures now or hereafter a part of such property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property." The housing units located on the Property, and further described in the herein defined Grant Agreement, are referred to herein as the "Project."

PROVIDED, HOWEVER, that if the Borrower (i) shall pay to the Lender when due the sum of Four Million, Five Hundred Thousand and 0/100 Dollars (U.S. \$4,500,000.00), less any principal payment credits applied by the Lender in accordance with the terms and conditions of the Note, and (ii) shall also pay all other sums, as may be payable by the Borrower to the Lender in accordance with this Security Instrument (herein referred to as "Indebtedness"), then this Security Instrument shall be satisfied.

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THE BORROWER FURTHER COVENANTS AND AGREES AS FOLLOWS:

1. PAYMENT OF INDEBTEDNESS AND COMPLIANCE WITH OTHER AGREEMENTS. The Borrower will promptly pay when due the Note and all other Indebtedness, at the stated maturity date or dates, or earlier in the event of acceleration. The Borrower will promptly and faithfully observe all Borrower's obligations and will permit or suffer no default or event of default to occur, under this Security Instrument, the Note secured hereby of even date herewith, between Borrower and Lender, and any other agreement now in effect or hereafter made between Borrower and Lender with respect to the transaction evidenced by the Note, Grant Agreement (Grant Number LFH-24-SAX-1) ("Grant Agreement") and this Security Instrument. The provisions of the Note and the Agreements itemized in this paragraph are hereby incorporated by reference into this Security Instrument, as fully as if set forth at length and in detail herein.

2. COMPLIANCE WITH LAWS. The improvements made and to be made upon the Property, and further described in the Grant Agreement, and together with all plans and specifications comply with all municipal ordinances and with all rules of the applicable fire rating or inspection organization, bureau, association or office which are now or may hereafter become applicable.

3. USE OF MORTGAGED PROPERTY. Borrower certifies that, Borrower will maintain the Project, subject to the terms of the Grant Agreement, as rental housing and will rent or hold available for rental each unit on a continuous basis during the period that this Security Instrument encumbers the Property.

Borrower will not permit or suffer the use of any of the Property for any purpose other than the use for which the same is intended at the time of execution of this Security Instrument which purpose is set forth above. The Borrower will keep the buildings and other improvements now or hereafter erected on the Property in good repair and condition, ordinary depreciation excepted. The Borrower will not commit or permit waste, will not permit the Property to become or be operated as a nuisance, and will not alter the design or structural character of the Project erected on the Property without the prior written consent of the Lender, will not do any act or thing which would unduly impair or depreciate the value of the Property, and will not abandon the Property. In the event of the failure of the Borrower to keep the

Project in good repair, the Lender may, but is not obligated to, make such repairs at Borrower's expense as in Lender's sole discretion it may deem necessary for such repairs, and such expenses shall be due and payable on demand, and shall be fully secured by this Security Instrument. The Borrower will not remove from the Project any fixtures or personal property included in the Project unless the same is immediately replaced with like property, also subject to the lien and security interest of this Security Instrument, of at least equal value and utility. The Borrower will comply with all present and future laws, ordinances, regulations and requirements of any governmental body applicable to the Property and to the occupancy and operation of the Project.

4. **BORROWER'S DUTY TO PAY TAXES.** The Borrower agrees to promptly pay all ground rents, taxes, assessments, and other governmental or municipal charges, fines or impositions, levied upon the Property.

5. **INSURANCE.** The Borrower agrees to continuously maintain hazard insurance, or such type or types and in such amounts that will adequately provide insurance coverage necessary to protect the Borrower and the Lender against any loss which may occur as a result of damage or destruction of the Project. Damage or destruction of the Project not covered by hazard insurance shall not be an event which negates, moots, or otherwise defers the obligations of the Borrower under this Security Instrument and Note.

6. **NO SALE.** It is expressly agreed by the Borrower that Borrower shall not sell the Property, or permit the assumption of this Security Instrument without the express written consent of Lender by its authorized officer, which consent will only be given in cases where the principal amount due under the terms and conditions of the Security Instrument and Note has been paid or will be paid upon sale.

If the Property is sold without the express prior written consent of the Lender, the outstanding principal balance may at the option of the Lender be declared immediately due and payable upon (30) days notice to the Borrower, and this mortgage foreclosed as provided in accordance with the laws of the State of Alaska.

7. **INSPECTION.** The Lender, or its agents, may at all reasonable times enter upon the Property for the purposes of inspection. The Lender shall have no duty to make such inspection and shall not be liable to the Borrower or any person in possession if it makes such inspection.

8. **EVENTS OF DEFAULT.** Each of the following occurrences shall constitute an event of default hereunder (herein "Event of Default").

- (a) The Borrower shall fail to pay the Note in accordance with its terms or shall fail to perform or observe any of the covenants or commitments contained in paragraph 1 of this Security Instrument, the Note, the Grant Agreement, the Declaration of Land Use Restrictions for the Emergency Rental Assistance 2 funding, or in any other agreement incorporated herein, and such failure shall continue for thirty (30) calendar days (or with respect to other agreements incorporated herein, such failure shall not be cured within the number of days specified therein, if specified therein);
- (b) Any warranty of title made by the Borrower in this Security Instrument shall be breached or broken;

(c) Any representation or warranty by the Borrower in any of the agreements identified or referred to in this Security Instrument or in any financial statements or reports submitted to the Lender by, or on behalf of, the Borrower shall prove false or materially misleading.

(d) The Borrower fails to pay any obligation which is secured by a lien on the Property which is superior to this Security Instrument.

9. ACCELERATION OF MORTGAGE. Upon the occurrence of any Event of Default, or at any time thereafter, until such Event of Default is cured to the written satisfaction of the Lender, the Lender may, at its option, upon thirty (30) days notice to the Borrower, or other time period as required by the laws of the State of Alaska, exercise one of more of the following rights and remedies available to it:

(a) The Lender may declare immediately due and payable all Indebtedness secured by this Security Instrument, and the same shall be immediately due and payable, without notice or demand; and

(b) The Lender may (and is hereby authorized and empowered to) foreclose this Security Instrument pursuant to the laws of the State of Alaska, power being expressly granted to sell the Property at public auction and convey the same to the purchaser in fee simple or other acceptable title and, out of the proceeds arising from such sale, to pay all Indebtedness secured hereby and all legal costs and charges of such foreclosure and attorney's fees as permitted by statute, which costs, charges and fees the Lender agrees to pay.

10. NOTICES. Any notice from the Lender to the Borrower under this Security Instrument shall be deemed to have been given by the Lender and received by the Borrower, when mailed to the last known address of the Borrower.

11. GOVERNING LAW: SEVERABILITY. This Security Instrument shall be governed by the laws of the State of Alaska. In the event that any provision or clause of this Security Instrument conflicts with applicable law, such conflict shall not affect any other provision of this Security Instrument which can be given effect without the conflicting provisions, and to this end, the provisions of the Security Instrument are declared to be severable.

12. MISCELLANEOUS RIGHTS OF BORROWER. Any personal property remaining upon the Property has been possessed or occupied by the Lender or its agent following foreclosure of this Security Instrument, or under any deed in lieu of foreclosure, shall be conclusively presumed to have been abandoned by the Borrower, and disposed of in accordance with the laws of the State of Alaska.

13. Borrower and Lender agree to execute and deliver any instruments in writing necessary to carry out any agreement, term, condition or assurance in this Security Instrument whenever occasion shall arise and reasonable request for such instruments shall be made.

14. No superior deed of trust or the note secured by it will be modified without the consent of the Lender.

IN WITNESS WHEREOF, the Borrower has duly executed this Deed of Trust the day and year first above written.

Borrower:
City of Saxman,
An Alaska municipality

By Frank Seludo, Mayor

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

This certifies that on this ____ day of _____, 2025, before me, a Notary Public in and for said State, personally appeared Frank Seludo (signer), known or identified to me to be the Mayor of the City of Saxman, an Alaska municipality, and acknowledged to me that he executed the within instrument on behalf of said general partner by proper authority, and that such general partner executed the same in said limited partnership name by proper authority and for the purposes stated therein.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Notary Public for Alaska
Residing at _____
My commission expires: _____