stewart title

Property Profile Report

April 15, 2026

2941 N Sally Mae Circle, Wasilla

Prepared by:

Christi Erwin

Stewart Title of Alaska

2002 E Bogard Road, Ste A

Wasilla, AK 99654

Mobile (907) 354-5186

christi.erwin@stewart.com

Prepared for:

Chanel Ebert

Susitna Valley Realty

23375 W Beluga Ave Unit D-1

Willow, AK 99688

Report Provided by:

Stewart Title

2002 E Bogard Road, Ste A

Wasilla, AK 99654

(907)376-2220 Main

www.stewart.com/wasilla

x	**Tax Report**	x	**CCR**
x	**BEES Certificate**		**No As-Built**
x	**Summary of Bldg Insp**		**As-Built Attached**
x	**Vesting**	x	**As-Built Requested/Will forward if rcvd**
x	**Deed of Trust**		**Other - Party Wall Agreement**
x	**Plat Map**		**Notice of Default**

Disclaimer

This property report is provided “as is” without warranty of any kind, either express or implied, including without limitations any warrantees of merchantability or fitness for a particular purpose. There is no representation of warranty that this information is complete or free from error, and the provider does not assume, and expressly disclaims, any liability to any person or entity for loss or damage caused by errors or omissions in this property report without a title insurance policy.

The information contained in this property report is delivered from your Title Company, who reminds you that you have the right as a consumer to compare fees and serviced levels for Title, Escrow, and all other services associated with property ownership, and to select providers accordingly. Your home is the largest investment you will make in your lifetime and you should demand the very best.

MATANUSKA-SUSITNA BOROUGH

Real Property Detail for Account: 57288B04L005

Site Information

Account Number	57288B04L005	Subdivision	FULLER LK HTS
Parcel ID	522952	City	None
TRS	S18N02W34	Map HO08	Tax Map
Abbreviated Description (Not for Conveyance)	FULLER LK HTS BLOCK 4 LOT 5		
Site Address	2941 N Sally Mae Cir		

Ownership

Owners	GERST STEVEN	Buyers	
Primary Owner's Address	2941 N SALLY MAE CIR WASILLA AK 99623	Primary Buyer's Address	

Appraisal Information / Assessment

Year	Land Appraised	Bldg. Appraised	Total Appraised	Year	Land Assessed	Bldg. Assessed	Total Assessed[1]
2026	$28,800.00	$331,500.00	$360,300.00	2026	$28,800.00	$331,500.00	$360,300.00
2025	$25,000.00	$313,200.00	$338,200.00	2025	$25,000.00	$313,200.00	$338,200.00
2024	$25,000.00	$294,400.00	$319,400.00	2024	$25,000.00	$294,400.00	$319,400.00

Building Information

Structure 0 of 1

Residential Units	1	Use	Residential Building
Condition	Standard	Design	One Story
Basement	None	Construction Type	Concrete Block
Year Built	2021	Grade	04.8
Foundation	Concrete Block	Well	Well 1 - Drilled Well
Septic	Septic - 1 - Septic Tank		

Building Item Details

Building Number	Description	Area	Percent Complete
0	Gas Heat	1 Sq. Ft.	100%
0	Garage (10.3) Area - 11M	576 Sq. Ft.	100%
0	First Story	1234 Sq. Ft.	100%

Tax/Billing Information

Year	Certified	Zone	Mill	Tax Billed
2026	No	0038	::	::
2025	Yes	0038	13.516	$4571.11
2024	Yes	0038	13.91	$4442.85

Recorded Documents

Date	Type	Recording Info (offsite link to DNR)
3/24/2022	WARRANTY DEED (ALL TYPES)	Palmer 2022-006633-0
11/30/2021	QUITCLAIM DEED (ALL TYPE)	Palmer 2021-035458-0

Tax Account Status [2]

Status	Tax Balance	Farm	Disabled Veteran	Senior	Total [3]	LID Exists
Current	$0.00	$0.00	$0.00	$0.00	$0.00	No

Land and Miscellaneous

Gross Acreage	Taxable Acreage	Assembly District	Precinct	Fire Service Area	Road Service Area
1.00	1.00	Assembly District 007	27-410	136 WEST LAKES FSA	027 Meadow Lakes RSA

[1] Total Assessed is net of exemptions and deferments.rest, penalties, and other charges posted after Last Update Date are not reflected in balances.
[2] If account is in foreclosure, payment must be in certified funds.
[3] If you reside within the city limits of Palmer or Houston, your exemption amount may be different.

Last Updated: 4/15/2026 9:00:01 PM

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2022-006631-0
Recording Dist: 311 - Palmer
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74005 CBM 10TGA

Home Energy Rating Certificate

Alaska Housing FINANCE CORPORATION

The Building Located At:

2941 N. Sally Mae Circle
Wasilla, Alaska

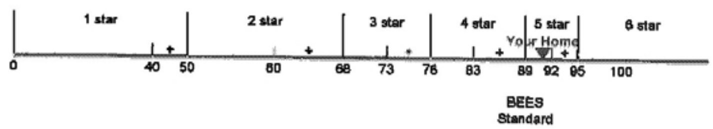
Has Been Energy-Rated As:

★★★★★

Five Star

Efficiency Score

90.9 points



Amount of CO2 Produced by the Home
15,476 pounds per year

Projected Annual Energy Costs
$2,262 per year

Score with Renewables
90.9 points

Estimated Annual Energy Costs

Space Heating	*$843*
Water Heating	*$211*
Space Cooling	*$0*
Lights & Appli.	*$1,208*
Renewables	*$0*

Owner of Record: H & H Construction Co. Inc

Legal Description

Lot 5 Block 4 Fuller Lake Heights, Plat No. 2014-39
Palmer Recording District

Energy Rater: Richard R. Owens
Residential Energy Designs

Date Construction Began: 6/4/2021
Certifying BEES: 2018
Energy Rating Date: 1/26/2022
File: H&H012622B.hm2
AkWarm: 2.10.0.0 **Library:** 8/31/2021

I certify that this Energy Rating is true and correct, to the best of my knowledge and belief, and the structure located on the above described property complies with the all the requirements of the building energy efficiency standards as required by Section .04 Part A. of the AHFC New Construction Inspection Guidelines, per the standards adopted by 15 AAC 155.010.

Richard Owens
Energy Rater Signature

3/16/22
Date

Return to: H & H Construction Co., Inc.
189 E. Nelson Ave. PMB 282
Wasilla AK 99654

Form PUR-101 v.3/1/16

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2022-006632-0

Recording Dist: 311 - Palmer
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74005 CBM/ATGA

SUMMARY OF BUILDING INSPECTIONS
Site-Built Residential Construction

Owner of Record: H & H Construction Company INC.

Owner of Record is: ☐ Owner-Builder ■ Licensed Residential Contractor

Legal Description: Fuller Lake Heights Lot 5 Block 4 ~~No~~ Plat* Palmer Recording District
(Include Recording District) *No. 2014-39

Site Address: 2941 North Sally Mae Circle, Wasilla, AK 99623

This certification is issued pursuant to the requirements of AS 18.56.300 and Alaska Housing Finance Corporation (AHFC) regulations 15 AAC 150.030. Use of alternate methods, such as videos, must have *prior written approval* of AHFC.

By my signature below, I certify I have the current, applicable certifications of authority. I am not personally or financially related to the builder, seller, buyer, real estate agent, or other interested party for this project, other than as a fee inspector. I certify that all inspections have been completed pursuant to the requirements of 15 AAC 150.035, including Section .04 Part B. of the AHFC New Construction Inspections Guidelines, per the standards adopted by 15 AAC 155.010

1. Plan Approval

	Printed Name	Signature	License No.*	Date
	Giuseppe Rossi		AK HIN 192	06/02/21

2. Completion of Footings & Foundation

	Printed Name	Signature	License No.*	Date
Footings	Giuseppe Rossi		AK HIN 192	06/04/21
Foundation	Giuseppe Rossi		AK HIN 192	06/07/21

3. Completion Of Framing, Electrical, Plumbing & Mechanical

	Printed Name	Signature	License No.*	Date
Framing	Giuseppe Rossi		AK HIN 192	07/19/21
Electrical	Giuseppe Rossi		AK HIN 192	07/19/21
Plumbing	Giuseppe Rossi		AK HIN 192	07/19/21
Mechanical	Giuseppe Rossi		AK HIN 192	07/19/21

Recorder: Index by Legal, Owner and Builder

Return to: H&H Construction Co., Inc
189 E. Nelson PMB 282
Wasilla, AK 99654

Legal Description: Fuller Lake Heights Lot 5 Block 4 ~~No~~ Plat* Palmer Recording District
*No. 2014-39

4. Completion of Installation of Insulation & Vapor Barrier

Printed Name	Signature	License No.*	Date
Giuseppe Rossi		AK HIN 192	07/21/21

5. Conditional Approval

Items to be completed: ______________________

______________________ To Be Completed By: ______________

Printed Name	Signature	License No.*	Date

6. Final Approval

Printed Name	Signature	License No.*	Date
Giuseppe Rossi		AK HIN 192	03/16/22

** License No. is the inspector's Registration # under AS 08.18 and 12 AAC 22*

CONTRACTOR'S CERTIFICATION

Under penalty of perjury, by my signature below, I certify that the required inspections have been completed and the building meets or exceeds standards set forth under AS 18.56.300 and 15 AAC 150.030. I also certify that any/all engineered components are currently listed with the International Code Council (ICC) and to my knowledge there has been no action to rescind ICC approval. I further certify that the information below is true and correct.

Builder's Signature: ______________ Date: 3/21/22

Builder's Name: H & H Construction Co., Inc. License No.: 1454 (if applicable)

Residential Endorsement No.: 1971 Dated: 12-22-2020 - 12-31-2022

Business Name: H & H Construction Co., Inc.

Address: 189 E. Nelson Ave. #282

City: Wasilla State: AK ZIP Code: 99654-6462

Before me, a Notary Public in and for the State of Alaska, Daniel R. Hull has executed the foregoing document of his/her own free will.

State of Alaska
NOTARY PUBLIC
C. Benedict-Monnens
My Commission Expires Aug 31, 2023

Notary Signature

My Commission Expires: 8/31/2023

Recorder: Index by Legal, Owner and Builder

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2022-006633-0

Recording Dist: 311 - Palmer
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74005 CBM/ATGA

WARRANTY DEED
A.S. 34.15.030

The Grantor,

H&H CONSTRUCTION CO., INC., an Alaska corporation, whose address is 189 E. Nelson Ave. PMB 282, Wasilla, AK 99654, for and in consideration of Ten Dollars ($10.00), and other good and valuable consideration, in hand paid, the receipt of which is hereby acknowledged, conveys and warrants to the Grantee,

STEVEN GERST, an unmarried person, whose address is 2941 N. Sally Mae Cir., Wasilla, AK 99623, the following described real property:

> Lot 5, Block 4, Fuller Lake Heights Subdivision, according to the official plat thereof filed under Plat No. 2014-39, in the records of the Palmer Recording District, Third Judicial District, State of Alaska.

Subject to:

> Reservations and exceptions as contained in U.S. Patent No. 1230558, recorded March 22, 1963, Book 45 Page 254, and/or in Acts authorizing the issuance thereof.
>
> Selections by the State of Alaska of all oil, gas and mineral rights, previously reserved as set forth in document, recorded December 18, 1968, Book 73D Page 280, and recorded April 11, 2006, as Instrument No. 2006-009236-0.
>
> Taxes and/or assessments due the Matanuska-Susitna Borough, for the year 2022, a lien, but levy therefore has not been made.
>
> Reservation of section line easement 33 feet in width along each side of the section line as provided by 43 U.S.C. 932.
>
> Any questions that may arise due to shifting or change of the high water mark or high water line of Little Meadow Creek.
>
> Any prohibition or limitation on the use, occupancy or improvements of the land resulting from the right of the public or riparian owners to use any waters which may

cover the land or to use any portion of the land which is now or may formerly have been covered by water.

Any adverse claim based upon the assertion that some portion of said land is tide or submerged lands, or has been created by artificial means or has accreted to such portion so created.

Rights of the public and governmental entities in and to that portion of said land lying below the high water mark of Little Meadow Creek.

Blanket Right of Way Easement, including terms and provisions thereof, granted to Matanuska Electric Association, Inc., and its assigns and/or successors in interest, to construct, operate and maintain an electric transmission and/or telephone distribution line or system by instrument recorded October 5, 1960, Book 34 Page 113.

Blanket Right of Way Easement, including terms and provisions thereof, granted to Matanuska Electric Association, Inc., and its assigns and/or successors in interest, to construct, operate and maintain an electric transmission and/or telephone distribution line or system by instrument recorded May 17, 2013, as Instrument No. 2013-010831-0, and re-recorded April 17, 2014, as Instrument No. 2014-006666-0.

Blanket Right-of-Way Easement, including terms and provisions thereof, granted to ENSTAR Natural Gas Company, a division of SEMCO Energy, Inc. and its assigns and/or successors in interest, to construct, lay, maintain, operate, alter, repair, remove and replace pipelines including metering facilities, thereto for the transportation of natural gas under, upon, over and through said lands and appurtenances thereto, by instrument recorded October 16, 2013, as Instrument No. 2013-022562-0.

Notes as recited on Plat(s) of said Subdivision.

Easements as shown on the Plat(s) of said Subdivision.

Declaration of Private Access Easement, including terms and provisions thereof, recorded April 24, 2014, as Instrument No. 2014-007161-0.

Covenants, conditions, restrictions and easements, including the terms and provisions thereof, as contained in an instrument recorded April 24, 2014, as Instrument No. 2014-007160-0.

Limitations, conditions, restrictions, terms and effects of the Uniform Common Interest Ownership Act of the State of Alaska, A.S. 34.08.010 et seq., including any lien for future common assessments created pursuant to A.S. 34.08.470.

Liability for future assessments and/or charges as may be imposed by the Fuller Lake Heights Homeowner's Association.

Blanket Right of Way Easement, including terms and provisions thereof, granted to Matanuska Electric Association, Inc., and its assigns and/or successors in interest, to construct, operate and maintain an electric transmission and/or telephone distribution line or system by instrument recorded August 16, 2021, as Instrument No. 2021-024183-0.

Further subject to reservations and exceptions in U.S. and/or State of Alaska Patents and in Acts authorizing the issuance thereof; easements, rights-of-way, covenants, conditions, reservations, notes on plat, by-laws, and all other restrictions of record, if any.

Date: 3-21, 2022

GRANTOR:

H&H CONSTRUCTION CO., INC.

By ____________________
DANIEL R. HULL, President

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me on March 21, 2022, by DANIEL R. HULL, President of H&H CONSTRUCTION CO., INC., an Alaska corporation, on behalf of the corporation.

____
Notary Public in and for Alaska
My Commission Expires: 8/31/2023

State of Alaska
NOTARY PUBLIC
C. Benedict-Monnens
My Commission Expires Aug 31, 2023

Date: 3/22/22 ~~, 2022~~ CBM

GRANTEE:

STEVEN GERST

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me on March 22, 2022, by STEVEN GERST.

Notary Public in and for Alaska
My Commission Expires: 8/31/2023

State of Alaska
NOTARY PUBLIC
C. Benedict-Monnens
My Commission Expires Aug 31, 2023

Record in Palmer Recording District.
Return to:
Steven Gerst
2941 N. Sally Mae Cir.
Wasilla, AK 99623

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2022-006634-0
Recording Dist: 311 - Palmer
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When recorded, return to:
Residential Mortgage, LLC
ATTN: Final Document Department
100 Calais Drive
Anchorage, AK 99503

Title Order No.: 74005
Escrow No.: 74005 CBM / ATGA
LOAN #: RANC076908

[Space Above This Line For Recording Data]

DEED OF TRUST

MIN 1000463-0000094231-6
MERS PHONE #: 1-888-679-6377

DEFINITIONS

Words used in multiple sections of this document are defined below and other words are defined in Sections 3, 11, 13, 18, 20 and 21. Certain rules regarding the usage of words used in this document are also provided in Section 16.

(A) "Security Instrument" means this document, which is dated March 22, 2022, together with all Riders to this document.

(B) "Borrower" is STEVEN GERST, AN UNMARRIED PERSON.

Borrower is the trustor under this Security Instrument.

(C) "Lender" is Residential Mortgage, LLC.

Lender is a Limited Liability Company, organized and existing under the laws of Alaska. Lender's address is 100 Calais Drive, Anchorage, AK 99503.

(D) "Trustee" is Alyeska Title Guaranty Agency.

(E) "MERS" is Mortgage Electronic Registration Systems, Inc. MERS is a separate corporation that is acting solely as a nominee for Lender and Lender's successors and assigns. **MERS is the beneficiary under this Security Instrument.** MERS is organized and existing under the laws of Delaware, and has an address and telephone number of P.O. Box 2026, Flint, MI 48501-2026, tel. (888) 679-MERS.

(F) "Note" means the promissory note signed by Borrower and dated March 22, 2022. The Note states that Borrower owes Lender TWO HUNDRED SEVENTY FIVE THOUSAND TWO HUNDRED AND NO/100* Dollars (U.S. $275,200.00) plus interest. Borrower has promised to pay this debt in regular Periodic Payments and to pay the debt in full not later than April 1, 2052.

(G) "Property" means the property that is described below under the heading "Transfer of Rights in the Property."

(H) "Loan" means the debt evidenced by the Note, plus interest, any prepayment charges and late charges due under the Note, and all sums due under this Security Instrument, plus interest.

(I) "Riders" means all Riders to this Security Instrument that are executed by Borrower. The following Riders are to be executed by Borrower [check box as applicable]:

- ☐ Adjustable Rate Rider
- ☐ Condominium Rider
- ☒ Second Home Rider
- ☐ Balloon Rider
- ☐ Planned Unit Development Rider
- ☐ Other(s) [specify]
- ☐ 1-4 Family Rider
- ☐ Biweekly Payment Rider
- ☐ V.A. Rider

(J) "Applicable Law" means all controlling applicable federal, state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable judicial opinions.

(K) "Community Association Dues, Fees, and Assessments" means all dues, fees, assessments and other charges that are imposed on Borrower or the Property by a condominium association, homeowners association or similar organization.

(L) "Electronic Funds Transfer" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse transfers.

(M) "Escrow Items" means those items that are described in Section 3.

(N) "Miscellaneous Proceeds" means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section 5) for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property.

(O) "Mortgage Insurance" means insurance protecting Lender against the nonpayment of, or default on, the Loan.

(P) "Periodic Payment" means the regularly scheduled amount due for (i) principal and interest under the Note, plus (ii) any amounts under Section 3 of this Security Instrument.

(Q) "RESPA" means the Real Estate Settlement Procedures Act (12 U.S.C. §2601 et seq.) and its implementing regulation, Regulation X (12 C.F.R. Part 1024), as they might be amended from time to time, or any additional or successor legislation or regulation that governs the same subject matter. As used in this Security Instrument, "RESPA" refers to all requirements and restrictions that are imposed in regard to a "federally related mortgage loan" even if the Loan does not qualify as a "federally related mortgage loan" under RESPA.

(R) "Successor in Interest of Borrower" means any party that has taken title to the Property, whether or not that party has assumed Borrower's obligations under the Note and/or this Security Instrument.

TRANSFER OF RIGHTS IN THE PROPERTY

The beneficiary of this Security Instrument is MERS (solely as nominee for Lender and Lender's successors and assigns) and the successors and assigns of MERS. This Security Instrument secures to Lender: (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note; and (ii) 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, the following described property located in the **Recording District**

[Type of Recording District] of **Palmer** [Name of Recording District],

Third Judicial District:

SEE LEGAL DESCRIPTION ATTACHED HERETO AND MADE A PART HEREOF AS "EXHIBIT A".

which currently has the address of **2941 N Sally Mae Circle, Wasilla,**

[Street] [City]

Alaska **99623** ("Property Address"):

[Zip Code]

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." Borrower understands and agrees that MERS holds only legal title to the interests granted by Borrower in this Security Instrument, but, if necessary to comply with law or custom, MERS (as nominee for Lender and Lender's successors and assigns) has the right: to exercise any or all of those interests, including, but not limited to, the right to foreclose and sell the Property; and to take any action required of Lender including, but not limited to, releasing and canceling this Security Instrument.

BORROWER COVENANTS that Borrower is lawfully seised 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.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. **Payment of Principal, Interest, Escrow Items, Prepayment Charges, and Late Charges.** Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and any prepayment charges and late charges due under the Note. Borrower shall also pay funds for Escrow Items pursuant to Section 3. Payments due under the Note and this Security Instrument shall be made in U.S. currency. However, if any check or other instrument received by Lender as payment under the Note or this Security Instrument is returned to Lender unpaid, Lender may require that any or all subsequent payments due under the Note and this Security Instrument be made in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality, or entity; or (d) Electronic Funds Transfer.

Payments are deemed received by Lender when received at the location designated in the Note or at such other location as may be designated by Lender in accordance with the notice provisions in Section 15. Lender may return any payment or partial payment if the payment or partial payments are insufficient to bring the Loan current. Lender may accept any payment or partial payment insufficient to bring the Loan current, without waiver of any rights hereunder or prejudice to its rights to refuse such payment or partial payments in the future, but Lender is not obligated to apply such payments at the time such payments are accepted. If each Periodic Payment is applied as of its scheduled due date, then Lender need not pay interest on unapplied funds. Lender may hold such unapplied funds until Borrower makes payment to bring the Loan current. If Borrower does not do so within a reasonable period of time, Lender shall either apply such funds or return them to Borrower. If not applied earlier, such funds will be applied to the outstanding principal balance under the Note immediately prior to foreclosure. No offset or claim which Borrower might have now or in the future against Lender shall relieve Borrower from making payments due under the Note and this Security Instrument or performing the covenants and agreements secured by this Security Instrument.

2. **Application of Payments or Proceeds.** Except as otherwise described in this Section 2, all payments accepted and applied by Lender shall be applied in the following order of priority: (a) interest due under the Note; (b) principal due under the Note; (c) amounts due under Section 3. Such payments shall be applied to each Periodic Payment in the order in which it became due. Any remaining amounts shall be applied first to late charges, second to any other amounts due under this Security Instrument, and then to reduce the principal balance of the Note.

If Lender receives a payment from Borrower for a delinquent Periodic Payment which includes a sufficient amount to pay any late charge due, the payment may be applied to the delinquent payment and the late charge. If more than one Periodic Payment is outstanding, Lender may apply any payment received from Borrower to the repayment of the Periodic Payments if, and to the extent that, each payment can be paid in full. To the extent that any excess exists after the payment is applied to the full payment of one or more Periodic Payments, such excess may be applied to any late charges due. Voluntary prepayments shall be applied first to any prepayment charges and then as described in the Note.

Any application of payments, insurance proceeds, or Miscellaneous Proceeds to principal due under the Note shall not extend or postpone the due date, or change the amount, of the Periodic Payments.

3. **Funds for Escrow Items.** Borrower shall pay to Lender on the day Periodic Payments are due under the Note, until the Note is paid in full, a sum (the "Funds") to provide for payment of amounts due for: (a) taxes and assessments and other items which can attain priority over this Security Instrument as a lien or encumbrance on the Property; (b) leasehold payments or ground rents on the Property, if any; (c) premiums for any and all insurance required by Lender under Section 5; and (d) Mortgage Insurance premiums, if any, or any sums payable by Borrower to Lender in lieu of the payment of Mortgage Insurance premiums in accordance with the provisions of Section 10. These items are called "Escrow Items." At origination or at any time during the term of the Loan, Lender may require that Community Association Dues, Fees, and Assessments, if any, be escrowed by Borrower, and such dues, fees and assessments shall be an Escrow Item. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this Section. Borrower shall pay Lender the Funds for Escrow Items unless Lender waives Borrower's obligation to pay the Funds for any or all Escrow Items. Lender may waive Borrower's obligation to pay to Lender Funds for any or all Escrow Items at any time. Any such waiver may only be in writing. In the event of such waiver, Borrower shall pay directly, when and where payable, the amounts due for any Escrow Items for which payment of Funds has been waived by Lender and, if Lender requires, shall furnish to Lender receipts evidencing such payment within such time period as Lender may require. Borrower's obligation to make such payments and to provide receipts shall for all purposes be deemed to be a covenant and agreement contained in this Security Instrument, as the phrase "covenant and agreement" is used in Sec-

tion 9. If Borrower is obligated to pay Escrow Items directly, pursuant to a waiver, and Borrower fails to pay the amount due for an Escrow Item, Lender may exercise its rights under Section 9 and pay such amount and Borrower shall then be obligated under Section 9 to repay to Lender any such amount. Lender may revoke the waiver as to any or all Escrow Items at any time by a notice given in accordance with Section 15 and, upon such revocation, Borrower shall pay to Lender all Funds, and in such amounts, that are then required under this Section 3.

Lender may, at any time, collect and hold Funds in an amount (a) sufficient to permit Lender to apply the Funds at the time specified under RESPA, and (b) not to exceed the maximum amount a lender can require under RESPA. Lender shall estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with Applicable Law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is an institution whose deposits are so insured) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items no later than the time specified under RESPA. Lender shall not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and Applicable Law permits Lender to make such a charge. Unless an agreement is made in writing or Applicable Law requires interest to be paid on the Funds, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender can agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds as required by RESPA.

If there is a surplus of Funds held in escrow, as defined under RESPA, Lender shall account to Borrower for the excess funds in accordance with RESPA. If there is a shortage of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the shortage in accordance with RESPA, but in no more than 12 monthly payments. If there is a deficiency of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the deficiency in accordance with RESPA, but in no more than 12 monthly payments.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender.

4. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property which can attain priority over this Security Instrument, leasehold payments or ground rents on the Property, if any, and Community Association Dues, Fees, and Assessments, if any. To the extent that these items are Escrow Items, Borrower shall pay them in the manner provided in Section 3.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, but only so long as Borrower is performing such agreement; (b) contests the lien in good faith by, or defends against enforcement of the lien in, legal proceedings which in Lender's opinion operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which can attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Within 10 days of the date on which that notice is given, Borrower shall satisfy the lien or take one or more of the actions set forth above in this Section 4.

Lender may require Borrower to pay a one-time charge for a real estate tax verification and/or reporting service used by Lender in connection with this Loan.

5. Property 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 any other hazards including, but not limited to, earthquakes and floods, for which Lender requires insurance. This insurance shall be maintained in the amounts (including deductible levels) and for the periods that Lender requires. What Lender requires pursuant to the preceding sentences can change during the term of the Loan. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's right to disapprove Borrower's choice, which right shall not be exercised unreasonably. Lender may require Borrower to pay, in connection with this Loan, either: (a) a one-time charge for flood zone determination, certification and tracking services; or (b) a one-time charge for flood zone determination and certification services and subsequent charges each time remappings or similar changes occur which reasonably might affect such determination or certification. Borrower shall also be responsible for the payment of any fees imposed by the Federal Emergency Management Agency in connection with the review of any flood zone determination resulting from an objection by Borrower.

If Borrower fails to maintain any of the coverages described above, Lender may obtain insurance coverage, at Lender's option and Borrower's expense. Lender is under no obligation to purchase any particular type or amount of coverage. Therefore, such coverage shall cover Lender, but might or might not protect Borrower, Borrower's equity in the Property, or the contents of the Property, against any risk, hazard or liability and might provide greater or lesser coverage than was previously in effect. Borrower acknowledges that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that Borrower could have obtained. Any amounts disbursed by Lender under this Section 5 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

All insurance policies required by Lender and renewals of such policies shall be subject to Lender's right to disapprove such policies, shall include a standard mortgage clause, and shall name Lender as mortgagee and/or as an additional loss payee. Lender shall have the right to hold the policies and renewal certificates. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. If Borrower obtains any form of insurance coverage, not otherwise required by Lender, for damage to, or destruction of, the Property, such policy shall include a standard mortgage clause and shall name Lender as mortgagee and/or as an additional loss payee.

In the event of 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, any insurance proceeds, whether or not the underlying insurance was required by Lender, shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such insurance proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such insurance proceeds, Lender shall not be required to pay Borrower any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Borrower shall not be paid out of the insurance proceeds and shall be the sole obligation of Borrower. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such insurance proceeds shall be applied in the order provided for in Section 2.

If Borrower abandons the Property, Lender may file, negotiate and settle any available insurance claim and related matters. If Borrower does not respond within 30 days to a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may negotiate and settle the claim. The 30-day period will begin when the notice is given. In either event, or if Lender acquires the Property under Section 22 or otherwise, Borrower hereby assigns to Lender (a) Borrower's rights to any insurance proceeds in an amount not to exceed the amounts unpaid under the Note or this Security Instrument, and (b) any other of Borrower's rights (other than the right to any refund of unearned premiums paid by Borrower) under all insurance policies covering the Property, insofar as such rights are applicable to the coverage of the Property. Lender may use the insurance proceeds either to repair or restore the Property or to pay amounts unpaid under the Note or this Security Instrument, whether or not then due.

6. Occupancy. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within 60 days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control.

7. **Preservation, Maintenance and Protection of the Property; Inspections.** Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate or commit waste on the Property. Whether or not Borrower is residing in the Property, Borrower shall maintain the Property in order to prevent the Property from deteriorating or decreasing in value due to its condition. Unless it is determined pursuant to Section 5 that repair or restoration is not economically feasible, Borrower shall promptly repair the Property if damaged to avoid further deterioration or damage. If insurance or condemnation proceeds are paid in connection with damage to, or the taking of, the Property, Borrower shall be responsible for repairing or restoring the Property only if Lender has released proceeds for such purposes. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, Borrower is not relieved of Borrower's obligation for the completion of such repair or restoration.

Lender or its agent may make reasonable entries upon and inspections of the Property. If it has reasonable cause, Lender may inspect the interior of the improvements on the Property. Lender shall give Borrower notice at the time of or prior to such an interior inspection specifying such reasonable cause.

8. Borrower's Loan Application. Borrower shall be in default if, during the Loan application process, Borrower or any persons or entities acting at the direction of Borrower or with Borrower's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Lender (or failed to provide Lender with material information) in connection with the Loan. Material representations include, but are not limited to, representations concerning Borrower's occupancy of the Property as Borrower's principal residence.

9. **Protection of Lender's Interest in the Property and Rights Under this Security Instrument.** If (a) Borrower fails to perform the covenants and agreements contained in this Security Instrument, (b) there is a legal proceeding that might significantly affect Lender's interest in the Property and/or rights under this Security Instrument (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of a lien which may attain priority over this Security Instrument or to enforce laws or regulations), or (c) Borrower has abandoned the Property, then Lender may do and pay for whatever is reasonable or appropriate to protect Lender's interest in the Property and rights under this Security Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property. Lender's actions can include, but are not limited to: (a) paying any sums secured by a lien which has priority over this Security Instrument; (b) appearing in court; and (c) paying reasonable attorneys' fees to protect its interest in the Property and/or rights under this Security Instrument, including its secured position in a bankruptcy proceeding. Securing the Property includes, but is not limited to, entering the Property to make repairs, change locks, replace or board up doors and windows, drain water from pipes, eliminate building or other code violations or dangerous conditions, and have utilities turned on or off. Although Lender may take action under this Section 9, Lender does not have to do so and is not under any duty or obligation to do so. It is agreed that Lender incurs no liability for not taking any or all actions authorized under this Section 9.

Any amounts disbursed by Lender under this Section 9 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. Borrower shall not surrender the leasehold estate and interests herein conveyed or terminate or cancel the ground lease. Borrower shall not, without the express written consent of Lender, alter or amend the ground lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

10. Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan, Borrower shall pay the premiums required to maintain the Mortgage Insurance in effect. If, for any reason, the Mortgage Insurance coverage required by Lender ceases to be available from the mortgage insurer that previously provided such insurance and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the Mortgage Insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the Mortgage Insurance previously in effect, from an alternate mortgage insurer selected by Lender. If substantially equivalent Mortgage Insurance coverage is not available, Borrower shall continue to pay to Lender the amount of the separately designated payments that were due when the insurance coverage ceased to be in effect. Lender will accept, use and retain these payments as a non-refundable loss reserve in lieu of Mortgage Insurance. Such loss reserve shall be non-refundable, notwithstanding the fact that the Loan is ultimately paid in full, and Lender shall not be required to pay Borrower any interest or earnings on such loss reserve. Lender can no longer require loss reserve payments if Mortgage Insurance coverage (in the amount and for the period that Lender requires) provided by an insurer selected by Lender again becomes available, is obtained, and Lender requires separately designated payments toward the premiums for Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to maintain Mortgage Insurance in effect, or to provide a non-refundable loss reserve, until Lender's requirement for Mortgage Insurance ends in accordance with any written agreement between Borrower and Lender providing for such termination or until termination is required by Applicable Law. Nothing in this Section 10 affects Borrower's obligation to pay interest at the rate provided in the Note.

Mortgage Insurance reimburses Lender (or any entity that purchases the Note) for certain losses it may incur if Borrower does not repay the Loan as agreed. Borrower is not a party to the Mortgage Insurance.

Mortgage insurers evaluate their total risk on all such insurance in force from time to time, and may enter into agreements with other parties that share or modify their risk, or reduce losses. These agreements are on terms and conditions that are satisfactory to the mortgage insurer and the other party (or parties) to these agreements. These agreements may require the mortgage insurer to make payments using any source of funds that the mortgage insurer may have available (which may include funds obtained from Mortgage Insurance premiums).

As a result of these agreements, Lender, any purchaser of the Note, another insurer, any reinsurer, any other entity, or any affiliate of any of the foregoing, may receive (directly or indirectly) amounts that derive from (or might be characterized as) a portion of Borrower's payments for Mortgage Insurance, in exchange for sharing or modifying the mortgage insurer's risk, or reducing losses. If such agreement provides that an affiliate of Lender takes a share of the insurer's risk in exchange for a share of the premiums paid to the insurer, the arrangement is often termed "captive reinsurance." Further:

(a) Any such agreements will not affect the amounts that Borrower has agreed to pay for Mortgage Insurance, or any other terms of the Loan. Such agreements will not increase the amount Borrower will owe for Mortgage Insurance, and they will not entitle Borrower to any refund.

(b) Any such agreements will not affect the rights Borrower has - if any - with respect to the Mortgage Insurance under the Homeowners Protection Act of 1998 or any other law. These rights may include the right to receive certain disclosures, to request and obtain cancellation of the Mortgage Insurance, to have the Mortgage Insurance terminated automatically, and/or to receive a refund of any Mortgage Insurance premiums that were unearned at the time of such cancellation or termination.

11. Assignment of Miscellaneous Proceeds; Forfeiture. All Miscellaneous Proceeds are hereby assigned to and shall be paid to Lender.

If the Property is damaged, such Miscellaneous Proceeds shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such Miscellaneous Proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may pay for the repairs and restoration in a single disbursement or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such Miscellaneous Proceeds, Lender shall not be required to pay Borrower any interest or earnings on such Miscellaneous Proceeds. If the restoration or repair is not economically feasible or Lender's security would be lessened, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such Miscellaneous Proceeds shall be applied in the order provided for in Section 2.

In the event of a total taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the Miscellaneous Proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the partial taking, destruction, or loss in value divided by (b) the fair market value of the Property immediately before the partial taking, destruction, or loss in value. Any balance shall be paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is less than the amount of the sums secured immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the Opposing Party (as defined in the next sentence) offers to make an award to settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the Miscellaneous Proceeds either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due. "Opposing Party" means the third party that owes Borrower Miscellaneous Proceeds or the party against whom Borrower has a right of action in regard to Miscellaneous Proceeds.

Borrower shall be in default if any action or proceeding, whether civil or criminal, is begun that, in Lender's judgment, could result in forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. Borrower can cure such a default and, if acceleration has occurred, reinstate as provided in Section 19, by causing the action or proceeding to be dismissed with a ruling that, in Lender's judgment, precludes forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. The proceeds of any award or claim for damages that are attributable to the impairment of Lender's interest in the Property are hereby assigned and shall be paid to Lender.

All Miscellaneous Proceeds that are not applied to restoration or repair of the Property shall be applied in the order provided for in Section 2.

12. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to Borrower or any Successor in Interest of Borrower shall not operate to release the liability of Borrower or any Successors in Interest of Borrower. Lender shall not be required to commence proceedings against any Successor in Interest of Borrower or to refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or any Successors in Interest of Borrower. Any forbearance by Lender in exercising any right or remedy including, without limitation, Lender's acceptance of payments from third persons, entities or Successors in Interest of Borrower or in amounts less than the amount then due, shall not be a waiver of or preclude the exercise of any right or remedy.

13. Joint and Several Liability; Co-signers; Successors and Assigns Bound. Borrower covenants and agrees that Borrower's obligations and liability shall be joint and several. However, any Borrower who co-signs this Security Instrument but does not execute the Note (a "co-signer"): (a) is co-signing this Security Instrument only to mortgage, grant and convey the co-signer's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower can agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without the co-signer's consent.

Subject to the provisions of Section 18, any Successor in Interest of Borrower who assumes Borrower's obligations under this Security Instrument in writing, and is approved by Lender, shall obtain all of Borrower's rights and benefits under this Security Instrument. Borrower shall not be released from Borrower's obligations and liability under this Security Instrument unless Lender agrees to such release in writing. The covenants and agreements of this Security Instrument shall bind (except as provided in Section 20) and benefit the successors and assigns of Lender.

14. Loan Charges. Lender may charge Borrower fees for services performed in connection with Borrower's default, for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument, including, but not limited to, attorneys' fees, property inspection and valuation fees. In regard to any other fees, the absence of express authority in this Security Instrument to charge a specific fee to Borrower shall not be construed as a prohibition on the charging of such fee. Lender may not charge fees that are expressly prohibited by this Security Instrument or by Applicable Law.

If the Loan is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the Loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge (whether or not a prepayment charge is provided for under the Note). Borrower's acceptance of any such refund made by direct payment to Borrower will constitute a waiver of any right of action Borrower might have arising out of such overcharge.

15. Notices. All notices given by Borrower or Lender in connection with this Security Instrument must be in writing. Any notice to Borrower in connection with this Security Instrument shall be deemed to have been given to Borrower when mailed by first class mail or when actually delivered to Borrower's notice address if sent by other means. Notice to any one Borrower shall constitute notice to all Borrowers unless Applicable Law expressly requires otherwise. The notice address shall be the Property Address unless Borrower has designated a substitute notice address by notice to Lender. Borrower shall promptly notify Lender of Borrower's change of address. If Lender specifies a procedure for reporting Borrower's change of address, then Borrower shall only report a change of address through that specified procedure. There may be only one designated notice address under this Security Instrument at any one time. Any notice to Lender shall be given by delivering it or by mailing it by first class mail to Lender's address stated herein unless Lender has designated another address by notice to Borrower. Any notice in connection with this Security Instrument shall not be deemed to have been given to Lender until actually received by Lender. If any notice required by this Security Instrument is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Security Instrument.

16. Governing Law; Severability; Rules of Construction. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. All rights and obligations contained in this Security Instrument are subject to any requirements and limitations of Applicable Law. Applicable Law might explicitly or implicitly allow the parties to agree by contract or it might be silent, but such silence shall not be construed as a prohibition against agreement by contract. In the event that any provision or clause of this Security Instrument or the Note conflicts with Applicable Law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision.

As used in this Security Instrument: (a) words of the masculine gender shall mean and include corresponding neuter words or words of the feminine gender; (b) words in the singular shall mean and include the plural and vice versa; and (c) the word "may" gives sole discretion without any obligation to take any action.

17. Borrower's Copy. Borrower shall be given one copy of the Note and of this Security Instrument.

18. Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

19. Borrower's Right to Reinstate After Acceleration. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earliest of: (a) five days before sale of the Property pursuant to any power of sale contained in this Security Instrument; (b) such other period as Applicable Law might specify for the termination of Borrower's right to reinstate; or (c) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees, property inspection and valuation fees, and other fees incurred for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument; and (d) takes such action as Lender may reasonably require to assure that Lender's interest in the Property and rights under this Security Instrument, and Borrower's obligation to pay the sums secured by this Security Instrument, shall continue unchanged. Lender may require that Borrower pay such reinstatement sums and expenses in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality or entity; or (d) Electronic Funds Transfer. Upon reinstatement by Borrower, this Security Instrument and obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under Section 18.

20. Sale of Note; Change of Loan Servicer; Notice of Grievance. The Note or a partial interest in the Note (together with this Security Instrument) can be sold one or more times without prior notice to Borrower. A sale might result in a change in the entity (known as the "Loan Servicer") that collects Periodic Payments due under the Note and this Security Instrument and performs other mortgage loan servicing obligations under the Note, this Security Instrument, and Applicable Law. There also might be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change which will state the name and address of the new Loan Servicer, the address to which payments should be made and any other information RESPA requires in connection with a notice of transfer of servicing. If the Note is sold and thereafter the Loan is serviced by a Loan Servicer other than the purchaser of the Note, the mortgage loan servicing obligations to Borrower will remain with the Loan Servicer or be transferred to a successor Loan Servicer and are not assumed by the Note purchaser unless otherwise provided by the Note purchaser.

Neither Borrower nor Lender may commence, join, or be joined to any judicial action (as either an individual litigant or the member of a class) that arises from the other party's actions pursuant to this Security Instrument or that alleges that the other party has breached any provision of, or any duty owed by reason of, this Security Instrument, until such Borrower or Lender has notified the other party (with such notice given in compliance with the requirements of Section 15) of such alleged breach and afforded the other party hereto a reasonable period after the giving of such notice to take corrective action. If Applicable Law provides a time period which must elapse before certain action can be taken, that time period will be deemed to be reasonable for purposes of this paragraph. The notice of acceleration and opportunity to cure given to Borrower pursuant to Section 22 and the notice of acceleration given to Borrower pursuant to Section 18 shall be deemed to satisfy the notice and opportunity to take corrective action provisions of this Section 20.

21. Hazardous Substances. As used in this Section 21: (a) "Hazardous Substances" are those substances defined as toxic or hazardous substances, pollutants, or wastes by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials; (b) "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection; (c) "Environmental Cleanup" includes any response action, remedial action, or removal action, as defined in Environmental Law; and (d) an "Environmental Condition" means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property (a) that is in violation of any Environmental Law, (b) which creates an Environmental Condition, or (c) which, due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects the value of the Property. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property (including, but not limited to, hazardous substances in consumer products).

Borrower shall promptly give Lender written notice of (a) any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge, (b) any Environmental Condition, including but not limited to, any spilling, leaking, discharge, release or threat of release of any Hazardous Substance, and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If Borrower learns, or is notified by any governmental or regulatory authority, or any private party, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law. Nothing herein shall create any obligation on Lender for an Environmental Cleanup.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

22. Acceleration; Remedies. **Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under Section 18 unless Applicable Law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and those remedies permitted by Applicable Law may be invoked. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Section 22, including, but not limited to, reasonable attorneys' fees and costs of title evidence.**

Lender may bring suit in any court of competent jurisdiction to foreclose the lien of this Security Instrument judicially and/or obtain judgment on the Note which it secures. Any election by Lender to invoke the power of sale provisions of this Section 22 shall not be considered a final and binding election of remedies that would preclude such a judicial foreclosure, until conclusion of the sale of the Property by the Trustee as described in this Section 22.

If the power of sale is invoked, Trustee shall execute a written notice of the occurrence of an event of default and of the election to cause the Property to be sold and shall record such notice in each Recording District in which any part of the Property is located. Lender or Trustee shall mail copies of the notice to the persons and in the manner prescribed by Applicable Law. Trustee shall give public notice of sale to the persons and in the manner prescribed by Applicable Law. After the time 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 and in any order Trustee determines. 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 its designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property 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 statements made therein. Trustee 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.

23. Reconveyance. Upon payment of all sums secured by this Security Instrument, Lender shall request Trustee to reconvey the Property and shall surrender this Security Instrument and all notes evidencing debt secured by this Security Instrument to Trustee. Trustee shall reconvey the Property without warranty to the person or persons legally entitled to it. Such person or persons shall pay any recordation costs. Lender may charge such person or persons a fee for reconveying the Property, but only if the fee is paid to a third party (such as the Trustee) for services rendered and the charging of the fee is permitted under Applicable Law.

24. Substitute Trustee. Lender may from time to time remove Trustee and appoint a successor trustee to any Trustee appointed hereunder. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon Trustee herein and by Applicable Law.

25. Right to Demand Full Payoff. Notwithstanding Section 19 or any other provision of this Security Instrument, if a notice of default under this Security Instrument shall have been recorded two or more times previously and the default shall have been cured pursuant to Section 19 and Applicable Law, Lender shall have the right to refuse to accept a subsequent cure of a subsequent default under Section 19 and shall be entitled to proceed with foreclosure of this Security Instrument unless Borrower pays all sums secured by this Security Instrument. Acceptance by Lender of a cure of the subsequent default giving rise to the foreclosure shall not constitute a waiver of the right to reject a cure and proceed with foreclosure in the event of any future default.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any Rider executed by Borrower and recorded with it.

STEVEN GERST 3/22/22 (Seal)
DATE

State of ALASKA
Third Judicial District

On this 22 day of March, 2022, before me, the undersigned Notary Public, personally appeared STEVEN GERST, known to me to be the person(s) whose names(s) is/are subscribed in the within Instrument and acknowledged that he/she/they executed the same for the purposes therein contained.

In witness whereof, I hereunto set my hand and official seal.

State of Alaska
NOTARY PUBLIC
C. Benedict-Monnens
My Commission Expires Aug 31, 2023

Notary Public (signature) (Seal)
C. Benedict Monnens

My Commission Expires: 8/31/2023

Lender: Residential Mortgage, LLC
NMLS ID: 167729
Loan Originator: Kris Stephens
NMLS ID: 195851

LOAN #: RANC076908
MIN: 1000463-0000094231-6

SECOND HOME RIDER

THIS SECOND HOME RIDER is made this **22nd** day of **March, 2022** and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower," whether there are one or more persons undersigned) to secure Borrower's Note to **Residential Mortgage, LLC, a Limited Liability Company** (the "Lender") of the same date and covering the Property described in the Security Instrument (the "Property"), which is located at: **2941 N Sally Mae Circle, Wasilla, AK 99623.**

In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree that Sections 6 and 8 of the Security Instrument are deleted and are replaced by the following:

6. Occupancy. Borrower will occupy and use the Property as Borrower's second home. Borrower will maintain exclusive control over the occupancy of the Property, including short-term rentals, and will not subject the Property to any timesharing or other shared ownership arrangement or to any rental pool or agreement that requires Borrower either to rent the Property or give a management firm or any other person or entity any control over the occupancy or use of the Property. Borrower will keep the Property available primarily as a residence for Borrower's personal use and enjoyment for at least one year after the date of this Second Home Rider, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control.

8. Borrower's Loan Application. Borrower shall be in default if, during the Loan application process, Borrower or any persons or entities acting at the direction of Borrower or with Borrower's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Lender (or failed to provide Lender with material information) in connection with the Loan. Material representations include, but are not limited to, representations concerning Borrower's occupancy of the Property as Borrower's second home.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Second Home Rider.

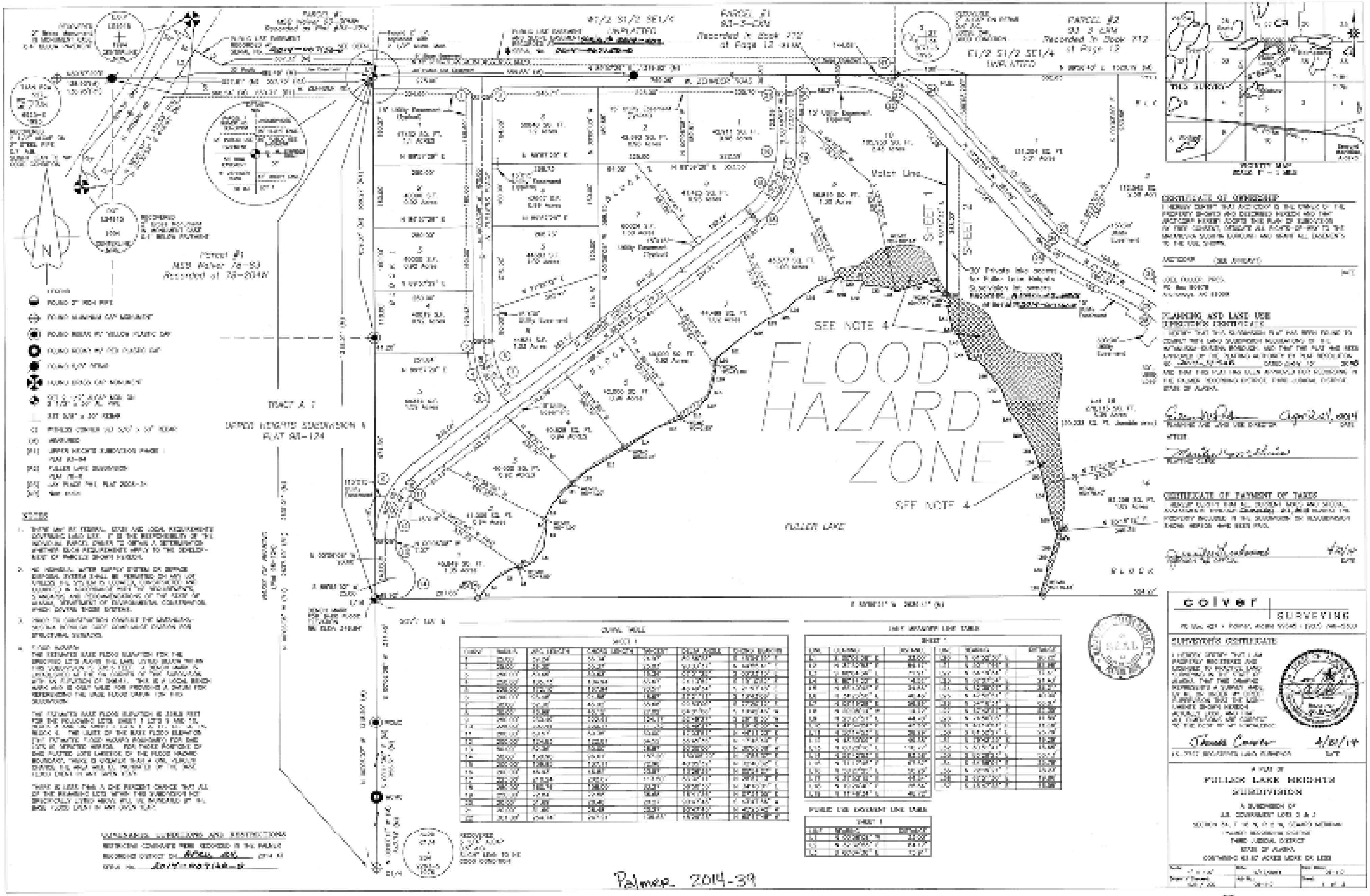
3/22/22 (Seal)

STEVEN GERST **DATE**

EXHIBIT "A"
LEGAL DESCRIPTION

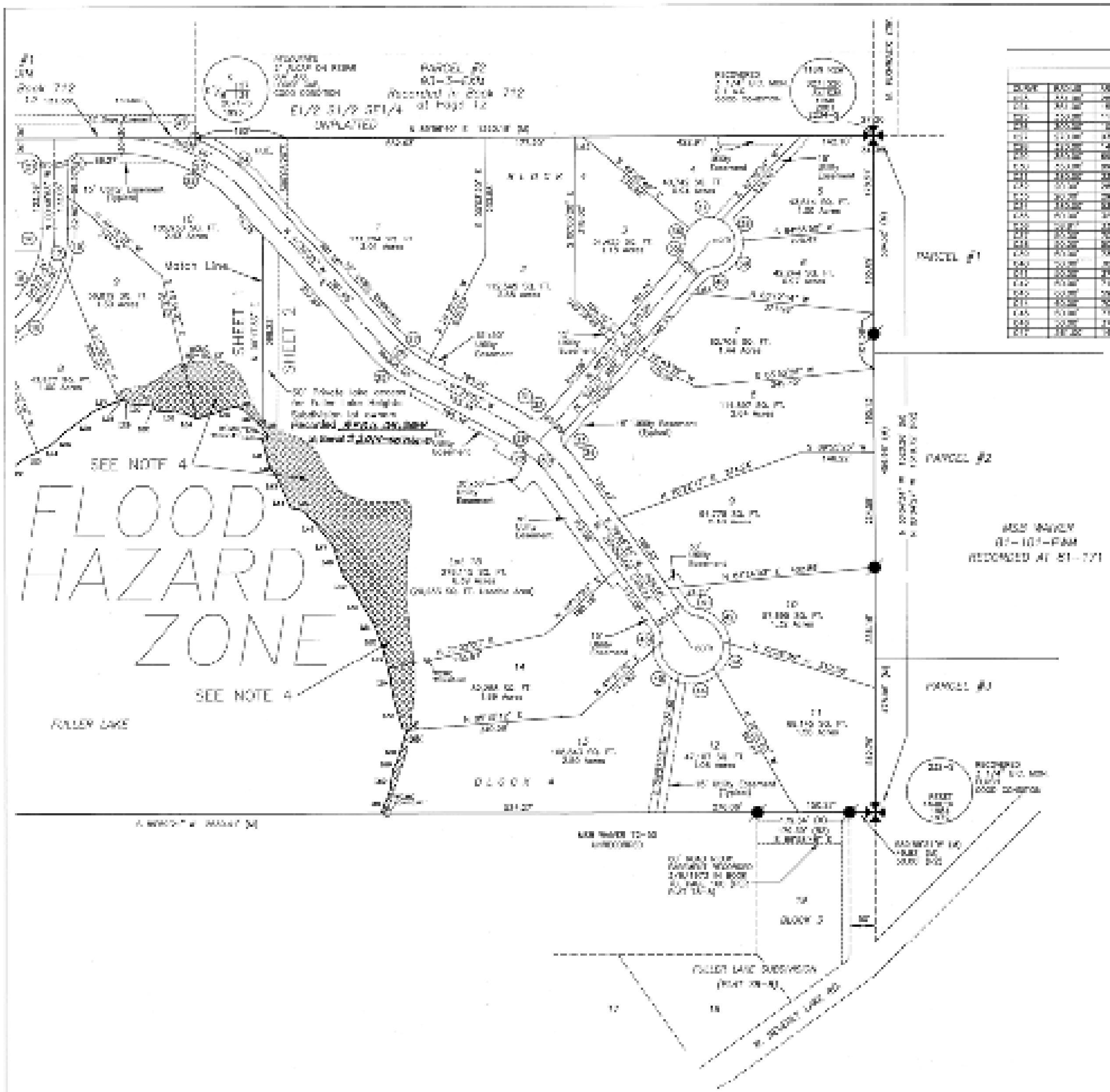
File No.: 74005

Lot 5, Block 4, Fuller Lake Heights Subdivision, according to the official plat thereof filed under Plat No. 2014-39, in the records of the Palmer Recording District, Third Judicial District, State of Alaska.



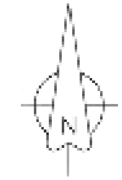
Palmer 2014-39

Page 1 of 2



CURVE TABLE

LAKE MEANDER LINE TABLE



colver SURVEYING

FULLER LAKE HEIGHTS

SUBDIVISION

2014-39

Page 2 of 2

Palmer 2014-39

No Marks/Seals Outside of Border

AFFIDAVIT

(DELETE INAPPLICABLE PHRASES)

(I)(We) hereby certify that (I)(We) hold the herein specified property interest in the property shown and described hereon and that (I)(We) hereby adopt this plan of subdivision by (my)(our) free consent, dedicate all rights-of-way and public areas to the Matanuska-Susitna Borough and grant all easements to the use shown.

U.S. Government Lots 2 &3, Sec. 34 T18NR2W
Current Legal Description

Fuller Lake Heights Subdivision
Proposed Subdivision Name

Signature

Owner
Interest in Property

Joel D Fuller
Printed Name

Arcticorp
Company Name

2214 N Bridle Path
Address Wasilla, AK 99654

President
Representative's Title

NOTARY CERTIFICATION

State of Alaska)
)ss
Third Judicial District)

SUBSCRIBED and SWORN to (or affirmed) before me this 16 day of April 2014, by Joel Fuller
(name of signers(s))

Lisa Gray
(signature and seal of notary)
My commission expires: 1-11-16

OFFICIAL SEAL
LISA GRAY
Notary Public - State of Alaska
My Comm. Expires 1-11-16

CC

ALASKA
2014-007160-0
Recording District 311 Palmer
04/24/2014 12:47 PM Page 1 of 19

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR FULLER LAKE HEIGHTS

PLAT # 2014-39

TO BE RECORDED IN THE PALMER RECORDING DISTRICT.

AFTER RECORDATION RETURN TO:

John W. Colver
4141 "B" Street #410
Anchorage, Alaska 99503

PREAMBLE

KNOW BY THESE PRESENT, that ARCTICORP, an Alaska corporation, the undersigned Declarant, is the owner of all property described in Section 1.1, below, which compromises "FULLER LAKE HEIGHTS", according to the official plat thereof recorded in the books and records of the Palmer Recording District, Third Judicial District, State of Alaska. In order to ensure the continued development of the Fuller Lake Heights on a high level for the benefit of future property owners and for the protection of property values therein, the Declarant does hereby declare, establish and file for the record the following reservations, protective covenants and conditions regarding the use and/or improvement of the real property located within Fuller Lake Heights.

PART 1: AREA OF APPLICATION

1.1 Property Covered by these Covenants, Conditions and Restrictions. These Covenants, Conditions and Restrictions, in their entirety, shall apply to the following described property which has been subdivided as Fuller Lake Heights, in accordance with PLAT # 2014-39

> Government Lots One (1) and Two (2), Township 18 North, Range 2 West, Section 34, Seward Meridian, containing 64.6 acres, more or less, located within the Palmer Recording District, Third Judicial District, State of Alaska

1.2 Effective Date. These Covenants, Conditions and Restrictions on the above-described covered area shall take effect upon the date of the recording of the properly signed original of this Declaration by Arcticorp, as Declarant.

1.3 Common Interest Community. Fuller Lake Heights is a Planned Community which is described by these Declarations and is organized and exists pursuant to the Uniform Common Interest Ownership Act, Alaska Statutes 34.08, et seq., as amended from time to time.

PART 2: DEFINITIONS

2.1 "Association as used herein shall mean and refer to the Fuller Lake Heights Homeowner's Association apply to all lots in Fuller Lake Heights.

2.2 ""Common Areas" shall mean all real property, whether improved or unimproved, owned, leased or controlled by the Association for the common use and enjoyment of the Members of the Association.

2.3 "Common Expenses" as used herein shall mean and refer to the expenses for which owners may be assessed pursuant to Part 5, below.

2.4 "Declarant" as used herein shall mean and refer to Arcticorp, an Alaska corporation, its successors and assigns.

2.5 "Lot" as used herein shall mean and refer to any platted and numbered single-family residential lot shown upon any recorded plat depicting the Fuller Lake Heights, with the exception of the Common Areas.

2.6 "Member" shall mean and refer to every Person who holds membership in the Association as out herein.

2.7 "Owner" shall mean and refer to the record owner, whether one or more Persons, of a Lot which is or may become a part of the Subdivision, including contract sellers, but excluding those having an interest merely as security for the performance of an obligation.

2.8 "Person" shall mean an individual, corporation, partnership, association, Limited Liability Company, trust or other legal entity, or any combination thereof.

2.9 "Plat" shall mean and refer to the official plat of Fuller Lake Heights which has been filed contemporaneously herewith, as it may be amended from time to time.

2.10 "Subdivision" shall mean all or any part of the real property comprising Fuller Lake Heights described in Section 1.1 herein.

PART 3: MEMBERSHIP

3.1 Membership. Every Owner of a Lot within the Subdivision shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot. The membership of each Lot Owner ceases when the Person owning the Lot sells, transfers, conveys or otherwise deposes of such Lot(s) and thereupon such Person's membership in the Association automatically transfers to the new Lot Owner(s).

3.2 Voting Rights. The Association shall have two classes of voting membership:

Class A Membership: Class members shall be all Owners with one vote for each Lot owned. When more than one Person holds an interest in any Lot, all such Persons shall be Association members, however, the vote for such Lot, exercised as such multiple owners see fit, may not exceed One (1) Association vote per actual Lot owned. The Declarant may not be a Class A member until the Class B membership of the Declarant ceases and becomes converted to a Class A membership.

Class B Membership: Class B member(s) shall be the Declarant plus its successors and assigns, in whole or in part, who acquire more than one undeveloped Lot, subject to regulation and assessment by the Association for the purposes of development of such Lots for sale, in the ordinary course of business, as improved Lots for sale. Each such Person shall be entitled to Three (3) votes for each Lot owned. The Class B member shall cease and be converted to a Class A membership on the earlier to occur of the following events:

(a) when the total votes outstanding in Class A membership equals the total votes in the Class B membership, or

(b) Two (2) years after the Declarant and its successors have ceased to offer lots for sale in the ordinary course of business.

3.3 All Members Subject to Association Rules. Each member of the Association will be subject to its Articles of Incorporation, By-laws, rules and regulations, as from time to time are established and/or amended.

3.4 Meetings of Membership. At any meeting of the Members of the Association, the presence at the meeting of Members or of proxies entitled to cast a majority of all the votes of each class of membership shall constitute a quorum; provided; however, that if the required quorum is not present at any meeting duly called, the Members present, though less than a quorum, may give notice to all Members as required herein for transaction to be considered, at an adjourned meeting, and at the adjourned meeting one-half (1/2) of the required quorum at the preceding meeting shall constitute a quorum. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

PART 4: COMMON AREA RIGHTS AND DUTIES

4.1 Lot Owner's Rights to Common Areas. Every Lot Owner shall have a right and easement of enjoyment in and to the Common Areas, if such Common Areas are so designated, subject, however, to the terms of this Declaration. Such easements shall be appurtenant to and shall pass with the title to every Lot. Such easements shall include the following rights and shall be subject to the following provisions:

(a) the right of each Lot Owner to access Fuller Lake by and through an easement established on Lot 15, Block 4 of the Subdivision, and the right of each Lot Owner to access a lock-box for receipt of daily mail in the postal pedestal by and through an easement to be located on Lot 1, Block 4 of the Subdivision.

(b) the right of the Association to dedicate or transfer all or part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreeable to the Lot Owners. No such dedication or transfer shall be effective, however, unless an instrument agreeing to such dedication or transfer is approved by a vote of Two-Thirds (2/3) of each class of member has been recorded.

(c) the right of any Lot Owner to delegate in accordance with the Association's By-laws his or her rights of enjoyment to the Common Areas and facilities to the members of his or her family who reside on his or her Lot, or to his or her tenants or contract purchasers who reside on his or her Lot, subject to such rules, regulations and limitations as the Association may from time to time establish.

4.2 Association's Common Area Duties. The Association shall maintain:

(a) All portions of, and structures situated upon, the Common Areas; and

(b) Any property and facilities owned by the Declarant and made available, on a temporary or permanent basis, for the primary use and enjoyment of the Association and its Members.

PART 5: MAINTENANCE AND ASSESSMENT

5.1 Duty of Owners to Association. All Members of the Association, by acceptance of a deed for a Lot, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to covenant and agree to pay the Association: (1) annual assessments and charges; and (2) special assessments for capital improvements or repairs, to be fixed, established, and collected from time to time as hereinafter provided. The annual and special assessments, together with such interest thereon and costs of collection (including attorneys' fees) thereof, as hereinafter provided, shall be a charge on the land and may be evidenced by a continuing lien in favor of the Association upon each Lot against which each such assessment is made, and shall be superior to any homestead right or other exemption provided by law, which lien may be enforced by the Association and may be foreclosed in any manner provided by the laws of the State of Alaska. Each such assessment, together with interest, costs and reasonable attorneys' fees shall also be the personal obligation of the Person who was the Owner of such Lot at the time when the assessment fell due. The personal obligations and encumbrances contained in this Part 5 of these Declarations shall touch and concern the land and shall pass to every Owner's successors in title.

5.2 Purpose of assessments. The Assessments levied by the Association shall be used exclusively for the purpose of promoting the health, safety, welfare and community of the Members, and for the improvement and maintenance of properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Areas, including, but not limited to, the maintenance of insurance thereon, repairs, replacements and additions thereto, ad valorem and other property taxes and assessments levied thereon, for the cost of labor, equipment, materials, management and supervision thereof, and utility services for the Common Areas.

5.3 Special Assessments. In addition to the annual assessments authorized above, the Association may levy in any assessment year, as to all Members, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Areas, including the fixtures and personal property related thereto; provided that any such assessment shall have the consent of at least one-half (1/2) of each class of Members pursuant to votes cast in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all Members not less than thirty (30) nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting; provided further, that the maximum amount of any special assessment which may be assessed against any Member in any assessment year shall not exceed an amount equal to three times the annual dues assessed against said Members for the same year.

5.4 Uniformity of Assessments. Both annual and special assessments must be fixed at a uniform rate for each Member of a given class and may be collected on an annual basis.

5.5 Commencement of Assessments. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance by Declarant of the initial Common Areas to the Association. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Association's Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. Within ten (10) days after a single-family home is initially occupied by any Person, whether by lease or otherwise, the Owners thereof shall furnish written notice of commencement of such occupancy to the Association. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The Board of Directors shall establish the due dates, which in no event shall be more than sixty (60) days after the obligation to pay an assessment accrues. The Association shall, upon demand at any time, furnish a certificate in writing signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. The Board of the issuance of these certificates may make a reasonable charge. Such certificate shall be conclusive evidence of the payment of any assessment therein stated to have been paid.

5.6 Delinquent assessments. Any assessments not paid when due shall be considered delinquent. If any assessment is not paid within sixty (60) days after its due date, the assessment shall bear a late fee of $50 and the Association may bring an action at law against the Owner personally obligated to pay the same, and/or file and foreclose a lien against the property as provided by the laws of the State of Alaska; and late charges, court costs and reasonable attorneys' fees of such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Areas or abandonment of his or her Lot.

5.7 Lien to secure assessments. The lien of the assessments provided for herein shall be subordinate to any lien or other security interest created by a first deed of trust or a first real estate mortgage or mechanics' lien covering any Lot that is filed of record in the Palmer Recording District, Third Judicial District, State of subsequent to the filing of these Declarations. Sale or transfer of any Lot shall not affect the assessment or enforceability of any lien created by virtue of these Declarations.

5.8 Re-Sale Certificates, Public Offering Statements, and Transferee Fees. Upon transfer of ownership of any Lot or Lots, the Declarant will issue a Public Offering Statement to the new owner which at a minimum will include a copy of the Recorded Declaration of Covenants, Conditions and Restrictions for the Subdivision. Once the Association is activated, a Public Offering Statement will be required with the purchase and transfer of ownership of any Lot or Lots within the Subdivision. When the ownership of property changes thereafter, with or without a residence built on the lot, a Re-Sale Certificate will be required. There will be a $250 transfer fee for Public Offering Statements and Resale Certificates, and the new owner will be provided: (i) a copy of the Recorded Declaration of Covenants, Conditions and Restrictions for the Subdivision; (ii) as well as a copy of the financial statement for the Association; and (iii) a copy of the minutes of the most recent meeting of the Association.

5.9 Budgets. The Board of Directors of the Association shall adopt a proposed budget for the Association which shall establish the amount of assessments due pursuant to this Part 5. Within thirty (30) days after adoption of the proposed budget, the Board of Directors shall provide a summary of the budget to each owner and shall set a date for a meeting of the Association members to consider ratification of this budget not less than fourteen (14) nor more than thirty (30) days after the mailing of the summary. If the proposed budget is rejected, the terms of the periodic budget last approved continues until the owners ratify a budget proposed by the Board of Directors.

PART 6: BOARD OF DIRECTORS

6.1 Initial Board of Directors. The Board of Directors shall consist of three (3) Directors each of whom must be Association members. The initial Board of Directors shall be designated by the Declarant and that Board shall continue in office until Declarant has sold sixty-seven percent (67%) of the Lots in the Subdivision. The Directors elected to replace the initial Board shall be elected in the manner provided in the bylaws adopted by the Association.

6.2 Power and Authority of Board of Directors. The Board of Directors may act in all instances on behalf of the Association, except as provided in this Declaration, the Articles of Incorporation, the Bylaws or any applicable statutory law. The Board of Directors shall have the power and duties necessary for the administration of the affairs of the Association allowed by law which shall also include, but not be limited to, the following:

(a) Collect assessments from owners;

(b) Institute, defend or intervene in litigation, administrative proceedings or seek injunctive relief for violations of the Association' s Declarations or By-laws in the Association's name or behalf of the Association or two or more owners on matters affecting the Association;

(c) Make contracts and incur liabilities, including the right to hire professional managers accountants. lawyers and other independent contractors to carry on the affairs of the Association;

(d) Administer, regulate, operate, repair and maintain the Common Areas, Common Area Improvements, street lights, U,S. Postal Boxes, and the area around and including the entry way into the Subdivision, including landscaping and sign;

(e) Provide for the indemnification of the Association's officers and Board of Directors and liability Insurance;

(f) Impose a reasonable charge for late payment of assessments and, after notice to the relevant owner and the opportunity for such owner to be heard, levy a reasonable fine for any violations of this Declaration and By-laws, whether such violations be related or unrelated to assessments; such charges and fines may be imposed on a continual basis until the relevant violation is cured;

(g) Acquire, take title and hold, encumber, convey in its own name any right, title or interest to real estate or personal property;

(h) Levy assessments, enter upon and undertake any landscaping in a landscape or buffer easement disclosed on the plat or individual lot title reports that the Association deems beneficial for the appearance of the subdivision, including to promote uniformity of appearance;

PART 7: ARCHITECTURAL REVIEW

7.1 Architectural Review Committee. Declarant shall establish an Architectural Review Committee ("ARC") consisting of not less than two (2) nor more than five (5) members. Declarant shall appoint all of the original members of the ARC and replacements for so long as Declarant is the owner of any of the Lots in the Subdivision. Upon termination of Declarant's interest in any of Lots in the Subdivision, the members of the ARC shall be selected by and shall serve at the pleasure of the Board of Directors of the Association, which will, in its discretion, appoint the members of the ARC, or, assign all powers of the ARC to the Board and disband the ARC. The initial ARC is composed of ________________ of Bob & James Zehnder, and Joel Fuller, telephone number 907 561-1130.

7.2 General Requirement for Prior Approval. No building, fence, foundation, wall or other structures shall be commenced, erected or maintained upon the any Lot within the Subdivision, nor shall any exterior addition or change or alteration be made thereto, nor may any alteration of, or addition be made to any existing landscaping, nor shall any other improvement be made to any Lot (including staking, clearing, excavation, grading, and other site work, and exterior alteration of existing improvements) within the Subdivision except in compliance with this Part 7 and the Design Guidelines.

7.3 New Construction, Modifications or Alterations. The ARC shall have the power to approve of the design, development, architecture and construction of land improvements, residences and any other improvements, upon all or any portion of any of the Lots in the Subdivision. No building, structure, fence or other improvement (including grading or re-grading or other site work on any Lot), shall be constructed, modified, placed, erected, painted, repainted, altered or made without the express approval of the ARC. Once a particular plan, work of improvement, or project, has been approved by the ARC, any work or construction shall be performed in strict conformance with the plan, work or project submitted to and approved by the ARC. No permission or approval shall be required to rebuild a residence or ancillary structure substantially in accordance with the original design and construction, or to in accordance with the originally approved color scheme, or to repaint or remodel the interior of any residence.

7.4 Visible Modifications. Modifications to the interior of screened porches, patios, and similar portions of a Lot visible from outside the structures on the Lot shall be subject to the provisions of this Part 7. No approval shall be required to repaint the exterior of a structure in accordance with the originally approved color scheme or to rebuild in accordance with originally approved plans and specifications. This Part 7 shall not apply to any of the Declarant's activities or to improvements to the Common Area or its facilities by or on behalf of the Association.

7.5 Design Guidelines. The Declarant has adopted certain architectural, design, development and other guidelines standards, controls, and procedures, relative to the improvement of Lots within the Subdivision, including but not limited to, standards and guidelines related to the number, size, appearance and construction of, and materials used in, the erection of structures, the set-backs required for structures, and other material matters concerning the improvement of Lots within the Subdivision which may affect the look, value and harmony of improvements within the Subdivision, all of which, as amended from time to time, shall be administered by the Architectural Review Committee.

7.6 Architectural Review Procedures. Thirty (30) days prior to the start of any construction activity, including clearing, grading or other site work, a complete application for review by the ARC shall be delivered to:

ARCTICORP C/O JOEL
FULLER
5881 ARCTIC BLVD #201
ANCHORAGE AK 99518

The Application shall include the name, address and telephone number or the person seeking approval and two complete sets of specific plans showing the proposed construction and location. The materials provided shall include at least the following items:

(a) The nature of the structure or improvements sought to be built, its kind, shape and height and materials proposed to be used in its construction;

(b) A site plan showing existing and proposed topography, site improvements and property lines;

(c) Building or structure plans, including all exterior elevations and total square footage; and

(d) A schedule showing the type, colors and texture of all materials visible from the property line and adjoining residences. Samples may be required to demonstrate the appearance of the proposed improvements. Upon receipt of a submission, the ARC may request additional information deemed necessary in order to perform a proper review of the proposal.

Within thirty (30) days of receipt of the application and all items to be submitted with the application, the ARC shall act to approve or disapprove the proposal. In the event that ARC fails to notify the applicant within thirty (30) days, the proposal shall be deemed approved. Notification may be delivered orally, to be followed with written confirmation.

All applicants are hereby notified that approval may be subject to conditions requiring a change in the proposal (for instance, relocation of a structure, grading or other site changes or changes to exterior siding, etc.) therefore absolutely no construction or land clearing is permissible without the express advance approval of the ARC.

The ARC review does not imply any review of the adequacy of plans or specifications as to strength, suitability, durability or structural integrity or design. Neither the Declarant nor the ARC shall be responsible for any defects in any building or structure erected in accordance with such plans and specifications; the purpose oft the controls reserved hereby being to insure the conformity and harmony of such building and structures as to quality; external design and location in relation to surrounding structures and topography.

All items submitted to the ARC will be retained in the ARC files. Upon completion of construction, the owner will provide the ARC with an as-built survey for retention in its files.

Any change to the approved plans that affects the outside appearance, grade or location, before, during or after the construction of any structure must first be submitted to the ARC for approval.

PART 8: RESTRICTIVE USE COVENANTS

8.1 Residential Use. All Lots within the Subdivision shall be used for residential purposes only. No commercial uses shall be permitted, except as permitted by the Board of Directors. No lot shall be used except for as a single family residence.

8.2 Land Use and Building Type. It is expressly intended that the Lots within this Subdivision shall be improved only with single family residences erected on site on their own permanent foundations. No pre-manufactured houses, mobile homes, house trailers may be placed or erected upon any Lot. No trucks exceeding one-ton capacity may be parked on any Lot. Campers, snow machines, boats, boat trailers, or aircraft may be parked or allowed to remain on any of the lots if they are stored entirely within a garage, or parked on a pad approved by the Architectural Review Committee and are not occupied while parked or visible from the street. No "mother-in-law apartments" (accessory dwelling units) that are rented or leased to anyone who is not a member of the Lot Owner's immediate family are permitted. The keeping of partially dismantled vehicles, junked cars, or unused equipment on the premises is prohibited.

8.3 Lot Usage. No lot shall be re-subdivided, split, or broken up in part or parcel for sale or resale, lease or rent. It shall be the responsibility of the lot owner of each lot to provide immediate replacement of any survey monuments or corner markers that are removed or become lost or obliterated from his or her Lot. No Lot may be used for any activity, enterprise or usage that may create a nuisance, be unlawful or act detrimentally to the peace, dignity or overall value of the Subdivision.

8.4 Easements. Easements for installation and maintenance of utilities are reserved as shown on the recorded plat of the Subdivision. All such utilities shall be installed in accordance with the requirements of the utility company. No structures shall be placed upon septic leach fields. No structures will be placed upon easements, except fences.

8.5 Nuisances. No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

8.6 Livestock and Poultry. No animals, livestock or poultry of any kind shall be raised, bred or kept on any lot. Livestock includes, but is not limited to, horses. However, a maximum of five (5) dogs, cats or other household pets may be kept on any lot, provided that all pet pens and doghouses must be located a minimum of twenty-five (25) feet from a Lot boundary line. No dog teams may be quartered on or staged to be run or operated from any Lot.

8.7 Temporary Structures. No structure of a temporary character, including, but not limited to, a trailer, a tent, tarp, shipping container, or a basement, shall be used as a permanent or temporary residence or for permanent storage on any Lot.

8.8. Signs. No sign of any kind shall be displayed to the public view on any lot except one sign not more than five (5) square feet, advertising the property for sale or rent and a sign of equal size to show property ownership.

8.9 Garbage and Refuse Disposal. No lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept except in sanitary containers. All other equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition.

8.10 Sewage Disposal. No individual sewage disposal system shall be permitted on any lot unless such system is designed, located and constructed in accordance with the requirements, standards, and recommendations of any governing agencies as may have authority over such systems. Approval of such system as installed shall be obtained from such authority.

8.11. Natural Resource Extraction. No natural resource extraction operation of any nature shall be permitted within the Subdivision.

8.12 Windows and Facades. No garments, rugs, sheets, or foil shall be hung from any windows or improvements to a Lot. Only customary curtains or shades or draperies or stained glass or some combination thereof, visible from the exterior of the improvements to a Lot shall be used.

8.13 Maintenance. The Owner of each residential unit and Lot within the Subdivision shall maintain said residential unit in a neat, clean and presentable condition, and shall keep all installed landscaping well maintained.

8.14 Storage Tanks. No storage tanks are permitted on or beneath any Lot, at any time, except for one (1) water tank, or two (2) water pressure tanks which shall be installed in the garage or crawl space of a residential unit.

8.15 Repairing, Dismantling or Assembling. No repairing, dismantling or assembling of any vehicle, boat, snowmobile or any other power driven machines will be permitted in a driveway of a Lot or otherwise on any Lot within view of any other Lot.

PART 9: MORTGAGEE PROTECTION

9.1 Introduction. This Part 9 establishes certain standards and covenants which are for the benefit of the holders, insurers and guarantors of certain Security Interests, hereinafter called "Eligible Mortgagees". For all purposes herein the term "Eligible Mortgagee" shall mean and refer to the holder of a first Security Interest in a Lot which has notified the Association, in writing, of its name and address, and that it holds a first Security Interest in a Lot. Such notice shall be deemed to include a request that the Eligible Mortgagee be given the notices and other rights described in this Part 9. This Part 9 is supplemental to, and not in substitution for, any other provisions of this Declaration, but in the case of conflict, this Part 9 shall control.

9.2 Percentage of Eligible Mortgagees. Wherever in this Declaration the approval or consent of a specified percentage of Eligible Mortgagees is required, it shall mean the approval or consent of Eligible Mortgagees holding Security Interests in Units which in the aggregate have allocated to them such specified percentage of votes in the

Association when compared to the total allocated to all Lots then subject to Security Interests held by Eligible Mortgagees.

9.3 Notice of Actions. The Association shall give prompt written notice to each Eligible Mortgagee of:

(a) Any condemnation loss or any casualty loss exceeding ten thousand dollars ($10,000.00) which affects a portion of the Common Interest Community or any Lot in which there is a first Security Interest held, insured, or guaranteed by such Eligible Mortgagee or Eligible Insurer, as applicable;

(b) Any delinquency in the payment of Common Expense assessments owed by an Owner whose Lot is subject to a first Security Interest held, insured, or guaranteed, by such Eligible Mortgagee, which remains uncured for a period of sixty (60) days;

(c) Any default in the performance by the individual Lot Owner/ borrower of any obligation under this Declaration which is no cured within sixty (60) days;

(d) Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association;

(e) Any proposed action which would require the consent of a specified percentage of Eligible Mortgagees as specified in Section 9.4; and

(f) Any judgment rendered against the Association.

9.4 Consent Required.

(a) Document Changes. No amendment of any material provision of the Documents by the Association or Lot Owners described in this Subsection 9.4(a) may be effective without the vote of at least seventy-five percent (75%) of the Lot Owners and until approved in writing by at least fifty percent (50%) of the Eligible Mortgagees (or any greater Eligible Mortgagee approval required by this Declaration). Material includes, but is not limited to, any provision affecting:

(i) Assessments, assessment liens or subordination of assessment liens;

(ii) Voting rights;

(iii) Reserves for maintenance, repair and replacement of Common Area property or facilities;

(iv) Responsibility for maintenance and repairs;

(v) Any change in the pro rata interest or obligations of any Lot Owner for the purpose of levying assessments or charges or condemnation awards;

(vi) Lot Owners rights to use Common Areas;

(vii) Conversion of any Lot into Common Area;

(viii) Abandonment, partition, subdivision, expansion or contraction of the Subdivision, or the addition, annexation, partition, subdivision or withdrawal of property to or from the Subdivision;

(ix) Insurance or fidelity bonds, or use of hazard insurance proceeds for losses to any Common Areas for other than the repair, replacement or reconstruction of such Common Areas;

(x) Imposition of restrictions on a Lot Owner's right to Lease his or her Lot;

(xi) Imposition of restrictions on a Lot Owner's right to sell or transfer his or her Lot;

(xii) Restoration or repair of Common Area improvements after a hazard damage or partial condemnation in a manner other than that specified in this Declaration;

(xiii) Termination of the Association for reasons other than substantial destruction or condemnation, as to which a one hundred percent (100%) Eligible Mortgagee approval is required; and

(xiv) The benefits of mortgage holders, insurers or guarantors.

(b) Actions. The Association may not take any of the following actions without the approval of at least one hundred percent (100%) of the Eligible Mortgagees:

(i) Convey or encumber the Common Areas or any portion thereof. The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Areas by the Association and its members will not be deemed a transfer within the meaning of this clause;

(ii) The restoration or repair of Common Areas after a hazard damage or partial condemnation in a manner other than that specified in this Declaration;

(iii) The termination of the Association for reasons other than substantial destruction or condemnation.

(iv) The merger of the Association or this Subdivision with any other Subdivision or Association or other common interest community;

(v) The granting of any easements, leases, licenses and concessions through or over the Common Areas (excluding, however, any utility easements serving or to serve the Subdivision and excluding any leases, licenses or concessions for no more than one year);

(vi) The assignment of the future income of the Association, including its right to receive annual of special assessments for common expenses; and

(vii) Any action taken not to repair or replace any Common Area property or facility.

(c) The Association may not change the period for collection of regularly budgeted Common Expense assessments to other than monthly without the consent of all Eligible Mortgagees.

(d) The failure of an Eligible Mortgagee to respond within thirty (30) days to any written request of the Association for approval of a non-material addition or amendment to the Documents shall constitute an implied approval of the addition or amendment.

9.5 Inspection of Books. The Association must maintain current copies of the Declaration, Bylaws, Rules, Books, records and financial statements. The Association shall permit any Eligible Mortgagee or Eligible Insurer or other first mortgagee of lots, to inspect the books and records of the Association during normal business hours.

9.6 Financial Statements. The Association shall provide any Eligible Mortgagee or Eligible Insurer which submits a written request, with a copy of an annual financial statement within ninety (90) days following the end of each fiscal year of the Association. Such financial statement shall be audited by an independent certified public accountant if any Eligible Mortgagee or Eligible Insurer requests it, in which case the Eligible Mortgagee or Eligible Insurer shall bear the cost of the audit.

9.7 Enforcement. The provisions of this Article are for the benefit of Eligible Mortgagees and Eligible Insurers and their successors, and may be enforced by any of them by any available means, at law, or in equity.

9.8 Attendance at Meetings. Any representative of an Eligible Mortgagee or Eligible Insurer may attend any meeting which a Lot Owner may attend.

9.9 Right to Cure Defaults . The Eligible Mortgagees may jointly or singly (i) pay taxes or other charges in default that may or have become a charge against the Common Areas and (ii) pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage on the lapse of a policy for such Common Area. Upon the making of such payments, such Eligible Mortgagee(s) shall be entitled to immediate reimbursement from the Association.

PART 10: GENERAL PROVISIONS

10.1 Duration. The covenants, conditions, charges and restrictions of this Declaration shall run with and bind the land and shall inure to the benefit of and be enforceable by the Association, the Declarant, and the Owner of any Lot subject to this Declaration, their respective legal representatives, heirs, successors, or assigns, for a period of twenty-five (25) years from the date of recording of this Declaration, and shall automatically be extended thereafter for successive periods of ten (10) years.

10.2 Enforcement. Any Owner of a Lot, the Architectural Review Committee, the Declarant or the Association shall have the option and right to enforce by any proceeding at law or in equity all restrictions, conditions, covenants, reservations, and charges now or hereafter imposed by the provisions of this Declaration. Each Owner may submit to the Association any complaint regarding the alleged violation of this Declaration by any other Owner. Upon receipt of such complaint, the Association shall conduct a reasonable investigation of the alleged violation. If the Association, in its sole discretion, deems that the complaint has merit it may elect to seek enforcement of this Declaration through any lawful means pursuant to this section. In any event the decision of the Association as to the merit of the complaint or its decision to pursue or not pursue enforcement of the Declaration, shall not limit or restrict in any way any individual Owner's pursuit of enforcement of this section. The method of enforcement may include legal action seeking an injunction to prohibit any violation, to recover damages, or both.

The Association may also assess a reasonable fine against a Lot Owner for continuing violations following notice. Failure by any owner, or by the Declarant, to enforce any such provisions shall in no event be deemed a waiver of the right to do so thereafter. Should any law suit or other legal proceeding be instituted against an Owner who is alleged to have violated one or more of the provisions of this Declaration, the prevailing party in such proceedings shall be entitled to reimbursement for the costs of such proceedings, including reasonable attorney's fees.

10.3 Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions, all of which shall remain in full force and effect.

10.4 Amendment. The Declarant reserves the sole right to amend, modify, make additions to or deletions from the Declaration it alone deems appropriate. This right of the Declarant to make such amendments shall continue for so long as Declarant is a Member of the Association as a Class B member. After the termination of the Declarant's Class B membership, the Owners of three-fourths (3/4) of the Lots may by a written instrument signed by all of such Persons, vacate, amend or modify all or any part of these Declarations. Any such amendment must be recorded in the Palmer Recording District, Third Judicial District, State of Alaska, to be effective..

IN WITNESS WHEREOF, the lot owners have hereunto set their hands this 16 day of April, 2014.

DECLARANT:

ARCTICORP, an Alaska corporation

By: ______________________
Joel Fuller, President

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this 16 day of April, 2014, by JOEL FULLER, known to me and known to me to be the President of ARCTICORP, an Alaska corporation, and he acknowledged to me that he executed the foregoing Declaration of Covenants, Conditions and Restrictions on behalf of said corporation for the uses and purposes therein mentioned.

Lisa Gray

Notary Public in and for the State of Alaska
My Commission Expires: 1-11-16

OFFICIAL SEAL
LISA GRAY
Notary Public - State of Alaska
My Comm. Expires 1-11-16