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Return To:

Karuk Tribe Housing Authority
P.O. Box 1159
Happy Camp, CA 96039

KARUK TRIBE HOUSING AUTHORITY DEED OF TRUST

THIS DEED OF TRUST is made this ____ day of _____, 20____, among the Trustee, _____ (the "Borrower"), TITLE COMPANY _____, (the "Trustee"), and the beneficiary, the Karuk Tribe Housing Authority ("Lender"). The loan which is secured by this Deed of Trust was made pursuant to the Native American Housing and Self Determination Act of 1997 (NAHASDA), a federally funded program administered by the United States Department of Housing and Urban Development, Office of Native American Programs.

BORROWER, in consideration of the indebtedness recited and the trust created in this Deed of Trust, irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in the City of _____, County of _____, State of California:

LEGAL DESCRIPTION ATTACHED HERETO AND MADE A PART HEREOF BY REFERENCE:

Which has the address of _____,
(the "Property Address")

Together with all the improvements now or hereafter erected on the property and all easements, rights, appurtenances, rents (subject, however, to the rights and authorities given in this Deed of Trust to Lender to collect and apply such rents), royalties, mineral, oil and gas rights and profits, water, water rights and water stock, and all fixtures now or hereafter attached to the property, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the property covered by this Deed of Trust; and all of the foregoing, together with said property are referred to in this Deed of Trust as the "Property,"

TO SECURE to Lender (a) repayment of a portion of the indebtedness evidenced by Borrower's note dated _____, and incorporated by reference in this Deed of Trust ("the Note"), in the principal sum of _____, **plus** Lender's Share of Equity in the amount and on the terms described in the Note; and payment of all other sums advanced to protect the security of this Deed of Trust, and the performance of the covenants and agreements of the Borrower contained in this Deed of Trust and in the Note; and (b) the repayment of any future advances, with interest thereon, made to Borrower by Lender pursuant to Section 27 of this Deed of Trust ("Future Advances").

Borrower covenants that Borrower is lawfully seized of the estate conveyed by this Deed of Trust. This Deed of Trust is second and subordinate to that certain Deed of Trust in favor of _____ in the amount of _____; date _____, and recorded concurrently herewith (the "Senior Debt"). Borrower will warrant and defend generally the title to the Property against all claims and demands, subject to any declarations, easements or restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Lender's interest of the property.

Borrower and Lender covenant and agree as follows:

1. **Definition of Terms.** Capitalized terms as used in this Deed of Trust, unless defined herein, shall have the meaning as defined in the Note.
2. **Payment of Principal and Interest.** Borrower shall promptly pay when due the indebtedness evidenced by the Note, and the late charges as provided in the Note, and the principal of and interest on any Future Advances secured by this Deed of Trust.
3. **Funds for Taxes and Insurance.** Subject to applicable law, a written waiver by Lender, or the requirements of the Senior Debt, Borrower shall pay to the holder of the Senior Debt in a timely fashion and as required by the holder of the Senior Debt all yearly premium installments for hazard insurance and mortgage insurance, if any, all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates of these amounts.

Any funds so collected in advance of payment by the holder of the Senior Debt shall be held in an institution, the deposits or accounts of which are insured or guaranteed by a Federal or State agency. All funds so held shall be used to pay taxes, assessments and insurance premiums. Borrower shall provide to Lender, without charge, a copy of the annual accounting of the funds provided by the holder of the Senior Debt showing credits and debits to the funds and the purpose for which each debit to the funds was made. The funds are pledged as additional security for the sums secured by the Senior Debt.

If the amount of the funds held by the holder of the Senior Debt shall become insufficient to pay taxes, assessments, and insurance premiums as they fall due, Borrower shall pay to the holder of the Senior Debt any amount necessary to make up the deficiency within thirty (30) days from the date notice is mailed by such holder to Borrower requesting payment on these amounts.

4. **Application of Payments.** Unless applicable law provides otherwise, all payments received by Lender under the Note and Sections 2 and 3 hereof shall be applied by Lender in the following order to amounts owed by Borrower.
 - A. First, in payment of interest in any Future Advances made pursuant to this Deed of Trust.
 - B. Second, in payment of principal on any Future Advances made pursuant to this Deed of Trust.

- C. Third, in payment of accrued interest and then to principal described in Section 1 of the Note.
 - D. Fourth, to the Lender's Share of Equity as defined in the Note.
5. **Occupancy.** Borrower shall occupy the Property conveyed by this Deed of Trust as Borrower's principal residence subject to Section 24. This restriction includes, but is not limited to, prohibition of Borrowers renting or otherwise leasing the Property, if in connection with such renting or leasing Borrower ceases to occupy the Property as Borrower's principal residence. Borrower shall complete in a timely manner an occupancy certificate each year upon request by Lender.
6. **Program Eligibility.** The loan to Borrower which is evidenced by the Note and accrued by this Deed of Trust is made pursuant to the NAHASDA Program and Karuk Tribe Housing Authority Home Loan Program. The Borrower's continuing eligibility for assistance under the Program will be reviewed at regular intervals by the Lender, as specified in the Note subject to Section 24. If as a result of any such review it is determined that the Borrower is no longer eligible to participate in said program, the Borrower shall make arrangements which are satisfactory to the Lender to repay the Loan pursuant to Section II of the Note. Failure to promptly make such arrangements after receipt of notification of ineligibility shall constitute a default under the Note and this Deed of Trust. If as a result of any such review it is determined that the Borrower shall begin to repay the Loan, any failure of the borrower to repay the Loan by the method and in the amount(s) provided for in the Note shall constitute a default under this Deed of Trust.
7. **Sale or Transfer of Property.** Before sale or transfer of title to the Property, the Borrower or, the Borrower's representatives shall notify the Lender of his or her intention to sell or to otherwise transfer title. Except as otherwise provided in Section 24 of this Deed of Trust, when Borrower transfers title, the entire Loan which is evidenced by the Note shall be immediately due and payable. Where title is transferred to, or otherwise altered to include or favor, a spouse or person signing the Note and such spouse or person resides on the Property conveyed in this Deed of Trust and is independently eligible to participate under the NAHASDA Program, the transfer or alteration in this title shall not result in acceleration of the Loan evidenced by the Note. Similarly, when a spouse or person signing the Note takes the title to the Property which secures this Deed of Trust by devise, descent or by operation of law upon death of a joint tenant and such spouse or person resides on the Property and is independently eligible for assistance under the Program, the transfer of title shall not result in acceleration of the Loan evidenced by the Note.

Upon the sale or transfer of the Property, Lender shall be paid in the amounts described in Section I of the Note, which may include Lender's Share of Equity (as defined in the Note). For this reason, if the Borrower determines to sell the Property, he or she has the affirmative

duty to protect the interest of the Lender by selling the Property as its fair market value.

8. **Charges: Liens.** Borrower shall pay all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Deed of Trust, in the manner provided under Section 3 hereof or, if not paid in such manner, by Borrower making payment, when due directly to the payee thereof. Borrower shall promptly furnish to Lender all notices of amounts due under this paragraph, and in the event Borrower shall make payment directly, Borrower shall promptly discharge any lien which has priority over this deed of Trust; provided that Borrower shall not be required to discharge any such lien so long as Borrower shall agree in writing to the payment of the obligation secured by such lien in a manner acceptable to Lender, or shall in good faith contest such lien by, or defend enforcement of such lien by, or defend enforcement of such lien in, legal proceedings which operate to prevent the enforcement of the lien or forfeiture of the Property or any part thereof.

Borrower shall not allow the attachment of any subordinate lien or other encumbrance on the Property without the prior written consent of the Lender.

Borrower shall promptly pay when due all installments or payments required by and comply with all obligations of the Senior Debt.

9. **Hazard Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and such other hazards as Lender may require and in such amounts and for such periods as Lender may require.

The insurance carrier providing the insurance shall be chosen by Borrower subject to approval by Lender provided that such approval shall not be unreasonably withheld. All premiums on insurance policies shall be paid in the manner provided under Section 3 hereof or, if not paid in such manner, by Borrower making payment when due directly to the insurance carrier.

All insurance policies and renewals thereof shall be in form acceptable to and shall include a standard mortgage clause in favor of and in form acceptable to Lender. Subject to the rights of the holder of the Senior Debt Lender shall have the right to hold the policies and renewals thereof, and Borrower shall promptly furnish to the Lender all renewal notices and all receipts of paid premiums. In the event of a loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, provided such restoration or repair is economically feasible and the security of this Deed of Trust is not thereby impaired. If such

restoration or repair is not economically feasible or if the security of this Deed of Trust would be impaired, the insurance proceeds shall be treated as if received from a sale of the Property, or of that part of the Property damaged and shall be applied, in the manner described in Section 13 herein below to the sums secured by this Deed of Trust. If the Property is abandoned by Borrower, or if Borrower fails to respond to Lender within thirty (30) days from the date notice is mailed by Lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized to collect and apply the insurance proceeds at Lender's option either to restoration or repair of the Property or to the sums secured by this Deed of Trust.

Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of the monthly installments referred to in Sections 2, 3, and 6 hereof or change the amount of such installments. If under Section 22 hereof the Property is acquired by Lender, all rights, title, and interest of Borrower in and to any insurance policies and in and to the proceeds thereof resulting from damage to the Property prior to the sale acquisition shall pass to Lender to the extent of the sums secured by this Deed of Trust immediately prior to such sale or acquisition.

10. **Preservation and Maintenance of Property; Condominiums; Planned Unit; Developments; and Cooperatives.** Borrowers shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property. If this deed of Trust is on a unit in a condominium or a planned unit development, or on a share in a cooperative housing corporation, Borrower shall perform all of Borrower's obligations under the declaration of covenants creating or governing the condominium or planned unit development, the bylaws and regulations of the condominium or planned unit development, and constituent documents creating and governing a cooperative housing corporation. If a condominium, or planned unit development rider is executed by Borrower and recorded together with this Deed of Trust, the covenants and agreements of such rider shall be incorporated into and shall supplement the covenants and agreements of this Deed of Trust as if the rider were a part of this Deed of Trust.
11. **Protection of Lender's Security.** If Borrower fails to perform the covenants and agreements contained in this Deed of Trust, or if any action proceeding commenced which materially affects Lender's interest in the Property, including, but not limited to, default on or foreclosure of the Senior Debt, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving bankrupt or decedent, then Lender at Lender's option, upon notice to Borrower may make such appearances, disburse such sums and take such action as is necessary to protect Lender's interest, including, but not limited to, disbursement of reasonable attorney's fees and entry upon the Property to make repairs. If Lender required mortgage insurance as a condition of making the loan secured by this Deed of Trust, Borrower shall pay the premiums required to maintain such insurance in effect until such time as the requirement for such insurance terminates in accordance with Borrower's and Lender's

written agreement or applicable law. Borrower shall pay the amount of all mortgages insurance premiums in the manner provided under Section 3 hereof.

Any amounts disbursed by Lender pursuant to this Section 11, with interest thereon, shall become additional indebtedness of Borrower secured by this Deed of Trust. Unless Borrower and Lender agree to other terms of payment, such amounts shall constitute future advances hereunder and shall be payable upon notice from Lender to Borrower requesting payment thereof, and shall bear interest from the date of disbursement at the rate of ten percent (10%) annum, unless payment of such interest at such rate would be contrary to applicable law, in which event such advances shall bear interest at the highest rate permissible under applicable law.

12. **Inspection.** Lender may make or cause to be made reasonable entries upon and inspection of the Property, provided that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefore related to Lender's interest in the Property. Such inspections shall include, without limitation, those made by Lender as part of the periodic recertification of eligibility of Borrower's participation under the NAHASDA Program.
13. **Condemnation.** Subject to the rights of the holder of a prior Deed of Trust, the proceeds of any award claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

In the event of a total taking the Property, the proceeds shall be treated as if received from a sale of the Property. The proceeds shall be applied first to the Holder of the Senior Debt and then to the sums to be repaid in the amount and manner described in Section IA of the Note. Any part of the proceeds remaining after these amounts have been paid shall be paid to the borrower. In the event the proceeds are less than needed to fully repay these sums, the proceeds shall be allocated first to the holder of the Senior Debt and the remainder to that portion of the sums owed which are described in Section IA of the Note. In the event of a partial taking of the Property, unless Borrower and Lender otherwise agree in writing, the proceeds shall be treated as if received from a sale of that portion of the Property which is taken in the condemnation proceeds by the value of the entire property just prior to the taking where such value is determined by an appraisal to be conducted pursuant to Section IV of the Note. That percentage value, once determined, shall be used for calculations in C and D below. Condemnation proceeds from a partial taking subject to the rights of the Holder of the Senior Debt in such proceeds shall be allocated in the following manner.

- A. First, in payment of interest on any Future Advances made pursuant to this Deed of Trust.

- B. Second, in payment of principal on any Future Advances made pursuant to this Deed of Trust.
- C. Third, in payment of the principal described in Section 1 of the Note shall be allocated the value equal to the percentage value determined above multiplied by the principal then outstanding under the Note.
- D. Fourth, in payment of the Lender's Share of Equity as determined in Section III of the Note multiplied by the percentage value determined above.
- E. Fifth, to the Borrower.

Following the making of the above allocations of an award in partial condemnation, the principal amount owing under the Note and the Purchase Price of the Property, as these terms are defined in the Note, shall be reduced for all purposes by the amounts determined pursuant to C and D above. The percentage value set out in the Note for purposes of determining Lender's Share of Equity shall not be affected by an allocation of an award in partial condemnation.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award to settle a claim for damages, Borrower fails to respond to Lender within thirty (30) days after the date such notice is mailed, Lender is authorized to collect and apply the proceeds, at Lender's option, either to restoration or repair of the Property or to the sums secured by this Deed of Trust.

Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of the payments referred to in Section 2 & 3, and hereof or change the amount of such installments.

- 14. **Borrower Not Released.** Extension of the time for payment or modification of amortization of the sums secured by this Deed of Trust granted by Lender to any successor in interest of Borrower shall not operate to release, in any manner, the liability of the original Borrower and Borrower's successors in interest. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Deed of Trust by reason of any demand made by the original Borrower and Borrower's successors in interest.
- 15. **Forbearance by Lender Not a Waiver.** Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of the

Lenders right to accelerate the maturity of the indebtedness by this Deed of Trust.

16. **Remedies Cumulative.** All remedies provided in this Deed of Trust are distinct and may be exercised concurrently, independently or successively.
17. **Successors and Assigns Bound; Joint and Several Liability; Captions.** The covenants and agreements contained in this Deed of Trust shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower, subject to the provisions of Section 21 hereof. All covenants and agreements of Borrower shall be joint and several. The captions and headings of the paragraphs of this Deed of Trust are for convenience only and are not to be used to interpret or define the provisions hereof.
18. **Notice.** Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Deed of Trust shall be given by the mailing of such notice by certified mail addressed to Borrower at the Property Address or at such other address as Borrower may designate by notice to Lender as provided in this section 18, and (b) any notice to Lender shall be given by certified mail, return receipt requested, to Lender's address stated in this Deed of Trust or to such other address as Lender may designate by notice to Borrower as provided in this section 18. Any notice provided for in this Deed of Trust shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.
19. **Governing Law; Severability.** This Deed of Trust shall be governed by the law of California. In the event that any provision of clause of this Deed of Trust or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Deed of Trust or the Note which can be given effect without the conflicting provision, and to this end the provisions of the Deed of Trust and the Note are declared to be severable.
20. **Borrower's Copy.** Borrower shall be furnished a conformed copy of the Note and this Deed of Trust at the time of execution or after recordation.
21. **Transfer of the Property; Right of Refusal.** Subject to Section 24 and at the election of Lender, all the sums secured by this Deed of Trust shall be immediately due and payable upon the occurrence of any one of the following:
 - A. Sale, conveyance or transfer of all or any part of the Property or any interest in it by means of one or more of the following: deed, contract of sale, lease, option installment, land contract of other instrument having the effect of transferring either the Borrower's equity or right of possession, now or in the future, excluding permitted transfers to a spouse or other person signing the Note in the manner described in Section 7 above.

- B. The Failure of the Borrower to occupy the Property as a residence unless such failure is due to circumstances beyond the reasonable control of Borrower.
- C. The Borrowers default under any of the terms or provisions of this Deed of Trust.

In the event of such acceleration, Lender shall mail Borrower notice of the acceleration in accordance with Section 18 hereof. Such notice shall provide a period of not fewer than thirty (30) days from the date the notice is mailed within which Borrower may pay the sums declared due. If Borrower fails to pay such sums prior to the expiration of such period, Lender may, without further notice of demand on borrower, invoke any remedies permitted by Section 22 hereof.

If the Borrower proposes to sell all or any portion of the property, the Borrower shall notify the Lender of the sales price agreed upon by the Borrower and all of proposed terms on which Borrower proposes to sell the Property. The Lender shall have the right, within thirty (30) days of receipt of Borrower's notification, to purchase the property at the same time price and on the same terms as the proposed sale.

22. **Acceleration; Remedies.** Except as provided in Section 21 hereof, upon borrower's breach for a period of three (3) months, after application of any partial payments which may have been accepted but not yet applied to the mortgage account, of the covenant to pay when due any sums secured by this Deed of Trust or, subject to Section 24, upon Borrower's breach of any other covenant or agreement of Borrower's in this Deed of Trust or the Note incorporated by reference in this Deed of Trust, Lender prior to acceleration shall mail notice to Borrower as provided in Section 18 hereof specifying: (1) the breach: (2) the action required to cure said breach: (3) a date not fewer than thirty (30) days from the date the notice is mailed to Borrower, by which such breach specified in the notice may result in acceleration of the sums secured by this Deed of Trust and sale of the Property. The notice shall further inform Borrower of his or her right to a fair hearing on the existence of default, of the right to reinstate after acceleration and of the right to bring a court action, after exhaustion of administrative remedies, to assert the nonexistence of a default or any other defense of Borrower to acceleration and sale. If the breach is not cured on or before the date specified in the notice, Lender at Lender's option may declare all of the sums secured by this Deed of Trust to be immediately due and payable without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Lender shall be entitled to collect all reasonable costs and expenses incurred in pursuing the remedies provided in this Section 22, including, but not limited to, reasonable attorney's fees.

If Lender invokes the power of sale, Lender shall have the Property appraised as provided for in Section III of the Note, or shall cause Trustee to have the Property so appraised to determine its value. Lender shall also execute or cause Trustee to execute a written notice of the occurrence of an event of default and of Lender's election to cause the Property to be sold and shall cause such notice to be recorded in the

county in which the Property or some part thereof is located. Lender or Trustee shall mail copies of such notice in the manner prescribed by applicable law to Borrower and to the other persons prescribed by applicable law. Trustee shall give public notice of sale to the persons and in the manner prescribed by applicable law. After the lapse of such time as may be required by applicable law, Trustee, without demand on Borrower, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels in such order as Trustee may determine. Trustee may postpone sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale. Lender or Lender's designees may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property so sold without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statement made herein. Trustee shall apply the proceeds of sale in the following order: (a) to all reasonable costs and expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fee and costs of title evidence; (b) to all sums secured by this Deed of Trust, as evidence by the Note. As to the indebtedness evidence by Section I of the Note, such sums secured by this Deed of Trust shall include the principal amounts stated in the Note (or the most recent recalculation of these amounts) plus Lender's Share of Equity in the amount determined in Section II of the Note (or the most recent recalculation of this value) multiplied times the percentage set forth in Section III of the Note; and (c) the excess, if any, to the person or persons legally entitled thereto.

23. **Borrower's Right to Reinstate.** Notwithstanding Lender's acceleration of the sums secured by this Deed of Trust, Borrower shall have the right to have any proceedings begun by Lender to enforce covenants of this Deed of Trust relating to sums due and payable by Borrower discontinued at any time prior to five (5) days before the Property is first scheduled for sale pursuant to the power of sale contained in the Deed of Trust or at any time prior to entry of a judgment enforcing this Deed of Trust if: (a) Borrower pays Lender all sums which would be then due under this Deed of Trust, the Note and any Future Advances, if any, and no acceleration occurred; (b) Borrower pays all reasonable expenses incurred by Lender and Trustee in enforcing the covenants and agreements of Borrower contained in this Deed of Trust, and in enforcing Lender's and Trustee's remedies as provided in Section 22 hereof, including, but not limited to, reasonable attorneys' fees; and (c) Borrower takes such action as Lender's interest in the Property and Borrower's obligation to pay the sums secured by the Deed of Trust shall continue unimpaired. Upon such payment and cure by Borrower, this Deed of Trust and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.
24. **Termination of Restraints on Alienation.** Notwithstanding any other provision of the Note and Deed of Trust, any restrictions on alienation of

the Property such as those contained in paragraphs 5, 6, 6, and 21 of this Deed of Trust, or elsewhere, shall be subject to the following:

- A. Shall terminate and have no further force or effect if the Department of Housing and Urban Development, a mortgagee or other party acquires title through foreclosure of the Senior Debt; or a deed in lieu of foreclosure of the Senior Debt.
 - B. At the election of the Department of Housing and Urban Development and upon notice to Lender, terminate and have no further force or effect provided such notice is given at any time after the assignment of the Senior Debt to the Department of Housing and Urban Development.
25. **Appointment of Receiver; Lender in Possession.** Upon acceleration under Section 22 hereof or abandonment of the Property, Lender, in person, or by agent or by judicially appointed receiver shall be entitled to enter upon, take possession of, rent and manage the Property and to collect the rents of the Property. All rents collected by Lender or the receiver shall be applied first to payment of cost of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorney's fee, and then to the sums secured by this Deed of Trust. Lender and the receiver shall be liable to account only for those rents actually received.
26. **Subordination.** Lender and Borrower acknowledge and agree that this Deed of Trust is subject and subordinate in all respects to the liens, terms, covenants, and conditions of the Senior Debt and to all advances heretofore made or which may hereafter be made pursuant to the Senior Debt, including all sums advanced for the purpose of (a) protecting or further securing the lien of the Senior Debt, curing defaults by the Borrower under the Senior Debt, including all sums advanced for the purpose of (a) protecting or further securing the lien of the Senior Debt, curing defaults by the Borrower under the Senior Debt, or for any other purpose expressly permitted by the Senior Debt, or (b) constructing, renovating, repairing, furnishing, fixturing or equipping the Property. The terms and provisions of the Senior Debt are paramount and controlling, and they supersede any other terms and provisions hereof in conflict therewith. In the event of a foreclosure or deed in lieu of foreclosure of the Senior Debt, any provision therein or any provisions in any other collateral agreement restricting the use of the Property to low or moderate income households or otherwise restricting the Borrower's ability to sell the Property shall have no further force or effect on subsequent owners or purchases of the Property. Any person, including Borrower's successors or assigns (other than the Borrower or a related entity of borrower), receiving title to the Property through a foreclosure or deed in lieu of foreclosure, shall receive title to the Property free and clear from such restrictions.

Further, in the Senior Debt Holder acquires title to the Property pursuant to a deed in lieu of foreclosure, the lien of this Deed of Trust shall automatically terminate upon the Senior Debt acquisition of title provided that (l) the Lender has received written notice of a default under

the Senior Debt, (II) the Lender shall not have cured the default as determined by the Senior Debt Holder within the sixty-day period provided in such notice sent to the Lender.

27. **Future Advances.** Upon request of Borrower, or as otherwise expressed in the Deed of Trust, Lender, at Lender's option prior to full reconveyance of the Property by Trustee to Borrower, may make Future Advances to Borrower. Such Future Advances, with interest thereon, shall be secured by this deed of Trust when evidenced by promissory notes stating the amount of such interest and that said note(s) are secured by this Deed of Trust.
28. **Payment of the Senior Debt.** Lender covenants that so long as Borrower is not in default under the note and Deed of Trust it may make the monthly payments owing on the Senior Debt.
29. **Reconveyance.** Upon payment of all sums secured by this Deed of Trust, Lender shall request the Trustee to reconvey the Property and shall surrender this Deed of Trust and all notes evidencing indebtedness secured by this deed of Trust to Trustee. Trustee shall reconvey the Property without warranty and without charge to the person or persons legally entitled thereto. Such person or persons shall pay all costs of recordation, and any fee charged by Trustee, if any.
30. **Substitute Trustee.** Lender, at Lender's option, may from time to time remove Trustee and appoint a successor to any Trustee appointed under this Deed of Trust. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon the Trustee in this Deed of Trust and by applicable law.
31. **Request for Notices.** Borrower requests that copies of the notice of default and notice of sale be sent to Borrower's address which is the Property Address, Lender requests that any Notice of Default and/or Sale be sent to:

**Karuk Tribe Housing Authority
Revolving Loan Program
P.O. Box 1159
Happy Camp, CA 96039**
32. **Statement of Obligation.** Lender may collect a fee not to exceed \$15.00 for furnishing the statement of obligation as provided by Section 2943 of the Civil Code of California.

IN WITNESS WHEREOF, Borrower has executed this Deed of Trust.

Borrower

Date

Borrower

Date