

February 23, 2023

Dear Stakeholders and Interested Parties,

You are receiving this letter because your residence is situated on land owned by Kikiktagruk Inupiat Corporation. The land known as the “Tower Subdivision” was leased by Kikiktagruk Inupiat Corporation (“KIC”) to Northwest Inupiat Housing Authority (“NIHA”) for a period of 50 years via a Lease Agreement executed in December of 1988. The lease expires on December 13, 2038. This lease permitted NIHA to sublease lots and build the homes currently in the Subdivision. KIC will honor the lease until it terminates in 2038. The purpose of this letter is to draw your attention to the Lease Agreement and the possible impacts the terms of the lease might have on you. We would also like to discuss KIC’s intentions when the lease expires. Accordingly, this letter is not to alarm you or disrupt your residence. But if you are thinking of selling or refinancing your home, the 2038 termination of the Tower Subdivision lease may impact you.

A typical home mortgage involves a person obtaining a 15 to 30-year loan from a bank. The bank then records a deed of trust on the lot, which gives it the right to foreclose on the property if the loan is not repaid. Because the Tower Subdivision lease ends in 2038, most banks will not make a loan with a Tower Subdivision home as collateral. Accordingly, you might encounter obstacles if you sell or refinance your home. KIC wants to bring this matter to your attention and clearly state KIC’s position so that you can plan accordingly.

KIC’s longstanding policy is that it will not sell its ANCSA lands because KIC holds the land for the benefit of all KIC shareholders equally in perpetuity. And once KIC sells its ANCSA land, it could eventually find its way to the ownership of people or entities who are not KIC stockholders. Accordingly, KIC will not sell the Tower Subdivision land. Additionally, KIC will not grant lease extensions to individual lots so the lots can be used as collateral for mortgages.

To date, NIHA has not presented KIC with any proposals concerning the end of the Tower Subdivision lease. KIC will continue to honor the lease until December 13, 2038. But unless another suitable solution for the Tower Subdivision is in place on that date, the lease will terminate, and KIC will exercise its right to possess the land it received through the Alaska Native Claims Settlement Act. If you are concerned about the lease terminating, KIC encourages you to contact NIHA to inquire as to whether it is working on a Tower Subdivision solution beyond the termination of the current lease.

We have included a copy of the recorded lease for the Tower Subdivision between KIC and NIHA for your review and to assist you in the event you seek advice on this issue.

Sincerely,



Thomas Kennedy
President & Chief Executive Officer
Kikiktagruk Inupiat Corporation

