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Recording District 313 SELDOVIA

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DIVISION OF ECONOMIC DEVELOPMENT  
DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT

DEED OF TRUST

Loan Number: 55-250-0803833

This Deed of Trust, made this 15<sup>th</sup> day of January, 2016, between Gary Fandrei, Executive Director, of Cook Inlet Aquaculture Association, herein called **TRUSTOR**, whose address is **40610 Kalifornsky Beach Road, Kenai, AK 99611**; and **STATE OF ALASKA**, represented by the Director of the Division of Economic Development, Department of Commerce, Community and Economic Development, herein called **TRUSTEE**, whose address is **PO Box 34159, Juneau, AK 99803-4159**; and the **STATE OF ALASKA**, represented by the Director of the Division of Economic Development, Department of Commerce, Community and Economic Development, PO Box 34159, Juneau, Alaska 99803-4159, herein called **BENEFICIARY**. Trustor hereby GRANTS, BARGAINS, SELLS and CONVEYS to Trustee in trust with power of sale, that property in the Seldovia Recording District, Third Judicial District, State of Alaska, described as:

Commencing at a point whose approximate geodetic value is 59°26'10"N, and 151°24'45"W, said point being identified as a large spike in the northerly face of a 12" spruce tree which bears S18°E, 195.08 feet from another spike in the southerly face of an 18" spruce tree; Thence S42°50'E, 176.00 feet to a point on the northeasterly bank of TUTKA CREEK and the true point of beginning; Thence S54°01'40"E, 340.04 feet; Thence N18°00'00"W a distance of 905.00 feet; Thence S72°00'00"W a distance of 658.18 feet; Thence S54°01'40"E a distance of 778.99 feet along the northeasterly shoreline of TUTKA CREEK to the true point of beginning and containing 6.84 acres all situated within Section 36, Township 8 South, Range 13 West, S.M., Alaska and lying at the southeasterly end of Tutka Bay Lagoon

which has the address of unknown herein called **PROPERTY ADDRESS**.

TOGETHER with the tenements, hereditaments, and appurtenances now or hereafter thereunto belonging, or in anywise appertaining, the rents, issues and profits thereof, subject, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits, to have and to hold the same, with the appurtenances, unto Trustee.

This Deed of Trust in the amount of **\$922,500.00** is made for the purpose of securing: 1. Performance of each agreement of Trustor herein contained; 2. Payment of the indebtedness evidenced by one promissory note dated January 15, 2016; 3. Payment of any and all renewals of said promissory note or any part thereof; 4. Payment of any other indebtedness which Trustor may, from time to time while this Deed of Trust is in effect, owe the Beneficiary. Unless sooner terminated in accordance with the provisions of this Deed of Trust, any note secured hereby, or any extensions or renewals thereof, the lien created by this Deed of Trust

shall expire on January 1, 2066 (which date shall be the **MATURITY DATE** as the term is used in AS 34.20.150).

**A. Representations:**

Trustor represents that: (1) Trustor is eligible to obtain a loan from Beneficiary under the provisions of AS 16.10.400-16.10.470; (2) all representations made by Trustor to Beneficiary as an inducement for obtaining the loan secured by the Deed of Trust are true; and (3) Trustor has complied with all local, state and federal laws and regulations which are applicable including without limitation, building codes, safety codes and fire codes. The breach by the Trustors of any one of these conditions shall constitute a default within the meaning of paragraph C(6) of this Deed of Trust.

**B. To protect the security of this Deed of Trust, Trustor agrees:**

1. To keep said property in good condition and repair; not to remove or demolish any building thereon; to complete or restore promptly and in a professional manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefore; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law; to maintain in an orderly manner, paint, repair, keep free of freezing, and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.

2. To provide, maintain and deliver to Beneficiary fire insurance with extended coverage, satisfactory to and with loss payable to Beneficiary for the full insurable value, which coverage shall at all times be equal to or greater than the outstanding balance of the indebtedness. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

3. To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary, or Trustee; and to pay all costs and expenses, including cost of evidence of title and actual attorney fees reasonably incurred, in an action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Deed of Trust. Trustor shall advise the Beneficiary in writing if Trustor files bankruptcy, or within ten days of service on Trustor of any summons or other process or notice of any proceedings in any court or before any official, board or body, local, state or federal, having jurisdiction of any action, suit, proceeding, or matter affecting, or in which a judgment, decree, order, or determination may affect or result in a lien or charge on the real estate herein secured by this Deed of Trust.

4. To pay at least ten days before delinquency, all taxes and assessments affecting said property; when due, all encumbrances, charges and liens with interest, on said property or a part thereof, which appear to be prior or superior hereto; all costs, fees and expenses of this Trust.

5. To pay immediately and without demand all sums expended by Beneficiary or Trustee pursuant to the provisions hereof, with interest from the date of expenditure at the same rate as the promissory note dated January 15, 2016.



6. Should Trustor fail to make a payment or do an act as herein required, the Beneficiary or Trustee, but without obligation to do so, and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof. Beneficiary or Trustee is thereby authorized to enter upon said property for such purposes; appear in and defend an action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise an encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising such powers, pay necessary expenses, employ counsel and pay actual legal fees, reasonably incurred.

**C. It is mutually agreed that: Trustor agrees:**

1. An award of damages in connection with a condemnation for public use of or injury to said property, or part thereof, is hereby assigned and shall be paid to Beneficiary who may apply or release such monies received in the same manner and with the same effect as provided above for disposition of proceeds of fire or other insurance.

2. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right either to require prompt payment when due of all other sums so secured or to declare default for failure to pay and accelerate all payments remaining due.

3. At any time or from time to time, without liability therefore and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and said note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may: reconvey all or a part said of property; consent to the making of a map or plat thereof; join in granting an easement thereon; or join in an extension agreement or an agreement subordinating the lien or charge hereof.

4. Upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed of Trust and said note to Trustee for cancellation and retention, and upon payment of its fees, Trustee shall reconvey, without warranty, the property held hereunder. The recitals in a reconveyance executed under this Deed of Trust or matters of facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as 'the person or persons legally entitled thereto'.

5. As additional security, Trustor confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, if default by Trustor in payment of the indebtedness secured hereby or in performance of an agreement hereunder, occurs. Upon such default, Beneficiary may without notice, either in person, by agent, or by a receiver to be appointed by the court, and without regard to the adequacy of security for the indebtedness hereby secured, enter upon and take possession of said property or a part thereof, and, in its own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid and apply the same, less the costs and expenses of operation and collection, including actual attorney fees, reasonably incurred upon the indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits, and the application thereof shall not cure or waive a default or notice of default hereunder, or invalidate an act done pursuant to such notice.

6. Upon default by Trustor in payment of indebtedness secured hereby or in performance of an agreement hereunder, all sums secured hereby shall immediately become



due and payable at the option of the Beneficiary. In the event of default Beneficiary shall execute or cause the Trustee to execute a written notice of such default and of its election to cause to be sold the herein described property to satisfy the obligation hereof, and shall cause such notice to be recorded in the office of the recorder of each recording district wherein said real property or some part thereof is situated.

Notice of sale having been given as then required by law and not less than the time then required by law having elapsed after recordation of such notice of default, Trustee, without demand on Trustor, shall sell said property at the time and place of sale fixed by it in said notice of sale, either as a whole or in separate parcels and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States. Trustee may postpone sale of all or a portion of said property by public announcement at the time and place of sale, and from time to time thereafter may postpone the sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to the purchaser its deed conveying the property so sold, but without covenant or warranty, expressed or implied. The recitals in such deed or matters of facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary, as hereunder defined, may purchase at such sale.

After deduction of all costs, fees and expenses of Trustee and of this Deed of Trust, including cost of evidence of title and actual legal fees reasonably incurred in connection with the sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms hereof, not then repaid with accrued interest at the same rate as the promissory note dated January 15, 2016; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

7. This Deed of Trust applies to, inures to the benefit of and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors, and assigns. The term Beneficiary shall mean the holder and owner, including pledgee of the note secured hereby, whether or not named as a beneficiary herein, or, if the note has been pledged, the pledgee thereof. In this Deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

8. Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under another Deed of Trust or of an action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

9. Beneficiary may, as provided by statute, appoint another Trustee in place of the original Trustee, and thereupon, the Trustee so appointed shall be substituted as Trustee hereunder with the same effect as if originally named Trustee.

10. If two or more persons are designated as Trustee herein, all powers granted herein to Trustee may be exercised by any of such persons, if the other person or persons is unable, for any reason, to act, and recital of such inability in any instrument executed by any of such persons shall be conclusive against Trustor, his heirs and assigns.

11. If the Trustor shall sell, convey or alienate said property, or a part thereof, or an interest therein, or shall be divested of his title or an interest therein in any manner or way, whether voluntary or involuntary, without the written consent of the Beneficiary being first had and obtained, Beneficiary shall have the right, at its option, to declare the indebtedness or obligations secured hereby, irrespective of the maturity date specified in any note evidencing the same, immediately due and payable.



Gary Fandrei, Executive Director  
Cook Inlet Aquaculture Association

## CORPORATE ACKNOWLEDGEMENT

STATE OF ALASKA )  
3rd JUDICIAL DISTRICT )ss.  
 )

The foregoing instrument was acknowledged before me this 15<sup>th</sup> day of January, 2016, by Gary Fandrei, Executive Director of Cook Inlet Aquaculture Association, an Alaskan corporation, on behalf of the corporation.



Audrey Salomon  
Notary Public, State of Alaska  
My Commission Expires: 11-1-16

**PLEASE RETURN TO:  
DIVISION OF ECONOMIC DEVELOPMENT  
P.O. BOX 34159  
JUNEAU AK, 99803-4159**

**STATE BUSINESS—NO CHARGE**





**DIVISION OF ECONOMIC DEVELOPMENT  
DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT  
PO Box 34159, Juneau, AK 99803-4159**

**SECURITY ASSIGNMENT OF LEASE  
55-250-0803833**

FOR VALUE RECEIVED, the undersigned, Assignor, grants, transfers and assigns to the STATE OF ALASKA, represented by the Director of the Division of Economic Development, Department of Commerce, Community and Economic Development, as Assignee, the entire Lessees' interest in and to that certain unrecorded lease dated the 8th day of August, 1991, ADL No. 200098, Seldovia Recording District, Third Judicial District, State of Alaska, described as:

Commencing at a point whose approximate geodetic value is 59°26'10"N, and 151°24'45"W, said point being identified as a large spike in the northerly face of a 12" spruce tree which bears S18°E, 195.08 feet from another spike in the southerly face of an 18" spruce tree; Thence S42°50'E, 176.00 feet to a point on the northeasterly bank of TUTKA CREEK and the true point of beginning: Thence S54°01'40"E, 340.04 feet; Thence N18°00'00"W a distance of 905.00 feet; Thence S72°00'00"W a distance of 658.18 feet; Thence S54°01'40"E a distance of 778.99 feet along the northeasterly shoreline of TUTKA CREEK to the true point of beginning and containing 6.84 acres all situated within Section 36, Township 8 South, Range 13 West, S.M., Alaska and lying at the southeasterly end of Tutka Bay Lagoon.

THIS ASSIGNMENT is made to secure:

(1) Payment of the principal sum and interest evidenced by the Promissory Note dated January 15, 2016, and any amendments, extensions, or renewals thereof made by Assignor to the STATE OF ALASKA, represented by the Director of the Division of Economic Development, Department of Commerce, Community and Economic Development, in this Assignment called "the Note" and is secured by a Security Agreement, in this Assignment called "Security," reference being made to that description as though fully set forth herein:

(2) Payment of all other sums, with interest, becoming due and payable to Assignee under this assignment or under the Note and Security; and

(3) Performance and discharge of each and every obligation and agreement to Assignor under this assignment or under the Note and Security.

Assignor warrants (1) that Assignor is the sole owner of the entire Lessees' interests in the said lease; (2) that the lease is valid and enforceable and has not been altered, modified, or amended in any manner whatsoever; and (3) that the Assignor is not in default under any of the terms, covenants, or conditions of the lease.

Assignor agrees (1) to observe and perform all obligations imposed upon it under the assigned lease; (2) not to execute any other assignment of Lessees' interest in the lease; (3) not to modify the

terms of the lease without the prior written consent of Assignee; (4) not to cancel or terminate the lease; (5) not to sublet the premises in whole or in part, without the prior written consent of Assignee; and (6) at Assignee's request to execute and deliver to Assignee such further assurance and assignments in the premises as Assignee shall from time to time require.

THIS ASSIGNMENT is made on the following terms and conditions:

(1) Until default by Assignor in payment of the principal, interest, or other indebtedness secured by the Note and Security Agreement or in performance of any obligation or agreement under the Note and Security, this assignment, or the assigned lease, Assignor may remain in possession of the premises and retain use and enjoyment of same.

(2) Upon or at any time after such default, Assignee may, at its option, without notice and without regard to the adequacy of the Security, either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court, take possession of the premises described in the lease and hold, manage and operate the same, reassign Assignor's interest in such lease, or sublet the premises; and apply any rents, income, and profits received there from to the payment of all expenses and managing, operating, and maintaining the premises, all expenses included to taking and retaining possession of the premises, and the principal, interest, and other indebtedness secured by the Note and Security, together with all costs and attorney's fees, in such order of priority as to any of the items mentioned in this paragraph as Assignee in its sole discretion, may determine, any statute, law, custom, or use to the contrary notwithstanding. Exercise or nonexercise by Assignee of the options granted in this paragraph, shall not be considered a waiver of any default by Assignor under the Note and Security or under the lease or this assignment.

(3) Assignee shall not be liable for any loss sustained by Assignor resulting from Assignee's failure to sublet the premises, reassign Assignor's interest in such lease, or from any other act or omission of Assignee under the provision hereof unless such loss is caused by the willful misconduct and bad faith of Assignee. Nor shall Assignee be obligated to perform or discharge nor does Assignee undertake to perform or discharge any obligation, duty, or liability under the lease or by reason of this assignment and Assignor agrees to indemnify Assignee for, and to hold Assignee harmless from, any liability, loss, or damage which may be incurred under the lease or by reason of this assignment and from any claims and demands which may be asserted against Assignee by reason of any alleged obligations or undertakings to perform or discharge any of the terms, covenants, or agreements contained in the lease. Should Assignee incur any such liability under the lease or by reason of this assignment or in defense of any such claims or demands, the amount thereof, including costs, expenses, and reasonable attorney's fees shall be secured by this assignment, and Assignor shall reimburse Assignee therefore immediately upon demand and upon the failure of Assignor to do so Assignee may at its option declare all sums secured by this assignment or by the Note and Security immediately due and payable. And it is further understood and this assignment shall not operate to place responsibility for the control, care, management or repair of the premises upon Assignee; nor shall it operate to make Assignee responsible or liable for any waste committed on the property by the tenants or by other parties, or for any dangerous or defective condition of the premises, or for any negligence in the management, upkeep, repair, or control of the premises.

(4) By virtue of said assignment, Assignee shall incur no obligations of Lessee under said lease or any obligation to cure any default of Lessee under said lease.

(5) Upon payment in full of the principal, interest, and all other indebtedness secured by this assignment or by the Note and Security, this assignment shall cease and be of no further effect but the affidavit, certificate, letter, or statement of Assignee or any officer, agent, or attorney of Assignee showing any part of the principal, interest, or other indebtedness to remain unpaid shall constitute conclusive evidence of the validity, effectiveness, and continuing force of this assignment and any person may, and is hereby authorized to, rely thereon.

(6) Assignee may take or release other security for payment of the secured principal, interest, or other indebtedness, may release any party primarily or secondarily liable, and may apply any other security





held by them to the satisfaction of the secured principal, interest, or other indebtedness without prejudice to any rights under this assignment.

(7) "Lease" or "the lease" as used in this assignment means the lease hereby assigned and, at the option of the Assignee, any extension of renewal of it and any lease subsequently executed during the term of this assignment covering the premises or any part of them.

(8) Nothing contained in this assignment and no act done or omitted by Assignee pursuant to its terms shall be deemed a waiver by Assignee of any rights or remedies processed by Assignee under the terms of the Note and Security. The right of Assignee to collect the secured principal, interest and other indebtedness, and to enforce any other security may be exercised by Assignee prior to, simultaneously with, or subsequent to any action taken under this assignment.

This assignment, together with the agreements, and warranties contained in it, shall inure to the benefit of Assignee and any subsequent holder of the Note and Security and shall be binding upon Assignor and any subsequent owner of the premises.

DATED at Juneau, Alaska this <sup>14<sup>th</sup></sup> ~~14<sup>th</sup>~~ day of March, 2016.

Assignor: [Signature]

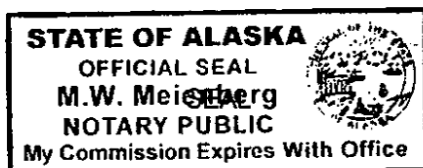
John H. White, Procurement Specialist V  
STATE OF ALASKA,  
Department of Fish and Game

#### NOTARY ACKNOWLEDGEMENT

STATE OF ALASKA )

1<sup>ST</sup> JUDICIAL DISTRICT ) ss.

The foregoing instrument was acknowledged before me this 14<sup>th</sup> day of March, 2016, by John H. White, Procurement Specialist V, of the State of Alaska, Department of Fish and Game.



[Signature]  
Notary Public, State of Alaska  
My Commission Expires: with office

AFTER RECORDING RETURN TO:  
DIVISION OF ECONOMIC DEVELOPMENT  
PO BOX 34159  
JUNEAU, ALASKA 99803-4159

STATE BUSINESS – NO CHARGE

