

DECLARATION
SOARING EAGLE VACATION HOMES,
A COMMON INTEREST COMMUNITY

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DECLARATION

Soaring Eagle Vacation Homes, A Common Interest Community

Article 1 Submission

Section 1.01 Submission of Real Estate. Soaring Eagle Development Company, LLC (“SEDC, LLC”) (hereafter “Declarant”), owns property described in Article 4 located at Mile 142.7 of the Sterling Highway south of Ninilchik, Alaska, and hereby submits the real estate, together with all easements, rights and appurtenances thereto and the buildings and improvements erected or to be erected thereon (collectively the “Property”) to the provisions of AS 34.08.010 et. seq. known as the Alaska Common Interest Ownership Act (the “Act”). SEDC, LLC declares the Units created by this Declaration shall be held and conveyed subject to the following terms, covenants, restrictions and conditions.

Article 2 Definitions

Section 2.01 Defined Terms. Unless otherwise defined in this Declaration or on the Plat and Site Plan, each capitalized term herein shall have the meanings specified or used in the Alaska Common Interest Ownership Act, A.S. 34.08 (the “Act”), as it may be amended from time to time.

Article 3 Name and Type of Common Interest Community and Association

Section 3.01 Common Interest Community. The name of the Common Interest Community is Soaring Eagle Vacation Homes.

Section 3.02 Association. The name of the Association is Soaring Eagle Home Owners Association, Inc.

Section 3.03 Type of Common Interest Community. A condominium project.

Article 4 Description of Real Estate

Section 4.01 Real Estate. The entire Common Interest Community is located at Mile 142.7 of the Sterling Highway south of Ninilchik, Alaska and described as Lot 14-A Coastal Meadows Soaring Eagle Addition as shown on Amended Plat No. 2006-8.

Article 5 Units, Boundaries, Areas

Section 5.01 Number of Units. The Common Interest Community may contain up to twelve (12) Units, illustrated on the development plan attached hereto as Exhibit 1. At the time this Declaration is recorded, only five Units (Units 1-5) of the potential twelve Units are created. Declarant does not guarantee that all of these Units will be created.

Section 5.02 Boundaries. Each Unit created by the Declaration is shown and identified by number on Exhibit 1. The Unit boundaries are described as follows:

- a) The interior surface of all exterior walls, floors and ceilings of units, along with the exterior surfaces of all windows and exterior doors are designated as boundaries of a Unit.
- b) Inclusions. Each Unit will include the spaces and improvements lying within the boundaries described in subsection (a) above, and any chimneys, tanks, pipes, wires, ducts, conduit and other facilities situate in the Unit.
- c) Exclusions. Unless specifically included by other provisions of this Declaration, the following are excluded from each Unit: spaces and improvements lying outside the boundaries described in (a) above; chutes, pipes, flues, ducts, wires, conduits, and other facilities running through any interior wall or partition for the purpose of furnishing utility and similar services to other Units or Common Elements or both. In the case of utility services metered to and for the exclusive use of a Unit, the meter or the wires, conduits or pipe from it are part of the Unit served.

Section 5.03 Inconsistency with Plat/Plans. If any of the above descriptions are inconsistent with the plats/plans, these descriptions shall control.

Section 5.04 Areas. Unit areas are identified in Exhibit 2.

Section 5.05 Subdivision. Units shall not be subdivided.

Article 6

Common Elements and Limited Common Elements

Section 6.01 Common Elements. Common Elements include all land area within the Common Interest Community, other than the Units and Limited Common Elements, and any man-made improvements serving more than one Unit not Designated as Limited Common Elements.

Section 6.02 Limited Common Elements. Limited Common Elements include the portion of the Common Elements allocated for the exclusive use of one or more but fewer than all of the Units by the Declaration or by operation of AS 34.08.100. The following portions of the project are Limited Common Elements:

- a) Walkways and Entry. The “Unit” entrance areas and walkway serving each Unit are allocated to the exclusive use of the Unit served to the exclusion of all other Units within the Common Interest Community. Unit entrance areas include the steps, stairs, walkways, patios etc., providing access to Limited Common Element exterior decks and patios (if any) as well as the main entry.

Article 7

Conveyance or Encumbrance of Common Elements

Section 7.01 Unit Owner Approval. Portions of the Common Elements may be conveyed or subjected to a security interest by the Association if Unit Owners entitled to cast at least 80% of the votes in the Association, including 80% of the votes allocated to Units not owned by the Declarant, agree to the action. Each Unit Owner to which a Limited Common Element is allocated must agree in order for the Limited Common Element allocated to that Unit to be conveyed or subjected to a security interest.

Section 7.02 Proceeds of Sale or Loan. The proceeds of a sale and proceeds of a loan secured by encumbering a Common Element are an asset of the Association.

Section 7.03 Form of Conveyance and Ratification. An agreement to convey Common Elements or to subject Common Elements to a security interest must be evidenced by the execution of an agreement, or ratification of the agreement, in the same manner as a deed by the requisite number of Unit

Owners. The agreement must specify a date after which the agreement will be void unless recorded before that date. The agreement is effective only on recording.

Section 7.04 Association Contract to Convey. The Association, on behalf of the Unit Owners, may contract to convey an interest in Common Elements as provided in this Article but the contract is not enforceable against the Association until approved as required herein. After approval, the Association has the powers necessary and appropriate to effect the conveyance or encumbrance, including the power to execute a deed or other instrument.

Article 8

Development Rights and Special Declarant Rights

Section 8.01 Reservation of Development Rights. The Declarant reserves the following development rights:

- a) The right, by amendment, to construct and create up to an additional seven (7) Units, and assign limited Common Elements thereto, and thereby convert Common Elements into Units or Limited Common Elements, in that area of the property designated as “development rights reserved” (shaded) on Exhibit 1. No assurances are made that any or all additional Units will be created, placement of any or all of the additional Units or the order in which portions of the areas designated as “development rights reserved” will be developed (if at all). If such development right is exercised as to a portion of the area designated as “development rights reserved”, such right need not be exercised as to all or any other portion of such area.
- b) The right, by amendment, to withdraw land designated as “development rights reserved” on Exhibit 1, provided, however, that if said land is withdrawn it will be used in accordance with applicable land use code.
- c) The right, by amendment, to subdivide Units or convert Units into Common Elements.
- d) The right to construct underground utility lines, pipes, wires, ducts, conduits and other facilities within the Common Interest Community for the purpose of furnishing utility and other services to buildings and improvements to be constructed on the property and on land designated “development rights reserved”.
- e) The right to withdraw and grant easements to public utility companies and to convey improvements within those easements anywhere in the Common Interest Community not occupied by buildings, for the purposes mentioned in subsection (d) above. If the Declarant grants any such easements, Exhibit 1 will be amended to include reference to the recorded easement.

Section 8.02 Limitations on Development Rights. The development rights reserved in Section 8.01 are limited as follows:

- a) The development rights may be exercised at any time, but not more than 7 years after the date of recording of this declaration.
- b) Not more than 12 total Units may be created in the Common Interest Community pursuant to the development rights.
- c) All Units created pursuant to the development rights reserved in Section 8.01 shall be of similar architectural style of the existing Units and will be restricted to residential use in the same manner and to the same extent.

Section 8.03 Phasing of Development Rights. No assurances are made by the Declarant regarding the phasing of development of additional Units in the Common Interest Community. Declarant may add one Unit at a time or groups of Units, and Declarant may withdraw all or part of the area designated "development rights reserved" on Exhibit 1, subject to platting the removed portion, if that should be necessary, under the provisions of any applicable land use code. The exercise of Declarant's reserved development rights as to one part of the Property will not obligate the Declarant to exercise them in the same manner as to other parts of the Property.

Section 8.04 Reallocation of Interests. Any reallocation of interest made necessary by exercise of development rights shall be made in a manner which causes all Units in the Condominium project as expanded to have an equal interest in the Common Areas and facilities and therefore equal assessments and voting rights.

Section 8.05 Special Declarant Rights. The Declarant reserves the following special Declarant rights, to the maximum extent permitted by law, which may be exercised, where applicable, anywhere within the Common Interest Community:

- a) To exercise the development rights reserved in the Declaration.
- b) To maintain any Unit owned by Declarant or any portion of the Common Elements as a model Unit, sales office or management offices, and signs advertising the Common Interest Community.
- c) To use, and permit others to use, easements through the Common Elements as may be reasonably necessary for the purpose of discharging Declarant's obligations under the Act and this Declaration.
- d) To appoint or remove any officer of the Association, or any director during the Declarant control period consistent with the Act.
- e) To convey utility and drainage easements to utility companies, municipalities, the state, riparian owners, or upland owners, in Declarant's own name and on behalf of the Association, and to convey public use easements in any Common Elements.
- f) To perform warranty work, repairs, construction work, and to store materials in secure areas, in Units and Common Elements, and the further right to control all such work and repairs and the right of access thereto, until the completion of any such repair or work. All work may be performed by the Declarant without Association consent or approval. The Declarant has an easement through the Common Elements as may be reasonably necessary for the purpose of discharging the Declarant's obligations or exercising any development or special Declarant rights, whether arising under the Act or reserved in this Declaration.
- g) To maintain an RV or other vehicle or structure on the property (up to 36 feet) to be used as an office and/or temporary labor accommodation.
- h) To retain all personal property and equipment used in the sales, management, construction, and maintenance of the Common Interest Community that Declarant has not expressly represented as Association property. The Declarant reserves the right to remove from the property any and all goods, models, and improvements used in development, marketing, and construction, whether or not they have become fixtures, including but not limited to any RV or other structure as described in Section (g) above.

- (i) To post signs and displays in the Units or Common Elements to promote sales of Units, and to conduct general sales activities, in a manner that will not unreasonably disturb the rights of Unit Owners.

Section 8.06 Limitations on Special Declarant Rights. Unless sooner terminated by a recorded instrument signed by Declarant, any special Declarant right under Section 8.05 may be exercised by the Declarant so long as the Declarant is obligated under any warranty or obligation, owns any Units or any security interest on any Unit, or for ten (10) years after recording this Declaration, whichever is later. Earlier termination of certain rights may occur by statute.

Section 8.07 Interference with Special Declarant Rights. Neither the Association nor any Unit Owner may take an action or adopt any rules that will interfere with or diminish any Special Declarant Right without the prior written consent of the Declarant.

Article 9 Association

Section 9.01 Authority. The business affairs of the Common Interest Community shall be managed by the Association, which shall be governed by its Bylaws, as amended from time to time.

Section 9.02 Powers. The Association shall have all the powers, authority and duties permitted pursuant to the Act necessary and proper to manage the business and affairs of the Common Interest Community. The Association may assign its future income, including its right to receive Common Expense assessments, only by the affirmative vote of Unit Owners of Units to which at least fifty-one percent (51%) of the votes in the Association are allocated, at a meeting called for that purpose.

Section 9.03 Declarant Control. Subject to the provisions of A.S. 34.08.330, there shall be a period of Declarant control of the Association, during which the Declarant, or persons designated by Declarant, may appoint and remove the officers and members of the Executive Board. The period of Declarant control shall terminate as specified in the Act. The Declarant may voluntarily surrender the right to appoint and remove officers and members of the Association Board of Directors before termination of the period of Declarant control as provided in the Act, but in that event, the Declarant may require, for the duration of the period of Declarant control, that specified actions of the Association, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective.

Article 10 Insurance

Section 10.01 Insurance. To the extent reasonably available, the Association shall obtain and maintain insurance coverage as set forth in this Article. If such insurance coverage is not reasonably available, and the Executive Board determines any insurance described herein will not be maintained, the Executive Board shall deliver notice that said insurance will not be maintained to all Unit Owners either by hand-delivery or by mailing, postage prepaid by United States mail, to the Unit Owners' last known address.

Section 10.02. Property Insurance. Property insurance shall be maintained covering all common property of the Association for an amount equal to one hundred percent (100%) of their replacement cost at the time the insurance is purchased and at each renewal date, and personal property owned by the Association for an amount equal to its actual cash value. The insurance shall afford protection against "all risks" of direct physical loss commonly insured against. Structures and personal property within Units are not common property of the Association and must be insured by individual Unit Owners. Insurance policies required by this Section shall provide that:

- a) the insurer waives the right to subrogation under the policy against a Unit Owner or member of the household of a Unit Owner.
- b) An act or omission by a Unit Owner, unless acting within the scope of the Unit Owner's authority on behalf of the Association, will not void the policy or be a condition to recovery under the policy.
- c) If, at the time of a loss under the policy, there is other insurance in the name of a Unit Owner covering the same risk covered by the policy, the Association's policy provides primary insurance.
- d) Loss must be adjusted with the Association.
- e) Insurance proceeds shall be paid to the Association to be held in trust for the Association, Unit Owners, and lien holders as their interests may appear.
- f) The insurer may not cancel or refuse to renew the policy until thirty (30) days after notice of the proposed cancellation or non-renewal has been mailed to the Association, each Unit Owner and each holder of a Security Interest to whom a certificate or memorandum of insurance has been issued, at their respective last known address.
- g) The name of the insured in insurance policies required by this Section shall be "Soaring Eagle Home Owners Association for the use and benefit of the individual Unit Owners".

Section 10.03. Liability Insurance. Liability insurance, including medical payments insurance, in an amount determined by the Association's Board of Directors but in no event less than \$1,000,000 covering all occurrences commonly insured against for death, bodily injury and property damage arising out of or in connection with the use, ownership or maintenance of the Common Elements, and the activities of the Association. Insurance policies carried pursuant to this section shall provide that:

- a) Each Unit Owner is an insured person under the policy with respect to liability arising out of the interest of the Unit Owner in the Common Elements or membership in the Association.
- b) The insurer waives the right to subrogation under the policy against a Unit Owner or member of the household of a Unit Owner.
- c) An act or omission by a Unit Owner, unless acting within the scope of the Unit Owner's authority on behalf of the Association, will not void the policy or be a condition to recovery under the policy.
- d) If, at the time of a loss under the policy, there is other insurance in the name of a Unit Owner covering the same risk covered by the policy, the Association's policy provides primary insurance.
- e) The insurer may not cancel or refuse to renew the policy until thirty (30) days after notice of the proposed cancellation or non-renewal has been mailed to the Association, each Unit Owner and each holder of a Security Interest to who a certificate or memorandum of insurance has been issued, at their respective last known address.

Section 10.04 Workers Compensation Insurance. The Association shall obtain and maintain workers' compensation insurance in an amount necessary to meet the requirements of the laws of the state of Alaska.

Section 10.05 Directors' and Officers' Liability Insurance. The Association shall obtain and maintain Directors' and Officers' Liability insurance, if available, covering all of the directors and officers of the Association in such limits as the Executive Board may, from time to time determine.

Section 10.06 Other Insurance. The Association may carry other insurance that the Association's Executive Board considers appropriate to protect the Association and/or the Unit Owners.

Section 10.07 Premiums. Insurance premiums of the Association shall be a Common Expense.

Section 10.08 Unit Owner Policies. An insurance policy issued to the Association does not prevent a Unit Owner from obtaining insurance for his or her own benefit. Structures and other property within the Units are not common property of the Association and must be insured by the individual Unit Owners.

Article 11 Maintenance Repair and Replacement

Section 11.01 Common Elements and Limited Common Elements. The Association shall be responsible for the maintenance, repair and replacement of the Common Elements and Limited Common Elements, except any which are required by this Declaration to be maintained, repaired or replaced by a Unit Owner, including without limitation Unit Owner's obligations under this section.

Section 11.02 Units. Each Unit Owner shall maintain, repair and replace, at said Unit Owner's expense, all portions of Unit Owner's Unit, including windows and exterior doors, except those portions to be maintained, repaired or replaced by the Association in accordance with this Declaration.

Section 11.03 Repairs Resulting from Negligence. Each Unit Owner will pay for or reimburse the Association for any costs, including insurance deductibles, incurred by the Association due to damage to any other Unit or to the Common Elements, including Limited Common Elements, caused intentionally or negligently by a Unit Owner or a Unit Owner's invitees, or by a Unit Owner's failure to properly maintain, repair or make replacements.

Section 11.04 Access. Any person authorized by the Association shall have the right of access to all portions of the Common Interest Community for the purpose of correcting any condition threatening any Unit or the Common Elements for the purpose of performing installations, alterations or repairs, and for the purpose of reading, repairing, or replacing utility meters and related pipes, valves, wires and equipment, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the affected Unit Owner. In case of an emergency, no such request or notice is required and such right of entry shall be immediate, whether or not the Unit Owner is present at the time.

Article 12 Damage To or Destruction of Property

Section 12.01 Duty to Restore. A portion of the Common Interest Community for which insurance is required under Section 34.08.440 of the Act or for which insurance carried by the Association is in effect, whichever is more extensive, that is damaged or destroyed must be repaired or replaced promptly by the Association unless:

- a) The Common Interest Community is terminated;
- b) Repair or replacement would be illegal under a state statute or municipal ordinance governing health or safety; or

- c) Eighty percent of the Unit Owners, including each Owner of a Unit or assigned Limited Common Element that will not be rebuilt, vote not to rebuild.

Section 12.02 Cost. The cost of repair or replacement in excess of insurance proceeds and reserves is a Common Expense.

Section 12.03 Plans. The property must be repaired and restored in accordance with either the original plans and specifications or other plans and specifications which have been approved by the Executive Board, and sixty-seven percent of the Unit Owners.

Section 12.04 Replacement of Less than Entire Property. The insurance proceeds attributable to the damaged Common Elements shall be used to restore the damaged area to a condition compatible with the remainder of the Common Interest Community. Except to the extent that other persons will be distributees, the insurance proceeds attributable to a Unit and Limited Common Elements that is not rebuilt must be distributed to the Owner of the Unit and the Owner of the Unit to which the Limited Common Elements were allocated, or to lien holders, as their interests may appear, and the remainder of the proceeds must be distributed to each Unit Owner or lien holder, as their interests may appear, in proportion to the Common Element interests of all the Units. If the Unit Owners vote not to rebuild a Unit, the Allocated Interests of the Unit are reallocated upon the vote as if the Unit had been condemned under Subsection 34.08.740 of the Act, and the Association shall promptly prepare, execute and record an amendment to the Declaration reflecting the reallocations.

Section 12.05 Insurance Proceeds. Subject to the provisions of this Article, insurance proceeds shall be disbursed first for the repair or restoration of the damaged Property, and the Association, Unit Owners and lien holders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the Property has been completely repaired or restored, or the Common Interest Community is terminated.

Article 13 Allocated Interests

Section 13.01 Allocated Interests. The undivided interest in the Common Elements, the Common Expense Liability, and votes in the Association allocated to Units in the Common Interest Community are set forth in Exhibit 3.

Section 13.02 Allocation Formulas. The percentage of liability for Common Expenses for the undivided interest in the Common Elements allocated to each Unit is an equal percentage interest derived by dividing the total number of Units in the Common Interest Community at any one time into one hundred percent (100%). Nothing in this provision shall prohibit certain Common Expenses from being apportioned to particular Units under Article 14 of this Declaration.

Section 13.03 Votes. Each Unit in the Common Interest Community shall have one vote in the Association. Any specified percentage of Unit Owners, unless otherwise stated in the Documents, means the specified percentage of all votes allocated to Units in the Association.

Article 14 Common Expense Assessment and Collection

Section 14.01 Assessment. Except as provided in Section 14.02, any Common Expenses shall be assessed against all Units in accordance with their percentage interest in the Common Expenses as shown in Exhibit 3 to this Declaration.

Section 14.02 Apportionment to Less Than All Units. Any Common Expenses for services provided by the Association for the benefit of an individual Unit at the request of the individual Unit

Owner shall be assessed against said Unit. Expenses for utility services to Units, if any, shall be assessed against each Unit in accordance with an estimated use formula to be adopted from time to time by the Association's Board of Directors. An assessment to pay a judgment against the Association may be made only against the Units in the Common Interest Community at the time judgment was entered, in proportion to their percentage interests in the Common Expenses at the time judgment was entered. Any fees, charges, late charges, fines, collection costs, and interest charged against a Unit Owner pursuant to this Declaration and the Act are enforceable as Common Expense assessments. Any insurance premium increase attributable to a particular Unit by virtue of activities in or construction of the Unit shall be assessed against that Unit. In the event Common Expenses are caused by the misconduct of a Unit Owner, the Association may assess that expense exclusively against the Unit.

Section 14.03 Lien for Assessment. The Association shall have a lien, according to AS 34.08.470, on a Unit for any assessment levied against the Unit and/or for any fines, fees, charges, late charges, collection costs, and/or interest imposed against the Unit Owner from the time any such assessment or fines, fees, charges, late charges, collection costs, and/or interest becomes due.

Section 14.04 Budget Adoption and Ratification. Within thirty (30) days after adoption of a proposed budget for the Common Interest Community, which shall include such reasonable amounts as the Executive Board considers reasonably necessary to provide a general operating reserve and reserves for contingencies, replacements, etc., to be deposited into a Reserve Fund, the Executive Board shall provide a copy of it to each Unit Owner, and shall set a date for a meeting of the Unit Owners to consider ratification of the budget not less than fourteen (14) nor more than thirty (30) days after mailing the summary. Unless at that meeting a majority of all Unit Owners reject the budget, the budget is ratified. If the proposed budget is rejected, the periodic budget last ratified by the Unit Owners continues until the Unit Owners ratify a budget proposed by the Executive Board.

Section 14.05 Monthly Payment of Regular Common Expenses. All Common Expenses assessed under Sections 14.01 and 14.02 shall be due and payable monthly.

Section 14.06 Establishment of Working Capital Fund. When the first Unit is conveyed by Declarant, the purchaser shall pay an amount equal to the projected regular assessments for the Unit for a two-month period to establish the Working Capital Fund which is to be used until there are sufficient funds from the regular assessments to cover all on-going operating expenses. These sums are to be collected by the closing escrow agent and then transferred to the Association for payment into a segregated account. This fund shall not bear interest. Conveyance of the interest shall be deemed to transfer all right, title, and interest to such fund. Payments to the Working Capital Fund are not to be deemed advance payment of regular assessments. Within 60 days of closing on the first Unit the Declarant shall pay each unsold Units two-month share of the Working Capital Fund into the segregated Working Capital Fund provided for herein. Declarant shall be reimbursed for such payments from funds collected at Closing when the unsold Units are sold.

Section 14.07 Special Assessment for Capital Improvements. In addition to the regular assessments authorized herein, the Association may levy in any assessment year a special assessment applicable to that year only for the purpose of defraying in whole or in part, the cost of any construction, reconstruction, repair or replacement of part or all of the Common Elements, including fixtures and personal property related thereto and general landscaping, provided that any such assessment shall have the assent of Unit Owners whose aggregate interest in the Common Elements is at least 67%.

Section 14.08 Personal Liability of Unit Owners. The Owner of a Unit at the time a Common Expense assessment or portion thereof is due and payable is personally liable for the assessment. Personal liability for the assessment shall not pass to a successor in title to the Unit unless he or she agrees to assume the obligation.

Section 14.09 No Waiver of Liability for Common Expenses. No Unit Owner may exempt himself or herself from liability for payment of the Common Expenses by waiver of the use or enjoyment of the Common Areas or by abandonment of the Unit against which the assessments are made.

Article 15
Restrictions on Use, Alienation & Occupancy

Section 15.01 Use Restrictions. Subject to the Special Declarant Rights reserved under Article 8 of this Declaration, each Unit is restricted to single family residential use. For purposes of this section, “single family” includes one or more persons occupying a unit and living as a single housekeeping unit as opposed to groups occupying a rooming house, club, fraternity house or hotel.

Section 15.02 Occupancy Restrictions. Subject to the Special Declarant Rights reserved under Article 8 of this Declaration, the following occupancy restrictions apply to the Units and the Common and Limited Common Elements:

- a) All Unit Owners shall maintain their Units in a clean and well-maintained condition. No outdoor storage of trash will be permitted in any Unit or the Limited Common Elements appurtenant to a Unit. The Association may regulate or prohibit the exterior storage of any type of material in order to preserve the overall appearance of the Property.
- b) No nuisances shall be allowed on the Common Interest Community, nor shall any use be made or practice maintained by any Unit Owner or tenant of a Unit Owner that shall interfere with the quiet enjoyment of the Property by other Unit Owners.
- c) No temporary structure, boat, truck, trailer, camper or recreational vehicle of any kind shall be used as a living area. However, temporary (one to three days) RV and boat parking is permitted. This section shall not limit Declarant’s right to maintain an RV or other vehicle on the property as provided in Section 8.05(g).
- d) No signs, posters, displays or other advertising devices shall be erected or maintained on, or displayed from, the Units without prior written approval of the Association; provided, however, that the restrictions of this Section shall not apply to any sign or notice of customary and reasonable dimension which states that the premises are for rent or sale or to a sign of reasonable dimension identifying the location of property management offices of the Association, nor shall this Section apply to any signs used by Declarant or his agents in connection with the original construction and sale of the Units as set forth in Article 8.
- e) No automotive repair activities are permitted to be conducted anywhere on the Property.
- f) Commercial Vehicles and equipment may not be parked or stored on the Property except for the time necessary to effectuate deliveries or complete construction.
- g) No business or commercial activity shall be maintained or conducted in any Unit, except that Declarant, or persons or entities designated by the Association as its agent for management of the property, may maintain management offices and facilities in a Unit.
- h) No vehicles of any type, including but not limited to RVs, boats, trailers, snow machines, ATVs, shall be stored on the property between October 15 and April 15 of each year. For the purpose of this Section, any vehicle on the property which has not been moved in any 48-hour period shall constitute a “stored” vehicle. Recreational vehicles are permitted to be parked on the property between April 16 and October, subject to limitations on duration and location as may be adopted from time to time by the Association’s Board of Directors.

- i) To maintain aesthetic harmony of the Common Interest Community, no Owner shall cause or permit anything to be hung, placed, stored or displayed in or on the outside of windows, the outside walls of any structure, or the Common or Limited Elements without the prior written approval of the Association's Board of Directors. Determinations by the Board of Directors with respect to whether or not a proposal under this subparagraph is permitted shall be final.
- j) Each Unit and the Common and Limited Common Elements shall be used in compliance with such Rules and Regulations as may be adopted from time to time by the Association's Board of Directors. Copies of Rules and Regulations, if any, adopted by the Board of Directors shall be made available to Unit Owners upon request.

Section 15.03 Restriction on Alienation. Units may not be conveyed pursuant to time-sharing arrangements described in AS 34.08.90(31). All leases and rental agreements shall be in writing and subject to the requirements of this Declaration and the Association. A copy of all leases and rental agreements shall be given to the Association. All leases of a Unit shall include a provision that the tenant recognizes the Association as landlord, but solely for the purpose of the Association having power to enforce a violation of the provisions of the documents against the tenant, provided that the Association first gives the Unit Owner notice of its intent to so enforce and a reasonable opportunity to cure the violation directly, prior to the commencement of an enforcement action.

Article 16

Additions, Alterations and Improvements

Section 16.01 Restriction. No Unit Owner may make any structural additions, alterations, or improvements in or to the Common Interest Community (including staking, clearing, excavation, grading and other site work, exterior alteration of existing improvements, and planting or removal of landscaping materials), and no Unit Owner may change the appearance of the Common Elements or Limited Common Elements, without the Association's prior written consent in accordance with Subsection 16.02.

Section. 16.02 Approval. Unit Owners may submit a written request to the Association's Board of Directors for approval to do anything that he or she is forbidden to do under the preceding section. Requests for approval must be submitted in writing according to any procedure and on any forms established by the Board. The Board's failure to approve or disapprove a request submitted shall not constitute consent by the Association to the proposed action. Failure to obtain the Association's written approval before making an improvement to the land or any structure shall give the Association the right to bring a legal action at law or in equity against the wrongdoer.

Section 16.03 Review. Association review does not imply any review of the adequacy of plans or specifications for any purpose, including structural design, and any approval does not imply that the Association's Board of Directors, the Declarant, or the Association have any liability or responsibility for the quality or sufficiency of the design or materials. No member of the Association's Board of Directors shall be liable to any person for his or her decisions or failure to act in making decisions as a member of said Board.

Section 16.04 Interior Alterations. Unit Owners may remodel, paint, or redecorate the interior of structures of their Units without Association approval, however, modifications to the exterior of any structure or to Limited Common Elements within the Unit or the interior of screened porches, patios, and similar portions of structures visible from outside shall be subject to approval by the Association.

Article 17

Easements & Licenses

Section 17.01 Easement for Ingress and Egress Through Common Elements. Each Unit Owner has an easement in common with each other Unit Owner for ingress and egress through all Common

Elements, subject to such reasonable rules, regulations and restrictions as may be imposed by the Association. Each Unit is hereby burdened with and subjected to an easement for ingress and egress through all Common Elements by persons lawfully using or entitled to the same.

Section 17.02 Easements for Support. To the extent necessary, Units and Common Elements shall have an easement for lateral and subjacent support from all other Units and Common Elements.

Section 17.03 Easements for Encroachments. In the event any portion of the Common Elements encroaches on any Unit or any Unit encroaches on the Common Elements or another Unit as a result of the construction, reconstruction, repair, shifting, settlement, or movement of any portion of the improvements, a valid easement for the encroachment and for the maintenance of the same shall exist so long as the encroachment exists.

Section 17.04 Recorded Easements and Licenses. All recorded easements or licenses to which the Common Interest Community is presently subject are shown on the plats or plans. In addition, the Common Interest Community may be subject to other easements or licenses granted by the Declarant pursuant to Article 8 in this Declaration.

Article 18 Amendments

Section 18.01 General. Except as otherwise provided by law or elsewhere in this Declaration, this Declaration, including the plat and plans, may be amended only by vote or agreement of Unit Owners of Units to which at least sixty-seven (67%) percent of the votes in the Association are allocated.

Section 18.02 Declarant Rights. Provisions in this Declaration reserving Declarant rights may not be amended without Declarant's consent. Any amendment affected by Declarant's exercise of rights reserved in Article 8 requires Declarant approval only.

Section 18.03 When Unanimous Consent Required. Except to the extent expressly permitted or required by provisions of the Act and/or this Declaration, an amendment may not change the boundaries of a Unit, the allocated interests of a Unit, or the uses to which a Unit is restricted, in the absence of unanimous 100% consent of the votes of the Association.

Section 18.04 Limitations of Challenges. An action to challenge the validity of an amendment adopted by the Association may not be brought more than one year after the amendment is recorded.

Section 18.05 Amendments to Create Units. To exercise any development right reserved under Article 8 of this Declaration, the Declarant shall prepare, execute and record an amendment to the Declaration. The Declarant shall also record new Exhibits 1 and 2 to reflect the changes made by the exercise of the Development Right. The amendment to the Declaration shall assign an identifying number to each new Unit created and reallocate the Allocated Interest among all Units. The amendment shall describe any Common Elements or Limited Common Elements created thereby.

Article 19 Miscellaneous Provisions

Section 19.01 Changes in Act. In the future and from time to time, in all instances where this Declaration or the Association Bylaws contain language that tracks the Act on the date that the Common Interest Community is created, this Declaration and the Bylaws shall be automatically amended in accordance with the amended language of the Act which may be adopted by the state of Alaska, unless the particular language of the Declaration or Bylaws, either as initially adopted or as amended at any subsequent time by the Association, is clearly to supersede the amended text of the Act.

Section 19.02 Captions. The captions contained in the Declaration are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of the Declaration nor the intent of any provision thereof.

Section 19.03 Waiver. No provision contained in the Declaration is abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches that may occur.

Section 19.04 Invalidity. The invalidity of any provision of the Declaration does not impair or affect in any manner the validity, enforceability or effect of the remainder, and in such event, all of the other provisions of the Declaration shall continue in full force and effect.

Section 19.05 Conflict. The Declaration, the Association Bylaws, and the Association's Articles of Incorporation are intended to comply with the requirements of the Act and applicable Alaska statutes governing corporate entities. In the event any conflict between these documents and the provisions of the statutes, the provisions of the statutes shall control. In the event of any conflict between this Declaration and any other documents, this Declaration shall control.

Section 19.06 Mortgage Protection. In the future and from time to time, eligible mortgagees and insurers may adopt provisions that relate to the financing of improvements on the Units or require the Association to notify the eligible mortgagees and insurers who have requested to be given notices. It is the intent of the Declarant that the Declaration and the Bylaws shall incorporate these financing provisions by this reference as if they were already set forth herein and adopted by the Association without any further action.

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be executed this _____ day of _____, 2006.

Soaring Eagle Development Company, LLC

By: _____
John F. Burns, Member

ACKNOWLEDGMENT

STATE OF _____)
) ss.
COUNTY OF _____)

THIS IS TO CERTIFY that on this ____ day of _____, 2006, before me the undersigned, a Notary Public in and for the State of Alaska, personally appeared **John F. Burns**, known to me to be the person who executed the foregoing and acknowledged to me that he signed the same freely and voluntarily on behalf of **SOARING EAGLE DEVELOPMENT COMPANY, LLC** as duly authorized, for the uses and purposes therein stated.

Notary Public in and for _____
My Commission Expires: _____

Exhibits

- 1 Development Plan
- 2 Table of Unit Areas
- 3 Table of Allocated

FOR RECORDING IN THE HOMER RECORDING DISTRICT

After recording return to:

Eugenia G. Sleeper, Esq.
Jermain, Dunnagan & Owens, P.C.
3000 A Street, Suite 300
Anchorage, AK 99503