

After Recording Return To:
Alaska Housing Finance Corporation
P.O. Box 101020
Anchorage, Alaska 99510
Attn: HOME Program Manager

-----Space Above This Line For Recording Data-----



**DEED OF TRUST
HOME OPPORTUNITY PROGRAM**

AFHC HOME HOP LOAN #: HOP- - -

THIS DEED OF TRUST (Security Instrument) is made this _____ day of _____, 20____, by _____ (herein "Borrower"), whose mailing address is _____, _____ (herein "Trustee"), and the Alaska Housing Finance Corporation whose address is P.O. Box 101020, Anchorage, Alaska 99510 (herein "Lender").

The Borrower owes Lender the principal sum of _____ dollars (U.S. \$_____). 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 7 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 Lender, in trust, with power of sale, the following described property located in the _____ Recording District, _____ Judicial District, State of Alaska:

which has the property address of _____, _____, Alaska 99_____.

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the 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."

PROVIDED, HOWEVER, that if the Borrower (i) shall pay to the Lender when due the sum of _____ dollars (\$_____), 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, 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 principal of, and any interest on the indebtedness if applicable, the debt evidenced by the Note. The Borrower will promptly and faithfully observe all of his or her 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 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 Land above described 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 PROPERTY. Borrower certifies that the Property is the principal residence of the Borrower at the time in which this Security Instrument is executed and that the property shall be used as the Borrower's primary residence 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 land 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 any building now or hereafter erected on the Land 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 buildings or other improvements in good repair, the Lender may 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 Land any fixtures or personal property included in the Property 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 thereof.

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 Property. Damage or destruction of the Property 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 of the Property.

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 Security Instrument 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 this Security Instrument which are stated in this Security Instrument, 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 above described property which is superior to this Security Instrument.

9. ACCELERATION OF SECURITY INSTRUMENT. 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 or 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 **shall apply the proceeds of the sale in the following order: a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.**

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 after 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.

Signature: _____ Date: _____

Print or Type Name: _____

Signature: _____ Date: _____

Print or Type Name: _____

STATE OF ALASKA,

Judicial District

On this _____ day of _____, 20_____, before me, the undersigned, a Notary Public in and for the State of Alaska, personally appeared _____ to me known and known to me to be the person(s) named as Borrower(s) in the foregoing instrument, and acknowledged to me that he and/or she executed the same freely and voluntarily for the uses and purposes therein mentioned.

WITNESS my hand and official seal the day and year in this certificate first above written.

Notary Public for Alaska
My Commission Expires: _____