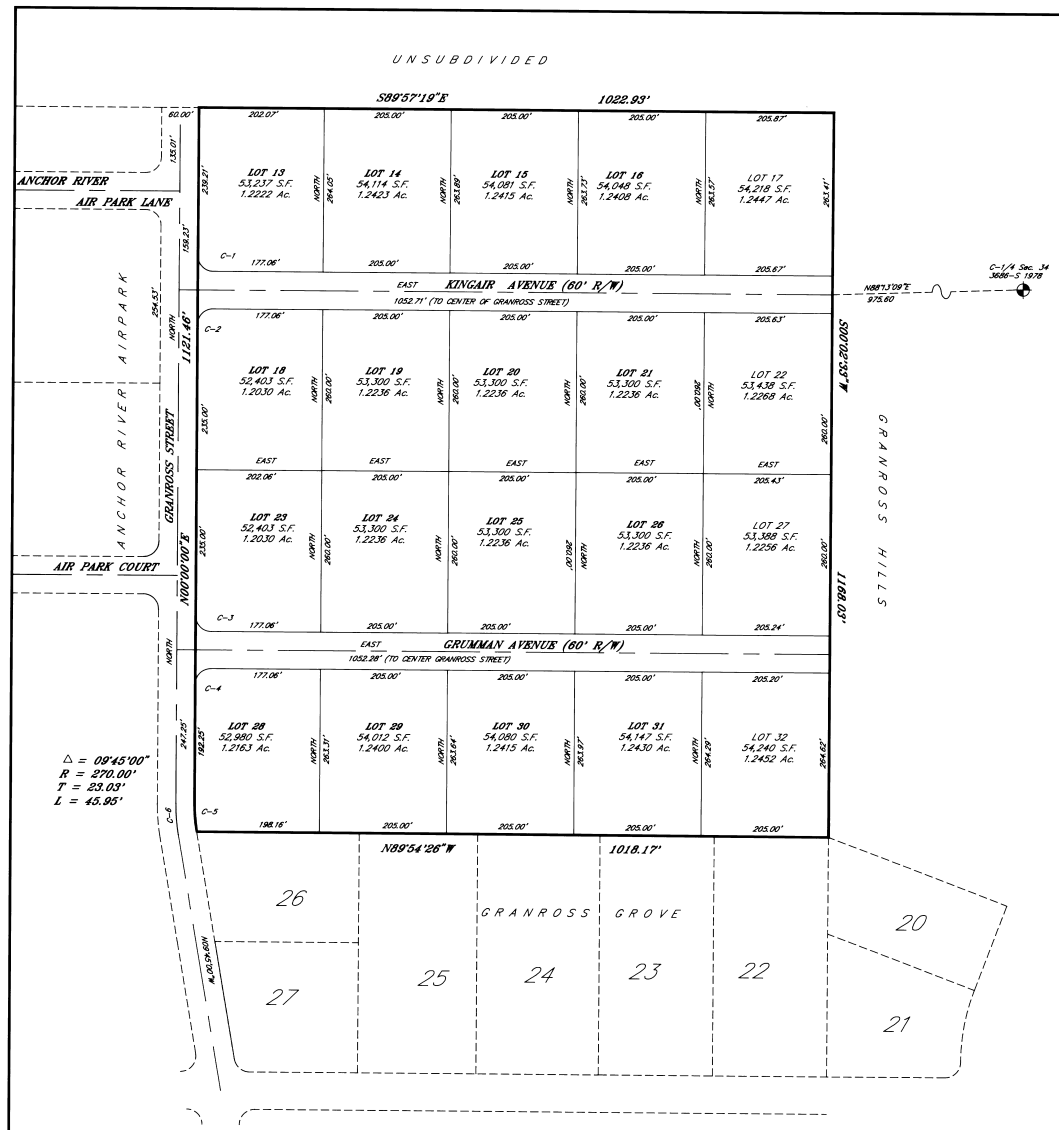


NOTE:

A 25' BUILDING SET BACK SHALL EXIST ALONG ALL DEDICATED RIGHTS OF WAY UNLESS A LESSER STANDARD IS APPROVED BY RESOLUTION OF THE APPROPRIATE PLANNING COMMISSION.

NO DIRECT ACCESS TO STATE MAINTAINED RIGHTS OF WAY IS PERMITTED UNLESS APPROVED BY THE STATE OF ALASKA DEPARTMENT OF TRANSPORTATION.

NO PERMANENT STRUCTURE SHALL BE CONSTRUCTED OR PLACED WITHIN AN EASEMENT WHICH WOULD INTERFERE WITH THE ABILITY OF A UTILITY TO USE THE EASEMENT.

THERE IS A 10' UTILITY EASEMENT RESERVED ALONG EACH SIDE OF ALL LOT LINES, AND A 25' EASEMENT ADJACENT TO ALL RIGHTS OF WAY FOR UNDER-GROUND UTILITIES.

ALL UTILITIES SHALL BE PLACED UNDER-GROUND.

5/8" X 30" REBAR AND STAMPED ALUMINUM CAP SET AT ALL LOT CORNERS UNLESS OTHERWISE INDICATED.

BASIS OF BEARINGS ARE FROM PLAT 78-2, ANCHOR BLUFF ACRES.

CURVE	RADIUS	LENGTH	TANGENT	CHORD	BEARING	DELTA
C-1	25.00'	39.27'	25.00'	35.36'	S45°00'00"E	90°00'00"
C-2	25.00'	39.27'	25.00'	35.36'	S45°00'00"W	90°00'00"
C-3	25.00'	39.27'	25.00'	35.36'	S45°00'00"E	90°00'00"
C-4	25.00'	39.27'	25.00'	35.36'	S45°00'00"W	90°00'00"
C-5	270.00'	45.95'	23.03'	45.89'	S04°52'30"E	09°45'00"
C-6	300.00'	51.05'	25.59'	50.99'	S04°52'30"E	09°45'00"

WASTEWATER DISPOSAL

This subdivision has been approved by the Alaska Department of Environmental Conservation for wastewater discharges to approved collector systems only. Other means of wastewater disposal are prohibited without prior approval from the Alaska Department of Environmental Conservation.

CERTIFICATION OF APPROVAL BY THE ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION

Subject to noted restrictions, the Alaska Department of Environmental Conservation approves this subdivision for platting. This approval is based on criteria for single family residential development. Note restrictions concerning wastewater disposal

Environmental Engr 12-9-94
Name and Title of Date
Alaska Department of Environmental Conservation
Approving Official

CERTIFICATE OF OWNERSHIP

I hereby certify that I am the owner of the real property shown and described hereon, and that I hereby adopt this plan of subdivision, and by my free consent dedicate all rights of way and public areas to public use, and grant all easements to the use shown.

Jim Jacobs 12/5/94
JIM JACOBS FOR JACOBS KYLLONEN JOINT VENTURE (DATE)
P.O. BOX 49, ANCHOR POINT ALASKA 99556

H.V. Kyllonen 12/5/94
H.V. KYLLONEN FOR JACOBS KYLLONEN JOINT VENTURE (DATE)
P.O. BOX 49, ANCHOR POINT ALASKA 99556

MARIA E. SWEPPY NOTARY PUBLIC STATE OF ALASKA

NOTARY'S ACKNOWLEDGEMENT

FOR JIM JACOBS AND H.V. KYLLONEN

Subscribed and sworn to before me this 5 day of December 1994

Notary public for Alaska — My Commission Expires 11-16-95

SURVEYORS' CERTIFICATE

I hereby certify that this survey was performed by me or under my direct supervision. I declare that the information shown hereon is true and correct to the best of my knowledge and belief.

Jerry A. Anderson PLS No. 3686 — Date: 11-27-94

PLAT APPROVAL

This plat was approved by the Kenai Peninsula Borough Planning Commission at the meeting of OCT 10, 1994

KENAI PENINSULA BOROUGH
BY: Authorized Official

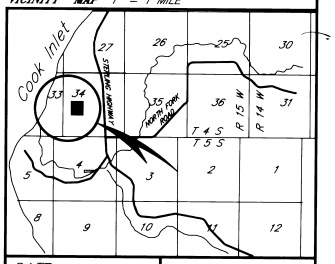
GRAPHIC SCALE
100 0 50 100 200 400
(IN FEET)
1 inch = 100 ft.

Twp. 4S Rge. 15W

94-47
RECORDED 20
HOMER REC. DIST
DATE 12-14 19 94
TIME 3:17 P M
REQUESTED BY: JERRY ANDERSON
ADDRESS P.O. BOX 1981
ESPANOLA, NM 87532

KPB FILE No. 94-138

VICINITY MAP 1" = 1 MILE



DATE	AUGUST 1994
SCALE	1" = 100'
GRID No.	AR-30
FLD. BK. No.	198/74
KPB FILE No.	94-138
JOB No.	0569

49TH STATE OF ALASKA — Jerry A. Anderson NO. 3686-S

ANCHOR RIVER AIR PARK
UNIT TWO

A REPLAT OF TRACT 'D' PLAT 94-23 HRD, WITHIN THE NW 1/4 & SW 1/4 OF Sec. 34, Twp. 4S, Rge. 15W S.M. HOMER RECORDING DISTRICT, ANCHOR POINT ALASKA
CONTAINING 27.406 ACRES

JERRY ANDERSON
PROFESSIONAL LAND SURVEYOR
(505) 747-1025
BOX 1981, ESPAÑOLA NM 87532

IN THE HOMER RECORDING DISTRICT

DECLARATION

FOR

ANCHOR RIVER AIRPARK
(A Planned Community)

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IN THE HOMER RECORDING DISTRICT

DECLARATION

FOR

ANCHOR RIVER AIRPARK
(A Planned Community)

PREAMBLE

Declarant, JACOBS, KYLLONEN JOINT VENTURE, consisting of Anchor Land Corporation, Boles and Jacobs, Inc., and H.V. "Buz" Kyllonen d/b/a/ Kyllonen Enterprises, owns property near the community of Anchor River, Alaska, described as follows:

> Lots One (1) through Twelve (12), Lots Thirty-four (34) through Thirty-nine (39), and Tracts A, B, C, and D, ANCHOR RIVER AIR PARK, according to Plat No. 94-23, records of the Homer Recording District, Third Judicial District, State of Alaska.

By this Declaration, the Declarant submits the above-described property to the provisions of AS 34.08, the Uniform Common Interest Ownership Act, for the purposes of creating a residential planned community. This declaration and the covenants contained herein run with the land and are binding on all owners of the covered property for the benefit of all present and future owners of the covered property.

ARTICLE I

Definitions

In the Documents, the following words and phrases shall have the following meanings:

Section 1.1 - Act. The Uniform Common Interest Ownership Act, A.S. 34.08, as it may be amended from time to time.

Section 1.2 - Allocated Interests. The Common Expense liability, and votes in the Association, allocated to Units in the Common Interest Community. The Allocated Interests are described in Article IX of this Declaration.

Section 1.3 - Association. Anchor River Airpark Owners Association, a non-profit corporation organized under Chapter 10.20 of the statutes of the State of Alaska. It is the Association of Unit Owners pursuant to Section 34.08.310 and Section 34.08.990(3) of the Act.

Section 1.4 - Bylaws. The Bylaws of the Association, as they may be amended from time to time. Neither the Bylaws nor any amendments to the Bylaws need be recorded in the property records.

Section 1.5 - Common Elements. Each portion of the Common Interest Community other than a Unit as defined herein or a tract on which development rights are reserved.

Section 1.6 - Common Expenses. The expenses or financial liabilities for the operation of the Common Interest Community. These include:

(i) Expenses of administration, maintenance, repair or replacement of the Common Elements;

(ii) Expenses declared to be Common Expenses by the Documents or by the Act;

(iii) Expenses agreed upon as Common Expenses by the Association; and

(iv) Such reasonable reserves as may be established by the Association, whether held in trust or by the Association, for repair, replacement or addition to the Common Elements or any other real or personal property acquired or held by the Association or for which the Association has maintenance or repair responsibilities.

Section 1.7 - Common Interest Community. The real property subject to the Declaration for ANCHOR RIVER AIRPARK.

Section 1.8 Declarant. Jacobs Kyllonen Joint Venture or its successors, as defined in A.S. 34.08.990(12).

Section 1.9 - Declaration. This document, including any amendments.

Section 1.10 - Development Rights. The rights reserved by the Declarant under Article VIII of the Declaration to create units and Common Elements within the Common Interest Community or to withdraw real estate from the Common Interest Community.

Section 1.11 - Director. A member of the Executive Board.

Section 1.12 - Documents. The Declaration, Plats and Plans which have been, or may be, recorded and filed, the Bylaws, and any Resolutions recorded in the Book of Resolutions of the Association, as they may be amended from time to time. Any exhibit, schedule,

or certification accompanying a Document is a part of that Document.

Section 1.13 - Eligible Insurer. An insurer or guarantor of a first Security Interest in a Unit which has notified the Association in writing of its name and address and that it has insured or guaranteed a first Security Interest in a Unit. Such notice shall be deemed to include a request that the Eligible Insurer be given the notices and other rights described in Article XVII.

Section 1.14 - Eligible Mortgagee. The holder of a first Security Interest in a Unit which has notified the Association in writing of its name and address and that it holds a first Security Interest in a Unit. Such notice shall be deemed to include a request that the Eligible Mortgagee be given the notices and other rights described in Article XVII.

Section 1.15 - Executive Board. The Board of Directors of the Association.

Section 1.16 - Improvements. Any construction, structure, fixture or facility existing or to be constructed on the land included in the Common Interest Community including, but not limited to, buildings, fences, trees and shrubbery planted by the Association, paving, utility wires, pipes, and light poles.

Section 1.17 - Majority or Majority of Unit Owners. The owners of at least 51% of the votes in the Association.

Section 1.18 - Manager. A person, firm or corporation employed or engaged to perform management services for the Common Interest Community and the Association.

Section 1.19 - Notice and Comment. The right of a Unit Owner to receive notice of an action proposed to be taken by the Association, and the right to comment thereon. The procedures for Notice and Comment are set forth in Section 23.1 of this Declaration.

Section 1.20 - Notice and Hearing. The right of a Unit Owner to receive notice of an action proposed to be taken by the Association, and the right to be heard thereon. The procedures for Notice and Hearing are set forth in Section 23.2 of this Declaration.

Section 1.21 - Person. An individual, corporation, business trust, estate, trust, partnership, association, joint venture, government, government subdivision or agency, or other legal or commercial entity.

Section 1.22 - Planned Community. A Common Interest Community that is not a condominium or a cooperative.

Section 1.23 - Plans. The development plan recorded with this Declaration as Exhibit "C", as it may be amended.

Section 1.24 - Plat. Plat No. 94-23, Homer Recording District, Third Judicial District, State of Alaska, as it may be amended.

Section 1.25 - Property. The land and all Improvements, easements, rights and appurtenances which have been submitted to the provision of the Act by this Declaration, sometimes hereinafter also referred to as the "Project".

Section 1.26 - Rules. Rules for the use of the Units and Common Elements and for the conduct of persons within the Common Interest Community, adopted by the Executive Board pursuant to this Declaration. Such rules are as found in the Book of Resolutions for the Association, as such resolutions may be amended from time to time.

Section 1.27 - Security Interest. An interest in real estate or personal property, created by contract or conveyance, which secures payment or performance of an obligation. The term includes a lien created by mortgage, deed of trust, trust deed, security deed, contract for deed, land sales contract, lease intended as security, assignment of lease or rents intended as security, pledge of an ownership interest in an Association, and any other consensual lien or title retention contract intended as security for an obligation.

Section 1.28 - Special Declarant Rights. The right (as defined in A.S. 34.08.990(30) of the Act) reserved for the benefit of a Declarant to (A) complete improvements indicated on plats and plans filed with the Declaration; (B) exercise a Development Right; (C) maintain sales offices, management offices, models and signs advertising the Common Interest Community; (d) use easements through the Common Elements for the purpose of making improvements within the Common Interest Community or within real estate that may be added to the Common Interest Community; (E) appoint or remove any officer of the Association or any Executive Board member during any period of Declarant control or (F) merge or consolidate the

Common Interest Community with another Common Interest Community of the same form of ownership. Special Declarant Rights are described in Article VIII.

Section 1.29 - Trustee. The entity which may be designated by the Executive Board as the Trustee for the receipt, administration, and disbursement of funds derived from insured losses, condemnation awards, special assessments for uninsured losses, and other like sources as defined in the Bylaws. If no Trustee has been designated, the trustee will be the Executive Board as from time to time constituted, acting by majority vote, as executed by the President and attested by the Secretary.

Section 1.30 - Unit. A physical portion of the Common Interest Community (sometimes referred to as a lot) designated for separate ownership or occupancy, the boundaries of which are shown on the Plats or Plans.

Section 1.31 - Unit Owner. The Person who owns a Unit. Unit Owner does not include a Person having an interest in a Unit solely as security for an obligation.

ARTICLE II

Name and Type of Common Interest Community and Association

Section 2.1 - Common Interest Community. The name of the Common Interest Community is ANCHOR RIVER AIRPARK. Anchor River Airpark is a planned community.

Section 2.2 - Association. The name of the Association is ANCHOR RIVER AIRPARK OWNERS ASSOCIATION, a non-profit corporation organized under the laws of the State of Alaska.

ARTICLE III

Description of Land

The entire Common Interest Community is situated in the Homer Recording District, Third Judicial District, State of Alaska, and is located on land described as:

> Lots One (1) through Twelve (12) and Lots Thirty-four (34) through Thirty-nine (39), and Tracts A, B, C, and D, ANCHOR RIVER AIR PARK, according to Plat No. 94-23.

ARTICLE IV

Maximum Number of Units; Boundaries

Section 4.1 - Maximum Number of Units. The maximum number of Units permitted in this Common Interest Community is 50, of which 18 Units (developed lots for individual ownership) will be constructed in Phase I.

Section 4.2 - Boundaries. The boundaries of each Unit are the boundaries of the numbered lots shown on Plat 94-23, Homer Recording District, and subsequent plats subdividing tracts within the Common Interest Community.

ARTICLE V

Common Elements

The Common Elements are Tracts A, B, and C, ANCHOR RIVER AIR PARK, according to Plat No. 94-23, Homer Recording District. Additional Common Elements may be created within the Common Interest Community as additional phases of Anchor River Airpark are developed under the Declarant's reserved rights. Tracts A and B are the airport for Anchor River Airpark. The "beach access road" shown on Plat No. 94-23 will be reserved by deed reservation in favor of the Anchor River Airpark Owners Association when Lots 35 and 36 are conveyed to serve as an access easement.

ARTICLE VI

Conveyance or Encumbrance of Common Elements

Section 6.1 - Homeowner Approval. Portions of the common elements may be conveyed or subjected to a security interest by the Association if persons entitled to cast at least 80 percent of the votes in the Association, including 80 percent of the votes allocated to Units not owned by a Declarant, agree to the action.

Section 6.2 - Proceeds of Sale or Loan. The proceeds of a sale and proceeds of a loan secured by encumbering a common area are an asset of the Association.

Section 6.3 - Form of Conveyance and Ratification. An agreement to convey common elements or to subject the 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 the date. The agreement is effective only upon recording.

Section 6.4 - 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 VII

Maintenance, Repair and Replacement

Section 7.1 - Common Elements. The Association shall maintain, repair and replace all of the Common Elements. Specific provisions pertaining to the operation, maintenance and repair of the airport will be adopted by the Executive Board.

Section 7.2 - Units. Each Unit Owner shall maintain, repair and replace, at his or her own expense, all portions of his or her Unit, except the portions thereof, if any, to be maintained, repaired or replaced by the Association.

Section 7.3- Access. Any person authorized by the Executive Board shall have the right of access to all portions of the Property for the purpose of correcting any condition threatening a Unit or the Common Elements, and for the purpose of performing installations, alterations or repairs, 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.

Section 7.4 - Repairs Necessitated by Unit Owner's Action or Inaction. Each Unit Owner will reimburse the Association for any costs incurred by the Association and any damages to any other Unit(s) or to the Common Elements to the extent that such damages or costs were caused intentionally, negligently or by the Unit Owner's failure to properly maintain, repair or make replacements to his or her Unit. Such expense will be assessed following Notice and Hearing.

Section 7.5 - Repairs Necessitated by Association Action or Inaction. The Association will be responsible for damage to Units caused intentionally, negligently or by its failure to maintain, repair or make replacements to the Common Elements.

ARTICLE VIII

Development Rights and Special Declarant Rights

Section 8.1 - Reservation of Development Rights. The Declarant reserves the following Development Rights:

(a) The right, by amendment to add Units and Common Elements in the areas of the Common Interest Community designated as "Development Rights Reserved" on Exhibit "C" and, at the time of such amendment, to specify the standards for any community water or wastewater system required for development of Units in those areas.

(b) The right, by amendment, to withdraw land designated as "Development Rights Reserved" on Exhibit "C"; provided, however, that if said land is withdrawn it will be developed in accordance with the Borough Land Use Code.

(c) The right to construct utility lines, pipes, wires, ducts, conduits and other facilities across the land not designated "Development Rights Reserved" on Exhibit "C" for the purpose of furnishing utility and other services to buildings and Improvements to be constructed on the Property and on the land designated as "Development Rights Reserved" on Exhibit "C". The Declarant also reserves the right to withdraw and grant easements to government agencies and public utility companies and to convey Improvements within those easements anywhere in the Common Interest Community not occupied by buildings, for the above-mentioned purposes. If the Declarant grants any such easements, Exhibit "A" will be amended to include reference to the recorded easement.

(d) The right of architectural control over construction of the first residence on a lot in the first phase of construction under this Declaration within five (5) years of the date this Declaration is recorded, and the right of architectural control over construction of the first residence on a lot in the subsequent phases of construction under this Declaration within five (5) years of the date the amendment for that phase is recorded.

Section 8.2 - Limitations on Development Rights. The Development Rights reserved in Section 8.1 are limited as follows:

(a) The Development Rights may be exercised at any time, but not more than 10 years after the date of recording of this Declaration. If exercised more than 7 years after recording of the original Declaration, consent of 51% of the Eligible Mortgagees shall be required pursuant to Section 17.11.

(b) Not more than 50 total Units may be created pursuant to the Development Rights.

(c) All buildings constructed under the Development Rights will be architecturally compatible as to style with each other and will be of comparable quality of construction.

(d) All Units created pursuant to the Development Rights will be restricted to single-family residential use.

(e) No Development Rights may be exercised, voluntarily abandoned or terminated by the Declarant unless approved as provided in Section 17.11.

Section 8.3 - Phasing of Development Rights. No assurances are made by the Declarant regarding the areas on Exhibit "C" designated "Development Rights Reserved" as to the portions where the Declarant will exercise its Development Rights or the order in which such portions, or all of the areas will be developed. The exercise of Development Rights as to some portions will not obligate the Declarant to exercise them as to other portions.

Section 8.4 - 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 complete improvements indicated on the Declaration, plat and plans, as they may be amended;

(b) To exercise the Development Rights reserved in the Declaration;

(c) To maintain sales offices, management offices, models and signs advertising the Common Interest Community;

(d) To use easements through the Common Elements for the purpose of making improvements within the Common Interest Community;

(e) To appoint or remove any officer of the Association, or any Executive Board member during any period of Declarant control, subject to the provisions of this Article; and

(f) To amend the Declaration without the consent of Unit Owners or the Association in order to comply with lender or guarantor guidelines and requirements.

In the exercise of its rights reserved under subsections (a) and (b) above, the Declarant may convey utility easements to utility companies and drainage easements to the Kenai Peninsula Borough, or any other governmental entity, in its own name and on behalf of the Association. All purchasers are deemed to consent to such conveyance as a condition of their purchase. The Special Declarant Rights may be exercised where applicable anywhere within the Common Interest Community.

Section 8.5 - Models, Sales Offices and Management Offices. As long as Declarant is a Unit Owner, the Declarant and its duly authorized agents, representatives and employees may maintain any Unit owned by the Declarant or any portion of the Common Elements as a model Unit, sales office or management office. Declarant may have no more than three (3) model Units and two (2) sales/management offices within the Common Interest Community at any time, although the specific location may change from time to time as Units are developed and sold. A model Unit or sales/management office may be no larger than a typical Unit constructed for sale to the public. A temporary structure may be used as a sales/management office during the time that residences are being constructed. Declarant may delegate this authority to dealers who purchase Units to construct residences.

Section 8.6 - Construction; Declarant's Easement. The Declarant reserves the right to perform warranty work, and repairs and 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 its completion. All work may be performed by the Declarant without the consent or approval of the Executive Board. The Declarant has such an easement through the Common Elements as may be reasonably necessary for the purpose of discharging the Declarant's obligations or exercising Special Declarant Rights, whether arising under the Act or reserved in the Declaration.

Section 8.7 - Signs and Marketing. The Declarant reserves the right 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 8.8 - Declarant's Personal Property. The Declarant reserves the right to retain all personal property and equipment used in sales, management, construction and maintenance of the premises that has not been represented as property of the Association. The Declarant reserves the right to remove, promptly after the sale of the last Unit from the Property, any and all goods and improvements used in development, marketing and construction, whether or not they have become fixtures.

Section 8.9 - Declarant Control of Association.

(a) Subject to Subsection 8.9(b), there shall be a period of Declarant control of the Association, during which the Declarant, or persons designated by the Declarant, may appoint and remove the officers and members of the Executive Board. The period of Declarant control terminates no later than the earlier of:

(i) sixty (60) days after conveyance of seventy-five percent (75%) of the Units that may be created to Unit Owners other than the Declarant;

(ii) two (2) years after the Declarant has ceased to offer Units for sale in the ordinary course of business;

(iii) two (2) years after any right to add new Units was last exercised; or

(iv) five (5) years after the first Unit is conveyed to a Unit Owner other than the Declarant.

The Declarant may voluntarily surrender the right to appoint and remove officers and members of the Executive Board before termination of that period, but in that event, the Declarant may require, for the duration of the period of Declarant control, that specified actions of the Association or Executive Board, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective.

(b) Not later than sixty (60) days after conveyance of twenty-five percent (25%) of the Units that may be created to Unit Owners other than the Declarant, at least one (1) member and not less than twenty-five percent (25%) of the members of the Executive Board, shall be elected by Unit Owners other than Declarant. Not later than sixty (60) days after conveyance of fifty percent (50%)

of the Units that may be created to Unit Owners other than the Declarant, not less than thirty-three and one-third percent (33-1/3%) of the members of the Executive Board must be elected by Unit Owners other than the Declarant.

(c) Not later than the termination of any period of Declarant control, the Unit Owners shall elect an Executive Board of at least three (3) members, all of whom shall be Unit Owners. The Executive Board shall elect the officers. The Executive Board members and officers take office upon election.

(d) Notwithstanding any provision of this Declaration or the Bylaws of the Association to the contrary, following notice under AS 34.08.390, the Unit Owners, by a two-thirds (2/3) vote of all persons present and entitled to vote at a meeting of Unit Owners at which a quorum is present, may remove a member of the Executive Board with or without cause, other than a member appointed by the Declarant.

Section 8.10 - Limitations on Special Declarant Rights. Unless sooner terminated by a recorded instrument executed by the Declarant, any Special Declarant Right (except for Development Rights) 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 Units, or for ten (10) years after recording the original Declaration, whichever is sooner. Earlier termination of certain rights may occur by statute.

Section 8.11 - Interference with Special Declarant Rights. Neither the Association nor any Unit Owner may take any action or adopt any rules that will interfere with or diminish any Special Declarant Right without the prior written consent of the Declarant.

ARTICLE IX

Allocated Interests

Section 9.1 - Allocation of Interests. The table showing Unit numbers and their allocated interests is included in Exhibit "B". The allocated interest appertaining to each Unit for all purposes, including voting and the determination of liability for Common Expenses, shall be in accordance with Exhibit "B". These interests have been allocated in accordance with the formulas set out in this Article. Subject to the provisions of Article XIII, these formulas are to be used in reallocating interests if Units are added to or removed from the Common Interest Community. When Units are added

to or removed from the Common Interest Community, a revised Exhibit "B", the Table of Allocated Interests, will be recorded with the Declaration Amendment.

Section 9.2 - Formulas for the Allocation of Interests.

(a) Liability for the Common Expenses: The percentage of liability for Common Expenses allocated to each unit is derived by dividing the total number of Units in the Common Interest Community into one hundred percent (100%). Nothing contained in this subsection shall prohibit certain Common Expenses from being apportioned to particular Units under Article XVIII of this Declaration.

(b) Votes. Each Unit in the Common interest Community shall have one (1) equal vote. 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 X

Restrictions on Use, Alienation and Occupancy

Section 10.1 - Use Restrictions. Subject to the Development Rights and Special Declarant Rights reserved under Article VIII, the following use restrictions apply to all Units and to the Common Elements:

(a) Each Unit is restricted to single-family residential use including home professional pursuits not requiring regular visits from the public or unreasonable levels of mail, shipping, trash or storage. No sign indicating commercial or professional uses may be displayed outside a Unit. A single family residence is defined as a single housekeeping unit, operating on a non-profit, non-commercial basis with a common kitchen and dining area.

(c) No ~~immoral, improper,~~ offensive or unlawful use may be made of the Property. Unit Owners shall comply with and conform to all applicable laws and regulations of the United States and of the State of Alaska and all ordinances of the Kenai Peninsula Borough. Unit Owners shall hold harmless the Association and other Unit Owners from all fines, penalties, costs and prosecutions for any violation or noncompliance in their use of the Property.

Section 10.2 - Occupancy Restrictions. Special occupancy restrictions contained in Exhibit "D" to the Declaration apply to all Units. Additional occupancy restrictions may be found in the Bylaws, and the Rules of the Association.

Section 10.3 - Restrictions on Alienation.

(a) A Unit may not be conveyed pursuant to a time sharing plan as defined under AS 34.08.550.

(b) No Owner shall be permitted to rent or lease a Unit for transient or hotel purposes. No Owner may lease or rent less than the entire Unit. Any lease or rental agreement shall provide that the terms thereof shall be subject in all respects to the provisions of the Declaration, the Bylaws, and the Rules, and that any failure by the lessee to comply with the terms of such documents shall be a default under the lease or rental agreement. All leases and rental agreements shall be in writing. A copy of the lease form shall be given to the Executive Board.

ARTICLE XI

Easements and Licenses

Section 11.1 - Recorded Easements and Licenses. All recorded easements or licenses to which the Common Interest Community is presently subject are recited in Exhibit "A" to this Declaration.

Section 11.2 - Owner's Easement of Enjoyment in Common Elements. Every Unit Owner, his heirs, successors, executors, administrators and assigns forever, in common with each other, shall have a right and easement of enjoyment in and to the Common Elements, and such easement shall be appurtenant to, and shall run with, the title to every Unit. Such easement shall include, among other consistent rights, the non-exclusive right to pass and repass across the Common Elements, to use the Common Elements pursuant to the provisions of this Declaration, and the right to prevent the restriction or alienation of the Common Elements.

Section 11.3 - Limitations on Owner's Easement. The rights and easements of enjoyment created hereby shall be subject to the following, which rights are deemed to be necessary and desirable to facilitate the orderly administration of the Common Interest Community:

(a) The right of the Association, in accordance with its Articles and Certificate of Incorporation and the Bylaws, following written approval by the holders of security interests pursuant to Article XVII, to borrow money for the purpose of improving, maintaining and operating the Common Elements and in aid thereof to mortgage, hypothecate, pledge, assign or grant a security interest in the assets of the Association, including, without limitation, its liens and receivables for Assessments.

(b) The right of the Association to take such steps as are reasonably necessary to protect the rights of the Unit Owners in the Common Elements against foreclosure.

(c) The right of the Association to make rules for and regulate the use of the airport.

(d) The right of the Association, to suspend the enjoyment rights (except rights of egress and ingress) of any Unit Owner for any period during which any Assessment remains unpaid, and for a period not exceeding thirty (30) days for any infraction of the Declaration, Bylaws or Rules, and to levy liquidated minimum damages in an amount not to exceed twice the monthly assessment for each offense for such infractions, as well as specific damages as may occur, all of which shall become Assessments.

(e) The right of the Association to charge reasonable fees for the use of the Common Elements, where such use shall involve additional expense to the Association and shall be different or unique from the use offered to other Unit Owners as a whole, or shall involve unique services or instructions, which fees shall be Assessments.

(f) The right of the Association to impose and grant easements over, under and across the Common Elements, for the purposes of fulfilling the general plan of development, providing ingress and egress, power, electricity, telephone, sewer, water, and other utility and lighting services, irrigation, drainage, television transmission facilities, security services and facilities, and other structures, services and devices in connection therewith, and the like, as the Association deems necessary and proper.

(g) The right of the Association to grant licenses and concessions for the use of the Common Elements, including licenses to non-Unit Owners.

(h) The right and duty of the Association to maintain, preserve and administer the Common Elements for the mutual benefit, health and safety of the Common Interest Community and each of its Owners, to such standards as set by the Association for the mutual benefit and safety of the Owners and the neighboring community.

ARTICLE XII

Additions, Alterations and Improvements

Section 12.1 - Additions, Alterations and Improvements by Unit Owners.

(a) No Unit Owner shall construct a structure, nor shall any Unit Owner make any structural addition, structural alteration, or structural improvement in or to the Common Interest Community without the prior written consent thereto of the Executive Board. A Unit Owner may not change the appearance of the Common Elements, or the exterior appearance of a Unit or any other portion of the Common Interest Community, without permission of the Association. The Standards for Architectural Control are contained in Exhibit "E" to the Declaration.

(b) A Unit Owner may submit a written request to the Executive Board for approval to do anything that he or she is forbidden to do under subsection (a) of this section. The Executive Board shall answer any written request for such approval, after Notice and Hearing, within forty-five (45) days after the request therefor. If, after such plans and specifications have been approved, the improvements are altered, erected or maintained otherwise than as approved by the Board, such alteration, erection and maintenance shall be deemed to have been undertaken without the approval of the Board having been obtained as required by the Declaration. The approval of the Board of any plans or specifications submitted for approval as herein specified shall not be deemed to be a waiver by the Board of its right to object to any of the features or elements embodied in such plans and specifications, if or when the same features or elements are embodied in any subsequent plans and specifications submitted for approval herein as provided for use on other Units. No member of the Board shall be liable to any person for his or her decisions or failure to act in making decisions as a member of said Board. Upon approval of the Board, it shall be conclusively presumed that the location and height of any improvement does not violate the provisions of this Declaration, subject to conditions contained within the approval notice.

(c) After a Unit Owner has obtained the written consent of the Executive Board for any addition, alteration or improvement to his or her Unit, the Unit Owner shall obtain any necessary governmental permits required for such addition, alteration or improvement and the cost of such permit(s) shall be paid by the Unit Owner. There will be no liability created on the part of the Association or any of its members, except for the Unit Owner

effecting such addition, alteration or improvement, to any contractor, sub-contractor or materialman on account of such addition, alteration or improvement or to any person having any claim for injury to person or damage to property arising therefrom.

(d) All additions, alterations and improvements to the Units and Common Elements shall not, except pursuant to prior approval by the Executive Board, cause any increase in the premiums of any insurance policies carried by the Association or by the owners of any Units other than those affected by such change.

(e) Any construction commenced without the written consent of the Executive Board will result in a penalty not to exceed $100.00 (One Hundred Dollars) per day against the Unit Owner violating the provisions of this Article, as assessed by resolution of the Executive Board.

Section 12.2 - Additions, Alterations and Improvements by Executive Board. The Executive Board may make any additions, alterations or improvements to the Common Elements which, in its judgment, it deems necessary.

ARTICLE XIII

Relocation of Boundaries Between Adjoining Units

Section 13.1 - Consent of Executive Board Required.

(a) No Unit Owner shall relocate the boundaries of adjoining Units within Anchor River Airpark without the prior written consent thereto of the Executive Board.

(b) A Unit Owner may request consent to the relocation of boundaries of adjoining Units, and the Executive Board shall respond to the request in the manner specified in Subsection 12.1(b).

Section 13.2 - Platting and Amendment. After approval by the Executive Board, a Unit Owner seeking to relocate the boundaries between adjoining Units must comply with all municipal requirements for replatting of lots and must comply with the amendment requirements of this declaration before the relocation of boundaries is effective. The amendment must be prepared and executed by the Association. The amendment must also be executed by the Unit Owners whose Unit boundaries are effected and by the Mortgagees of the Units involved. The amendment must include a revised Development Plan and a revised Table of Allocated

Interests. All expenses of the platting and amendment procedures must be borne entirely by the proponent(s) of the Unit boundary relocation.

Section 13.3 - Reallocation of Interests. The percentage share of common expense liability applicable to Units whose boundaries are relocated shall be amended on a pro rata basis so that the total common expense liability attributable to the Units involved in the boundary relocation is the same before and after the relocation. The purpose of this provision is to protect Unit Owners not involved in a boundary relocation from having to pay a higher percentage of the common expense liability. The formula for the proration of the percentage share of common expense liability to each Unit with relocated boundaries must be stated in the amendment, and Exhibit "B" to the Declaration, the Table of Allocated Interests, must be amended. Regardless of the size of the Unit created by a relocation of boundaries, the Unit shall have only one vote in the Association.

ARTICLE XIV

Amendments to Declaration

Section 14.1 - General. Except as otherwise provided by law or elsewhere in this Declaration, this Declaration, including the Exhibits hereto, may be amended only by vote or agreement of Unit Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated.

Section 14.2 - When Unanimous Consent Required. Except to the extent expressly permitted or required by provisions of the Act and this Declaration, an amendment may not increase the number of Units, change the number of Units, 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 Unit Owners in the Association.

Section 14.3 - Execution of Amendments. An amendment to the Declaration required by AS 34.08.250 of the Act to be recorded by the Association, which has been adopted in accordance with this Declaration and AS 34.08.250 of the Act, must be prepared, executed, recorded and certified on behalf of the Association by an officer of the Association designated for that purpose or, in the absence of such designation, by the President of the Association.

Section 14.4 - Recordation of Amendments. Each amendment to the Declaration must be recorded in the recording district in which

the Common Interest Community is located. The amendment is effective only upon recording.

Section 14.5 - Cost of Amendments. The proponent of any amendment will pay for the costs of preparation of the amendment and its recording, as well as the reasonable consultant fees incurred by the Association if the Executive Board deems it necessary to employ a consultant.

Section 14.6 - Consent of Holders of Security Interests. Amendments are subject to the consent requirements of Article XVII.

Section 14.7 - Special Declarant Rights. Provisions in the Declaration creating Special Declarant Rights may not be amended without the consent of the Declarant.

Section 14.8 - Amendments to Create Units. To exercise any Development Right reserved under Section 8.1(a) or (b) of this Declaration, the Declarant shall prepare, execute and record an amendment to the Declaration. The Declarant shall also record new Exhibits "B" and "C" 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 Interests among all Units. The amendment shall describe any Common Elements created thereby.

Section 14.9 - Limitation of Challenges. An action to challenge the validity of an amendment adopted by the Association pursuant to this Article may not be brought more than one (1) year after the amendment is recorded.

Section 14.10 - Amendments to Conform to Lender Guidelines. The Executive Board may, on behalf of the Association, without the approval of Unit Owners, amend the Declaration as necessary to conform to lender or guarantor guidelines or requirements.

ARTICLE XV

Amendments to Bylaws

The Bylaws may be amended only by vote of two-thirds (2/3) of the members of the Executive Board, following Notice and Comment to all Unit Owners, at any meeting duly called for such purpose.

ARTICLE XVI

Termination

Termination of the Common Interest Community may be accomplished only in accordance with Section 34.08.260 of the Act.

ARTICLE XVII

Mortgagee Protection

Section 17.1 - Introduction. This Article establishes certain standards and covenants which are for the benefit of the holders, insurers and guarantors of certain Security Interests. This Article is supplemental to, and not in substitution for, any other provisions of the Documents, but in the case of conflict, this Article shall control.

Section 17.2 - 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 Units then subject to Security Interests held by Eligible Mortgagees.

Section 17.3 - Notice of Actions. The Association shall give prompt written notice to each Eligible Mortgagee and Eligible Insurer of:

(a) Any condemnation loss or any casualty loss which affects the Common Elements, if such loss exceeds $10,000.00, or any damage to an improvement or a Unit on which there is a first Security Interest held, insured, or guaranteed by such Eligible Mortgagee or Eligible Insurer, as applicable, if such damage exceeds $10,000.00;

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

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

(d) Any proposed action which would require the consent of a specified percentage of Eligible Mortgagees as specified in Section 17.4(b) of this Article; and

(e) Any judgment rendered against the Association.

Section 17.4 - Consent Required.

(a) Document Changes. Notwithstanding any lower requirement permitted by the Declaration or the Act, no amendment of any material provision of the Documents by the Association or Unit Owners described in this Subsection 17.4(a) may be effective without approval in writing by at least fifty-one percent (51%) of the Eligible Mortgagees. A "material" provision includes, but is not limited to, any provision affecting:

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

(ii) Voting rights;

(iii) Reserves for maintenance, repair and replacement of Common Elements;

(iv) Responsibility for maintenance and repair;

(v) Reallocation of interests in the Common Elements;

(vi) Rights to use Common Elements;

(vii) Boundaries of Units;

(viii) Convertibility of Units into Common Elements or Common Elements into Units;

(ix) Expansion or contraction of the Common Interest Community, or the addition, annexation or withdrawal of property to or from the Common Interest Community;

(x) Insurance or fidelity bonds;

(xi) Leasing of Units;

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

(xiii) Establishment of self-management when professional management had been required previously by any Eligible Mortgagee;

(xiv) Restoration or repair of the project after hazard damage or partial condemnation in a manner other than that specified in the Documents;

(xv) Termination of the Common Interest Community after occurrence of substantial destruction or condemnation; and

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

(b) Actions. Notwithstanding any lower requirement permitted by the Declaration or the Act, the Association may not take any of the following actions without the approval of at least fifty-one percent (51%) of the Eligible Mortgagees:

(i) The establishment of self-management when professional management had been required previously by any Eligible Mortgagee;

(ii) The restoration or repair of the Property after hazard damage or partial condemnation in a manner other than that specified in the documents;

(iii) The merger of this Common Interest Community with any other Common Interest Community;

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

(v) The assignment of the future income of the Association, including its right to receive Common Expense assessments; or

(vi) Any action taken not to repair or replace the Property.

(c) Actions requiring other than 51% mortgagee approval. The following actions by the Association require the consent of Eligible Mortgagees as specified below:

(i) An eighty percent (80%) Eligible Mortgagee approval is required to convey or encumber the Common Elements or any portion thereof. (The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements by the Common Interest Community will not be deemed a transfer within the meaning of this clause);

(ii) A sixty-seven percent (67%) Eligible Mortgagee approval is required for the termination of the Common Interest Community for reasons other than substantial destruction or condemnation;

(iv) The Association may not change the period for collection of regularly budgeted common expense assessments to other than monthly without the unanimous (100%) consent of Eligible Mortgagees.

(d) Failure to Respond. The failure of an Eligible Mortgagee to respond within thirty (30) days to any written request of the Association for approval of an action or amendment to the Declaration shall constitute an implied approval of the action or amendment, provided that notice was delivered by certified or registered mail, with a "return receipt" requested.

Section 17.5 - 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 to inspect the books and records of the Association during normal business hours and, upon request, furnish such Eligible Mortgagees or Eligible Insurers annual reports and other financial data.

Section 17.6 - 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.

Section 17.7 - 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.

Section 17.8 - Attendance at Meetings. Any representative of an Eligible Mortgagee or Eligible Insurer may attend any meeting which a Unit Owner may attend.

Section 17.9 - Appointment of Trustee. In the event of damage or destruction within the Common Interest Community or condemnation of all or a portion of the Common Interest Community, any Eligible Mortgagee may require that insurance or condemnation proceeds be payable to a Trustee. Such Trustee may be required to be a corporate trustee licensed by the State of Alaska. Proceeds will thereafter be distributed pursuant to Article XXII or pursuant to a condemnation award. Unless otherwise required, the members of the Executive Board acting by majority vote through the President may act as Trustee.

Section 17.10 - Priority on Insurance and Condemnation Proceeds. No provision of the Documents of the Association shall be deemed to give priority to an Owner or any other party over any rights of an Eligible Mortgagee pursuant to the terms of its Security Instrument in the case of distribution of insurance proceeds or condemnation proceeds, whether such proceeds pertain to a Unit or Common Elements.

Section 17.11 - Development Rights. No Development Rights may be exercised or voluntarily abandoned or terminated by the Declarant unless all persons holding Security Interests in the Development Rights consent to the exercise, abandonment, or termination. No Development Rights may be exercised later than seven (7) years after the date of recording of this Declaration, unless fifty-one percent (51%) of the Eligible Mortgagees consent to the exercise of the Development Right.

Section 17.12 - Right to Reimbursement. Eligible mortgagees of Units in ANCHOR RIVER AIRPARK may, jointly or singly, pay taxes or other charges, which are in default and which may or have become a charge against any Common Element owned by the Association and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the Common Elements. Eligible Mortgagees making such payments shall be owed immediate reimbursement from the Association.

ARTICLE XVIII

Assessment and Collection of Common Expenses

Section 18.1 - Apportionment of Common Expenses. Except as provided in Section 18.2, all Common Expenses shall be assessed against all Units in accordance with their percentage share of the Common Expense liability established in Article IX of this Declaration.

Section 18.2 - Common Expenses Attributable to Fewer than all Units.

(a) Any Common Expense for services provided by the Association to an individual Unit at the request of the Unit Owner shall be assessed against the Unit which benefits from such service.

(b) Any insurance premium increase attributable to a particular Unit by virtue of activities in or construction on the Unit shall be assessed against that Unit.

(c) An assessment to pay a judgment against the Association may be made only against the Units in the Common Interest Community at the time the judgment was entered, in proportion to their Common Expense liabilities.

(d) If a Common Expense is caused by the misconduct or failure to act of a Unit Owner, the Association may assess that expense exclusively against the Unit.

(e) Fees, charges, late charges, fines, collection costs, and interest charged against a Unit Owner pursuant to the Documents and the Act are enforceable as Common Expense assessments.

Section 18.3 - Lien.

(a) The Association has a lien on a Unit for an assessment levied against the Unit or fines imposed against its Unit Owner from the time the assessment or fines become due. Fees, charges, late charges, fines and interest charged pursuant to the Act, as it may be amended from time to time, and any of the Association's Documents, are enforceable as assessments under this Section. If an assessment is payable in installments, the full amount of the assessment is a lien from the time the first installment thereof becomes due.

(b) A lien under this Section is prior to all other liens and encumbrances on a Unit except: (1) a lien or encumbrance recorded before the recordation of this Declaration; (2) a first security interest on the Unit recorded before the date on which the assessment sought to be enforced became delinquent; and, (3) liens for real estate taxes and other governmental assessments or charges against the Unit. A lien under this Section is also prior to all security interests described in Subdivision (2) of this Subsection if the Common Expense assessment based on the periodic budget adopted by the Association, pursuant to Section 18.4 of this Article, would have become due in the absence of acceleration during the six (6) months immediately preceding the institution of an action to enforce the Association's lien. This does not affect the priority of mechanics' or materialmen's liens, or the priority of a lien for other assessments made by the Association. A lien under this Section is not subject to the provisions of AS 09.38.010, as it may be amended from time to time.

(c) Recording of the Declaration constitutes record notice and perfection of the lien. Further recording of a claim of lien for assessments under this Section is not required.

(d) A lien for unpaid assessments is extinguished unless proceedings to enforce the lien are instituted within three (3) years after the full amount of the assessment becomes due; provided, that if an Owner of a Unit subject to a lien under this Section files a petition for relief under the U.S. Bankruptcy Code, the period of time for instituting proceedings to enforce the Association's lien shall be tolled until thirty (30) days after the automatic stay of proceedings under § 362 of the U.S. Bankruptcy Code is lifted.

(e) This Section does not prohibit an action to recover sums for which Subparagraph (a) of this Section creates a lien or foreclosure or prohibit an Association from taking a deed in lieu of foreclosure.

(f) When the Association acquires a judgment or decree in any action brought under this Section, such judgment or decree shall include an award to the Association for actual collection costs and reasonable attorney's fees.

(g) A judgment or decree in an action brought under this Section is enforceable by execution under AS 09.35.010, as it may be amended from time to time.

(h) The Association's lien must be foreclosed as a lien is foreclosed under AS 34.35.005, as it may be amended from time to time.

(i) In any action by the Association to collect assessments or to foreclose a lien for unpaid assessments, the court may appoint a receiver of the Unit Owner to collect all sums alleged to be due from that Unit Owner prior to or during the pendency of the action. The court may order the receiver to pay any sums held by the receiver to the Association during the pendency of the action to the extent of the Association's Common Expense assessments based on a periodic budget adopted by the Association pursuant to Section 18.4 of this Article.

(j) The purchaser at a foreclosure sale initiated by the holder of a security interest in a Unit is not liable for any unpaid assessments against the Unit which became due before the sale, other than the assessments which are prior to that security interest under Subsection 18.3(b) above. Any unpaid assessments not satisfied from the proceeds of sale become common expenses for which all the Unit Owners, including the purchaser, may be assessed. For the purposes of this paragraph "the purchaser" shall include, but not be limited to, any holder of a security interest in a Unit which obtains title to a Unit.

(k) Any payments received by the Association to discharge a Unit Owner's obligation may be applied to the oldest balance due.

(l) The Association may acquire, hold, lease, mortgage and convey a Unit foreclosed upon pursuant to this Section for unpaid assessments.

(m) A lien under this Section shall not be affected by any sale or transfer of a Unit except as provided in Subsection (j) above.

Section 18.4 - Budget Adoption and Ratification. Within thirty (30) days after adoption of a proposed budget for the Common Interest Community, the Executive Board shall provide a summary of the budget 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) or more than thirty (30) days after mailing of the summary. Unless at that meeting a majority of all Unit Owners reject the budget, the budget is ratified, whether or not a quorum is present. 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 18.5 - Non-budgeted Common Expense Assessments. If the Executive Board votes to levy a Common Expense assessment not included in the current budget, other than one enumerated in Section 18.2 of this Article, the Executive Board shall submit such Common Expenses to the Unit Owners for their consideration and comment in the same manner as a budget under Section 18.4 above.

Section 18.6 - Commencement of Common Expense Assessments. Common Expense Assessments shall begin on the first day of the month in which conveyance of the first Unit to a Unit Owner other than the Declarant occurs.

Section 18.7 - Certificate of Payment of Common Expense Assessments. The Association, upon written request, shall furnish to a Unit Owner a statement in recordable form setting out the amount of unpaid assessments against his or her Unit. The statement must be furnished within ten (10) business days after receipt of the request and is binding upon the Association, the Executive Board and each Unit Owner.

Section 18.8 - Monthly Payment of Common Expenses. All Common Expenses assessed under this Article XVIII shall be due and payable on the first day of each and every month.

Section 18.9 - Acceleration of Common Expense Assessments. In the event of default for a period of ten (10) days by any Unit Owner in the payment of any Common Expense assessment levied against his or her Unit, the Executive Board shall have the right, after Notice and Hearing, to declare all unpaid assessments for the pertinent fiscal year to be immediately due and payable. The holder of a first Security Interest in a Unit which has acquired title to any Unit as a result of a foreclosure of its Security Interest shall be exempt from the application of this Subsection.

Section 18.10 - 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 Elements or by abandonment of the Unit against which the assessments are made.

Section 18.11 - 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 in writing. Such agreement shall be provided to the Association.

ARTICLE XIX

Right to Assign Future Income

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 and subject to Article XVII hereof with regard to obtaining mortgagees' consent.

ARTICLE XX

Persons and Units Subject to Documents

Section 20.1 - Compliance with Documents. All Unit Owners, tenants, mortgagees and occupants of Units shall comply with the Documents, including the Book of Resolutions, as it may be amended from time to time. The acceptance of a deed or the exercise of any incident of ownership or the entering into of a lease or the entering into occupancy of a Unit constitutes agreement that the provisions of the Documents are accepted and ratified by such Unit Owner, tenant, mortgagee or occupant, and all such provisions recorded in the records of the Homer Recording District, Third Judicial District, State of Alaska, are covenants running with the land and shall bind any persons having at any time any interest in such Unit.

Section 20.2 - Adoption of Rules. After Notice and Comment the Executive Board may adopt Rules (Resolutions) regarding the use of the Common Elements and the occupancy of Units, and the activities of occupants as they affect the Common Elements and the unity and harmony of the project.

ARTICLE XXI

Insurance

Section 21.1 - Coverage. To the extent reasonably available, the Executive Board shall obtain and maintain insurance coverage as set forth in this Article. If such insurance is not reasonably available, and the Executive Board determines that any insurance described herein will not be maintained, the Executive Board shall cause notice of that fact to be hand-delivered or sent prepaid by United States mail to all Unit Owners and Eligible Mortgagees at their respective last known addresses.

Section 21.2 - Property Insurance.

(a) The insurance maintained under this Section shall cover the personal property of the Association.

(b) The Association shall maintain property insurance on the Common Elements insuring against all risks of direct physical loss commonly insured against. The total amount of insurance after application of any deductibles shall be not less than one hundred percent (100%) of the actual cash value of the insured property at the time the insurance is purchased, and at each renewal date, exclusive of land, excavations, foundations and other items normally excluded from property policies. The Association shall maintain insurance in an amount equal to the actual cash value of personal property owned by the Association. Prior to obtaining any insurance on Common Elements under this section, and at least annually thereafter, the Executive Board shall take reasonable steps satisfactory to the insurance company to determine the replacement cost of the Common Elements or obtain an agreed amount endorsement. The maximum deductible for insurance policies shall be the lesser of $10,000.00 or one percent (1%) of the policy face amount, whichever is less.

(c) Other Provisions. Insurance policies required by this Section shall provide that:

(i) The insurer waives the right to subrogation under the policy against a Unit Owner or member of the household of a Unit Owner;

(ii) 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;

(iii) 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;

(iv) Loss must be adjusted with the Association;

(v) Insurance proceeds shall be paid to any insurance trustee designated in the policy for that purpose, and in the absence of such designation, to the Association, in either case to be held in trust for each Unit Owner and such Unit Owner's mortgagee;

(vi) 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; and

(vii) The name of the insured shall be substantially as follows:

"ANCHOR RIVER AIRPARK OWNERS ASSOCIATION, for the use and benefit of the individual Owners."

Section 21.3 - Liability Insurance. Liability insurance, including medical payments insurance, in an amount determined by the Executive Board but in no event less than $1,000,000, covering all occurrences commonly insured against (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.

(a) Other Provisions. Insurance policies carried pursuant to this Section shall provide that:

(i) 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;

(ii) The insurer waives the right to subrogation under the policy against a Unit Owner or member of the household of a Unit Owner;

(iii) 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;

(iv) 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 policy of the Association provides primary insurance; and

(v) The insurer issuing the policy may not cancel or refuse to renew it 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 last known addresses.

Section 21.4 - Fidelity Bonds. A blanket fidelity bond is required for anyone who either handles or is responsible for funds held or administered by the Association, whether or not they receive compensation for their services. The bond shall name the Association as obligee and shall cover the maximum funds that will be in the custody of the Association or the manager at any time while the bond is in force, and in no event less than the sum of three (3) months' assessments plus reserve funds. The bond shall include a provision that calls for ten (10) days' written notice to the Association, to each holder of a Security Interest in a Unit, to each servicer that services a FNMA-owned, VA-owned, FHLMC-owned, or AHFC-owned mortgage on a Unit and to the insurance trustee, if any, before the bond can be canceled or substantially modified for any reason.

Section 21.5 - 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.

Section 21.6 - Workers' Compensation Insurance. The Board of Directors shall obtain and maintain Workers' Compensation Insurance to meet the requirements of the laws of the State of Alaska.

Section 21.7 - Directors' and Officers' Liability Insurance. The Executive Board 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 21.8 - Other Insurance. The Association may carry other insurance which the Executive Board considers appropriate to protect the Association or the Unit Owners.

Section 21.9 - Premiums. Insurance premiums shall be a Common Expense.

ARTICLE XXII

Damage To Or Destruction Of Property

Section 22.1 - 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 (80%) of the Unit Owners, including each Unit Owner of a Unit that will not be rebuilt, vote not to rebuild.

Section 22.2 - Cost. The cost of repair or replacement of the Common Elements in excess of insurance proceeds and reserves is a Common Expense.

Section 22.3 - 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, a majority of Unit Owners and fifty-one percent (51%) of Eligible Mortgagees.

Section 22.4 - Insurance Proceeds.

(a) 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.

(b) The insurance trustee, or if there is no insurance trustee, then the Executive Board of the Association, acting by the President, shall hold any insurance proceeds in trust for the Association, Unit Owners and lien holders as their interests may appear. Subject to the provisions of Section 22.1, the 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.

Section 22.5 - Certificates by the Executive Board. The Trustee, if any, may rely on the following certifications in writing made by the Executive Board:

(a) Whether or not damaged or destroyed Property is to be repaired or restored; and

(b) The amount or amounts to be paid for repairs or restoration and the names and addresses of the parties to whom such amounts are to be paid.

Section 22.6 - Certificates by Attorneys or Title Reports. Title insurance companies or, if payments are to be made to Unit Owners or mortgagees, the Executive Board, and the Trustee, if any, shall obtain and may rely on a title insurance company's or an attorney's certificate of title or a title insurance policy based on a search of the records of the District Recorder's Office, Homer Recording District, Third Judicial District, State of Alaska, from the date of the recording of the original above-described Declaration stating the names of the Unit Owners and the mortgagees.

ARTICLE XXIII

Rights to Notice and Comment; Notice And Hearing

Section 23.1 - Right to Notice and Comment. Before the Executive Board amends the Bylaws or the Rules, whenever the Documents require that an action be taken after "Notice and Comment", and at any other time the Executive Board determines, the Unit Owners have the right to notice of the proposed action and the right to comment orally or in writing. Notice of the proposed action shall be given to each Unit Owner in writing and shall be delivered personally or by mail to all Unit Owners at such address as appears in the records of the Association, or published in a newsletter or similar publication which is routinely circulated to all Unit Owners. The notice shall be given not less than five (5) days before the proposed action is to be taken. It shall invite comment to the Executive Board orally or in writing before the scheduled time of the meeting. The right to Notice and Comment does not entitle a Unit Owner to be heard at a formally constituted meeting.

Section 23.2 - Right to Notice and Hearing. Whenever the Documents require that an action be taken after "Notice and Hearing", the following procedure shall be observed: The party proposing to take the action (e.g., the Executive Board a committee, an officer, the manager, etc.) shall give written notice of the proposed action to all Unit Owners or occupants of Units whose interests would be significantly affected by the proposed action. The notice shall include a general statement of the proposed action and the date, time and place of the hearing. The notice shall be given not less than five (5) days before the hearing date. At the hearing, the affected person shall have the

right, personally or by a representative, to give testimony orally, in writing or both (as specified in the notice), subject to reasonable rules of procedure established by the party conducting the meeting to assure a prompt and orderly resolution of the issues. Such evidence shall be considered in making the decision but shall not bind the decision makers. The affected person shall be notified of the decision in the same manner in which notice of the meeting was given.

Section 23.3 - Appeals. Any person having a right to Notice and Hearing shall have the right to appeal to the Executive Board from a decision of persons other than the Executive Board by filing a written notice of appeal with the Executive Board within ten (10) days after being notified of the decision. The Executive Board shall conduct a hearing within thirty (30) days, giving the same notice and observing the same procedures as were required for the original meeting.

ARTICLE XXIV

Executive Board

Section 24.1 - Association Records and Minutes of Executive Board Meetings. The Executive Board shall permit any Unit Owner, or holder, insurer or guarantor of first mortgages secured by Units, to inspect the records of the Association and the minutes of Executive Board and committee meetings during normal business hours. The minutes shall be available for inspection within fifteen (15) days after any such meeting.

Section 24.2 - Powers and Duties. The Executive Board may act in all instances on behalf of the Association, except as provided in this Declaration, the Bylaws or the Act. The Executive Board shall have, subject to the limitations contained in this Declaration and the Act, the powers and duties necessary for the administration of the affairs of the Association and of the Common Interest Community which shall include, but not be limited to, the following:

(a) Adopt and amend Bylaws, Rules and regulations;

(b) Adopt and amend budgets for revenues, expenditures and reserves;

(c) Collect assessments for Common Expenses from Unit Owners;

(d) Hire and discharge managing agents;

(e) Hire and discharge independent contractors, employees and agents, other than managing agents;

(f) Institute, defend or intervene in litigation or administrative proceedings or seek injunctive relief for violation of the Association's Declaration, Bylaws or Rules in the Association's name on behalf of the Association or two (2) or more Unit Owners on matters affecting the Common Interest Community;

(g) Make contracts and incur liabilities;

(h) Regulate the use, maintenance, repair, replacement and modification of the Common Elements;

(i) Cause additional improvements to be made as part of the Common Elements;

(j) Acquire, hold, encumber and convey in the Association's name any right, title or interest to real property or personal property, but Common Elements may be conveyed or subjected to a Security Interest only pursuant to Section 34.08.430 of the Act;

(k) Grant easements for any period of time, including permanent easements, and leases, licenses and concessions for no more than one (1) year, through or over the Common Elements;

(l) Impose and receive a payment, fee or charge for the use, rental or operation of the Common Elements, and for services provided to Unit Owners;

(m) Impose a reasonable charge for late payment of assessments and, after Notice and Hearing, levy reasonable fines for violations of this Declaration, Bylaws, Rules and Regulations of the Association;

(n) Impose a reasonable charge for the preparation and recordation of amendments to this Declaration, resale certificates required by Section 34.08.590 of the Act, or a statement of unpaid assessments;

(o) Provide for the indemnification of the Association's officers and Executive Board and maintain Directors' and Officers' liability insurance;

(p) Assign the Association's right to future income, including the right to receive Common Expense assessments;

(q) Exercise any other powers conferred by this Declaration or the Bylaws;

(r) Exercise any other power that may be exercised in this state by legal entities of the same type as the Association;

(s) Exercise any other power necessary and proper for the governance and operation of the Association; and

(t) By resolution, establish committees of Directors, permanent and standing, to perform any of the above functions under specifically delegated administrative standards, as designated in the resolution establishing the committee. All committees must maintain and publish notice of their actions to Unit Owners and the Board of Directors. However, actions taken by a committee may be appealed to the Board of Directors by any Unit Owner within forty-five (45) days of publication of such notice, and such committee action must be ratified, modified or rejected by the Board of Directors at its next regular meeting.

Section 24.3 - Executive Board Limitations. The Executive Board may not act on behalf of the Association to amend this Declaration, except in accordance with Article XIV above, to terminate the Common Interest Community or to elect members of the Executive Board or determine the qualifications, powers and duties, or terms of office of Executive Board members, but the Executive Board may fill vacancies in its membership for the unexpired portion of the term.

ARTICLE XXV

Open Meetings

Section 25.1 - Access. All meetings of the Executive Board, at which action is to be taken by vote at such meeting will be open to the Unit Owners, except as provided in Section 25.3 below.

Section 25.2 - Notice. Notice of every such meeting will be given not less than twenty-four (24) hours prior to the time set for such meeting, by mailing such notice to each Unit Owner and/or posting such notice in a conspicuous location in the Common Interest Community, except that such notice will not be required if an emergency situation requires that the meeting be held without delay.

Section 25.3 - Executive Sessions. Meetings of the Executive Board may be held in executive session, without giving notice and without the requirement that they be open to Unit Owners in either

of the following situations: (a) if no action is taken at the executive session requiring the affirmative vote of Directors, or (b) if the action taken at the executive session involves personnel, pending litigation, contract negotiations, or enforcement actions, matters involving the invasion of privacy of individual unit owners, matters which are to remain confidential by request of the affected parties and agreement of the Executive Board, or action taken by unanimous consent of the Executive Board.

ARTICLE XXVI

Condemnation

If part or all of the Common Interest Community is taken by any power having the authority of eminent domain, all compensation and damages for and on account of the taking shall be payable in accordance with Section 34.08.740 of the Act.

ARTICLE XXVII

Miscellaneous

Section 27.1 - Captions. The captions contained in the Documents are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of the Documents nor the intent of any provision thereof.

Section 27.2 - Gender. The use of the masculine gender refers to the feminine and neuter genders and the use of the singular includes the plural, and vice versa, whenever the context of the Documents so requires.

Section 27.3 - Waiver. No provision contained in the Documents is abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

Section 27.4 - Invalidity. The invalidity of any provision of the Documents 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 Documents shall continue in full force and effect.

Section 27.5 - Conflict. The Documents are intended to comply with the requirements of the Act and Chapter 10.20 of the Alaska Statutes (Non-Profit Corporation Law). In the event of any conflict between the Documents and the provisions of the statutes, the provisions of the statutes shall control. In the event of any

EXHIBIT "A"

to

D E C L A R A T I O N

for

ANCHOR RIVER AIRPARK

Easements and/or Licences

1. Reservations and exceptions contained in the U.S. Patent.

2. Easements and dedications contained on Plat No. 94-23.

3. Easement for electric lines or system together with the right to enter, maintain, repair and clear shrubbery:

Recorded	: October 20, 1959, August 13, 1963 and April 19, 1979.
Volume/Page	: 18/101, 30/46 and 106/422.
Granted to	: Homer Electric Association, Inc.
Affects	: General easement, no definite location disclosed.

EXHIBIT "B"

to

DECLARATION

for

ANCHOR RIVER AIRPARK

Table of Allocated Interests

Unit No.	Percentage Share of Common Expense Liability	Votes In Association
Lot 1	5.55%	1
Lot 2	5.55%	1
Lot 3	5.55%	1
Lot 4	5.55%	1
Lot 5	5.55%	1
Lot 6	5.55%	1
Lot 7	5.55%	1
Lot 8	5.55%	1
Lot 9	5.55%	1
Lot 10	5.55%	1
Lot 11	5.55%	1
Lot 12		
Lot 34	5.55%	1
Lot 35	5.55%	1
Lot 36	5.55%	1
Lot 37	5.55%	1
Lot 38	5.55%	1
Lot 39	5.55%	1

EXHIBIT "C"

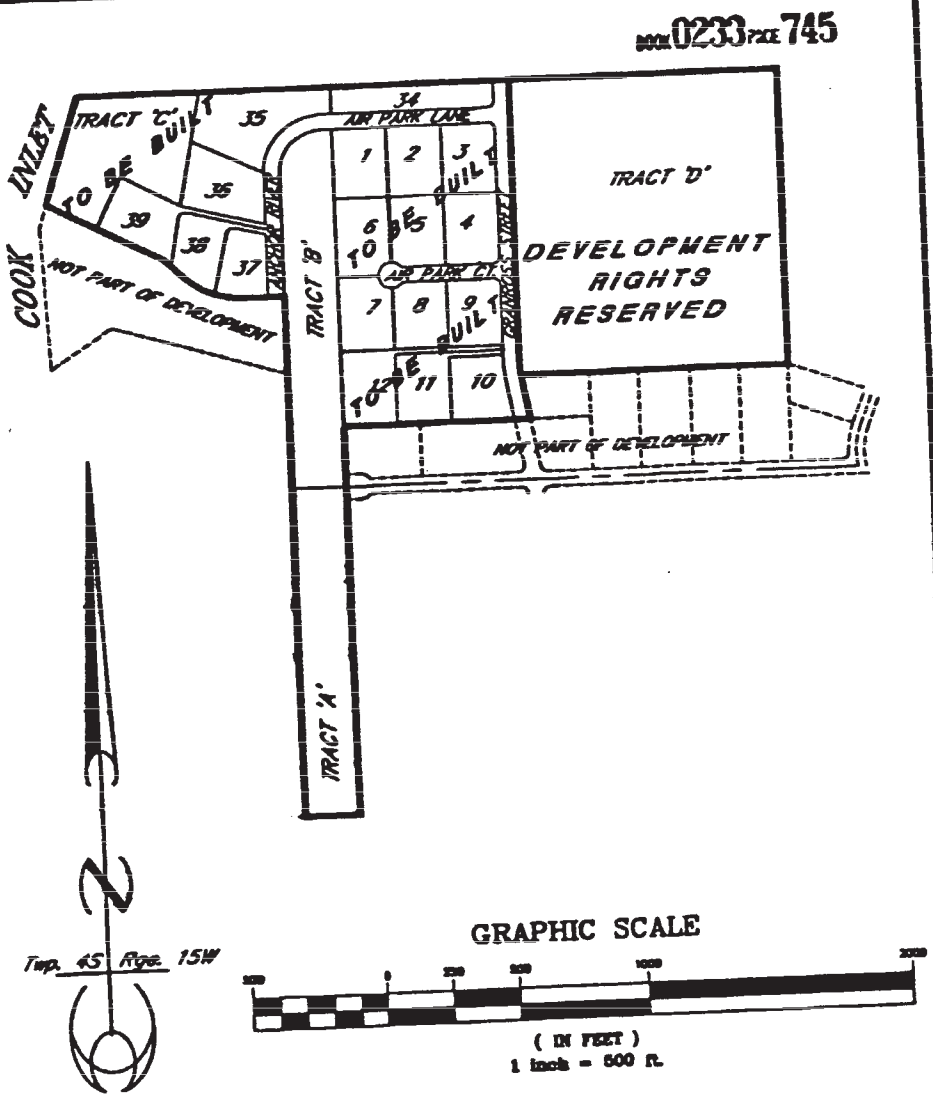
to

D E C L A R A T I O N

for

ANCHOR RIVER AIRPARK

Development Plan



ANCHOR RIVER AIRPARK DEVELOPMENT PLAN

EXHIBIT D

to

DECLARATION
for

ANCHOR RIVER AIRPARK

OCCUPANCY RESTRICTIONS

1. Sight Distance: No fence, wall, hedge or shrub planting which restricts sight lines to the extent of presenting a traffic hazard or obstruction shall be erected or maintained.

2. Screening: All utility areas, trash containers, machinery, equipment, service yards, wood piles, storage areas and other unsightly items shall be screened by sight-obscuring fences, earthen berms or screens so as to conceal them from the view of adjacent streets and lots and neighboring residents.

3. Temporary Structures: No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any lot at any time as a permanent residence. Commercially constructed travel trailers and motor homes may be used for summer camping but may not be used as a permanent residence. A temporary trailer or building may be used as a residence during construction of a permanent residence for a period not to exceed one year. No structure of the following type may be constructed or placed on any lot at any time: quonset huts, janeways, wannigans, trailers or surplus government buildings. Non-commercial greenhouses and storage structures shall be permitted so long as they are approved by the Executive Board and blend in with the surrounding environment.

4. Vehicles: No vehicles or equipment shall be parked or placed on or adjacent to the roadway for more than twenty-four (24) hours. No vehicle or equipment owned by a resident or owner shall be placed on a public street within the subdivision for more than forty-eight (48) cumulative hours in any week.

Except for Declarant during the period of declarant's special declarant rights, or the Association for road or airport maintenance, no Unit Owner shall permit large commercial vehicles, vans, trucks or like equipment, to be parked, placed or used on any lot or street in any manner which creates a nuisance or unsightly

condition. Should any Unit Owner fail to remove such vehicle within two (2) days following the date on which notice is mailed to him by the Declarant or the Association informing him of a violation of this provision, the Declarant or the Association may have such vehicle removed and charge the expense of removal to said owner. A vehicle shall be deemed to create a nuisance when, in the opinion of the Executive Board, its presence offends the reasonable sensibilities of the occupants of the neighborhood.

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, a nuisance, or cause unreasonable embarrassment, disturbance or annoyance to other owners in the enjoyment of their lots. Repair or restoration of any motor vehicle, boat, trailer, aircraft or other vehicle shall be considered a nuisance unless the activity is conducted in a properly enclosed or screened area.

6. Pet Regulations: No animals, livestock, or poultry shall be kept on any lot, except that domestic dogs, cats, fish, and birds inside bird cages may be kept as household pets provided they are not kept, bred, or raised therein for commercial purposes on in unreasonable quantities. No more than two (2) dogs may be maintained on any lot. No vicious dog shall be kept on any lot.

7. Rubbish: Trash, garbage, or other waste shall be disposed of only by depositing same into designated trash containers. All trash containers must be screened. No lot shall be used or maintained as a dumping ground for rubbish. All equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition. There shall be no exterior fires whatsoever, except barbecue fires contained within receptacles therefor.

8. Signs:

a. No signs shall be erected or maintained on any residential lot, except that not more than one approved FOR SALE or FOR RENT sign placed by the owner or a licensed real estate broker, not exceeding eighteen inches (18") in width and thirty-six inches (36") in height, not including any post used to hang the sign, may be displayed on any lot. No signs are to be posted by owners until such signs have been approved as to design and appearance by the Executive Board.

b. Notwithstanding the above paragraph, a permanent entrance sign may be placed on the property by Declarant or the Association. Nothing in this section shall impair the Declarant's reserved rights with regard to signs.

9. Maintenance and Installation: Every Owner shall:

a. Maintain the dwelling, as well as any decks, outbuildings, fences, and other site improvements, in good condition and repair; and

b. Maintain the exterior surfaces of all dwellings, accessory structures, and other site improvements in a workmanlike manner, using proper methods, materials and standards.

10. Outside Installations: No outside radio pole or antenna, television antenna, satellite dish, or other similar installation of any nature may be installed on the exterior of a building, the roof of a building, or ground mounted unless specifically approved by the Executive Board.

11. Oil and Mining Operations: No oil or gas drilling, no oil or gas development operations, oil or gas refining, quarrying or mining operations, of any kind shall be permitted on any lot, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted on any lot. No surface entry will be permitted and no extraction of minerals will be permitted from a lot.

12. Easement: Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat. Within these easements, no structure, planting, or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements. The easement area on each lot and all improvements in it shall be maintained continuously by the Owner of the lot, except for those improvements for which a public authority or utility company is responsible.

13. Subdivision: A Unit may not be subdivided into smaller Units.

EXHIBIT E

to

DECLARATION
for

ANCHOR RIVER AIRPARK

STANDARDS FOR ARCHITECTURAL CONTROL

1. Permitted Structures: No building or structure shall be erected, altered, placed or permitted to remain on any lot other than:

a. One (1) detached single-family dwelling, not to exceed two (2) stories in height from the average elevation of the building site.

b. Garages.

c. Fences, gates and associated structures.

d. A greenhouse.

e. A garden tool shed, children's playhouse or like structure.

f. A doghouse and/or pen.

g. Any other accessory building, shed, structure, statuary antenna or other item permitted by the Executive Board.

None of the items listed above may be constructed, installed, placed or made without the express written approval of the Executive Board as provided in Article XII of the Declaration.

2. Dwelling Size and Completion: The total area of the dwelling unit, exclusive of decks, porches and garages shall not be less than nine hundred (900) square feet unless the Executive Board expressly waives the size requirement. Said waiver will be granted only if the proposal substantially conforms with the letter and intent of these standards for architectural control and the finished appearance contributes to the appearance of the entire neighborhood. Every dwelling or outbuilding shall be finished on the exterior within one (1) year of the date construction begins.

3. Placement of Structures, Setbacks and Siting: The location of any and all man-made structures is subject to the approval of the Executive Board. No dwelling, deck, porch, roof overhang or other portion of any structure may encroach into the yard areas specifed below or any more restrictive setback requirements that may be contained in the Kenai Peninsula Borough Code, as amended from time to time, or on the Anchor River Air Park plat, as it may be amended.

Front yard:	25 feet
Side yard:	10 feet
Rear yard:	10 feet

In addition, structures constructed on Lots 1, 6, 7, and 12 must be set back at least 25 ft. from the boundary with Tract B. Under no circumstance shall two houses be closer than 10 feet together. The Executive Board may require additional front yard setbacks.

4. Design and Materials Standards: The Declarant wishes to permit flexibility with regard to the design and materials to be used in structures, fences and driveways. Along with a site plan specifying dimension and placement of improvements on the lot, a Unit owner shall submit to the Executive Board a description of the proposed external finish of all dwellings and outbuildings and the proposed materials for fences and driveways. The Executive Board shall review a Unit Owners submission for harmony and compatibility with improvements on adjacent lots and in the planned community as a whole. The Executive Board may choose to issue design and materials guidelines to assist Unit Owners in preparing their submissions.

conflict between this Declaration and any other Document, this Declaration shall control.

Section 27.6 - Rights of Action. The Association and any aggrieved Unit Owner shall have a right of action against Unit Owners for failure to comply with the provisions of the Documents, or with decisions of the Association which are made pursuant to the Documents. Unit Owners shall also have such rights of action against the Association.

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed this 1st day of June, 1994.

DECLARANT: JACOBS KYLLONEN JOINT VENTURE

BOLES & JACOBS INC

By _____
JIM JACOBS, President

ANCHOR LAND CORP

_____
JIM JACOBS, President
P.O. Box 49, Anchor Point, Alaska 99556

_____
H.V. KYLLONEN
P.O. Box 49, Anchor Point, Alaska 99556

STATE OF ALASKA)
) ss
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this 1st day of June, 1994, before me the undersigned Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared JIM JACOBS, to me known, and known to me to be the person who signed the foregoing instrument, and he acknowledged to me that he signed the same for the uses and purposes therein expressed.

WITNESS my hand and official seal on the day and year in this certificate first above written.

_____
Notary Public in and for Alaska
My commission expires: 7-30-94

STATE OF ALASKA)
) ss
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this 1st day of June, 1994, before me the undersigned Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared H.V. KYLLONEN, to me known, and known to me to be the person who signed the foregoing instrument, and he acknowledged to me that he signed the same for the uses and purposes therein expressed.

WITNESS my hand and official seal on the day and year in this certificate first above written.

Notary Public in and for Alaska
My commission expires: 7-30-94

STATE OF ALASKA)
) ss:
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this 1st day of June, 1994, by JIM JACOBS, President of ANCHOR LAND CORP and JIM JACOBS, Preident of BOLES & JACOBS INC.

Notary Public in and for Alaska
My commission expires 7-30-94

RETURN TO:
Jacobs, Kyllonen Joint Venture
P.O. Box 49
Anchor Point AK 99556

94-2004

HOMER REC DISTRICT
REQUESTED BY KBT

'94 JUN 1 PM 3 14

40

IN THE HOMER RECORDING DISTRICT

DECLARANT'S AMENDMENT TO ADD PHASE II

TO THE DECLARATION FOR

ANCHOR RIVER AIRPARK
(A Planned Community)

On June 1, 1994, Declarant, JACOBS, KYLLONEN JOINT VENTURE, recorded the Declaration for Anchor River Airpark (A Planned Community) in Book 233, Page 698, records of the Homer Recording District, Third Judicial District, State of Alaska. The Declaration applied to property described as:

> Lots One (1) through Twelve (12), Lots Thirty-four (34) through Thirty-nine (39), and Tracts A, B, C, and D, ANCHOR RIVER AIR PARK, according to Plat No. 94-23, records of the Homer Recording District, Third Judicial District, State of Alaska.

Phase I of Anchor River Airpark has been completed. The purpose of this amendment is to add the 20 Phase II Units to Anchor River Airpark and to make necessary amendments to the Declaration to provide for operation of the Community Septic System to serve the Units in Phase II.

SECTION 1. By this amendment, pursuant to Declarant's reserved rights under Article VIII of the Declaration, Declarant adds to Anchor River Airpark and the Anchor River Airpark Owners Association twenty Units described as follows:

> Lots Thirteen (13) through Thirty-two (32), ANCHOR RIVER AIR PARK, according to Plat No. 94-47, records of the Homer Recording District, Third Judicial District, State of Alaska.

SECTION 2. Attached to this amendment are amended Exhibits "B" and "C", the Table of Allocated Interests and the Development Plan, respectively.

SECTION 3. Article I, the Definitions article of the Declaration, is hereby amended to add a new definition numbered Section 1.32 to read as follows:

> Section 1.32. - Community Septic System. The system of pipes, tanks, and drainfields that provides for the disposal of septic effluent from Lots 13-32, Anchor River Airpark.

SECTION 4. Article VII, the Maintenance, Repair and Replacement article of the Declaration, is hereby amended to add a new Section 7.6 to read as follows:

Section 7.6 - Community Septic System. The Association owns and operates a Community Septic System that serves Lots 13-32. In accordance with lender requirements, and specifically HUD Handbook 4075.12, Central Water and Sewer Systems, for so long as Units are attached to Community Septic System, the Association assumes the responsibility for and guarantees the continuous service of the Community Septic System to Lots 13-32 at a reasonable service rate. The Community Septic System shall not be leased to any other entity for operation of the system. Assessments based on the cost of operating the Community Septic System shall be disbursed only in payment for expenses of this system. Any local, state or federal approvals required to be provided for operation of the system will be so provided and paid for by the Association. Any individual need for septic system certification shall be the sole responsibility of the requesting Unit Owner. Association expenses related to operation of the septic system are a Common Expense to be paid for equally by the Unit Owners of Lots 13-32.

SECTION 5. Article XVIII, the Assessment and Collection of Common Expenses article of the Declaration, is hereby amended by the addition of a new Section 18.12 to read as follows:

SECTION 18.12 - Nonpayment of Septic System Assessments. The Association may suspend service of the Community Septic System to any Unit for nonpayment of assessments for the Community Septic System for the period of time those assessments remain unpaid, however, septic system service shall be promptly restored whn payment of the assessment is made.

All other provisions of the Declaration not expressly amended hereby remain in full force and effect, unless amendment must be implied to obtain consistency with the Amendment.

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed this 12 day of December, 1994.

DECLARANT: JACOBS KYLLONEN JOINT VENTURE

BOLES & JACOBS, INC.

Jim Jacobs

JIM JACOBS, President
P.O. Box 49
Anchor Point, Alaska 99556

ANCHOR LAND CORPORATION

Jim Jacobs

JIM JACOBS, President
P.O. Box 49
Anchor Point, Alaska 99556

H.V. Kyllonen

H.V. KYLLONEN
P.O. Box 49
Anchor Point, Alaska 99556
Return to

STATE OF ALASKA)
) ss
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this 6th day of December, 1994, before me the undersigned Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared JIM JACOBS, to me known, and known to me to be the person who signed the foregoing instrument, and he acknowledged to me that he signed the same in his capacity as President of BOLES & JACOBS, INC., and President of ANCHOR LAND CORPORATION, for the uses and purposes therein expressed, pursuant to a resolution of the Board of Directors.

WITNESS my hand and official seal on the day and year in this certificate first above written.

Dennis K. Pitt

Notary Public in and for Alaska
My commission expires: July 17, 1998

DENNIS K. PITT NOTARY PUBLIC STATE OF ALASKA

///

STATE OF ALASKA)
) ss
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this 12 day of December, 1994, before me the undersigned Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared H.V. KYLLONEN, to me known, and known to me to be the person who signed the foregoing instrument, and he acknowledged to me that he signed the same for the uses and purposes therein expressed.

WITNESS my hand and official seal on the day and year in this certificate first above written.

Notary Public in and for Alaska
My commission expires: 7-30-98

NOTARY PUBLIC STATE OF ALASKA

AMENDED EXHIBIT "B"

to

D E C L A R A T I O N

for

ANCHOR RIVER AIRPARK

Table of Allocated Interests

Unit No.	Percentage Share of Common Expense Liability		Votes In Association
Lot 1	2.63%		1
Lot 2	2.63%		1
Lot 3	2.63%		1
Lot 4	2.63%		1
Lot 5	2.63%		1
Lot 6	2.63%		1
Lot 7	2.63%		1
Lot 8	2.63%		1
Lot 9	2.63%		1
Lot 10	2.63%		1
Lot 11	2.63%		1
Lot 12	2.63%		1
Lot 13*	2.63%	(5%)	1
Lot 14*	2.63%	(5%)	1
Lot 15*	2.63%	(5%)	1
Lot 16*	2.63%	(5%)	1
Lot 17*	2.63%	(5%)	1
Lot 18*	2.63%	(5%)	1
Lot 19*	2.63%	(5%)	1
Lot 20*	2.63%	(5%)	1
Lot 21*	2.63%	(5%)	1
Lot 22*	2.63%	(5%)	1
Lot 23*	2.63%	(5%)	1
Lot 24*	2.63%	(5%)	1
Lot 25*	2.63%	(5%)	1
Lot 26*	2.63%	(5%)	1
Lot 27*	2.63%	(5%)	1
Lot 28*	2.63%	(5%)	1
Lot 29*	2.63%	(5%)	1
Lot 30*	2.63%	(5%)	1
Lot 31*	2.63%	(5%)	1
Lot 32*	2.63%	(5%)	1
**			

* Starred lots are on the community septic system and will share equally the common expense assessment for operation of it.

** There is no Lot 33.

Lot 34	2.63%	1
Lot 35	2.63%	1
Lot 36	2.63%	1
Lot 37	2.63%	1
Lot 38	2.63%	1
Lot 39	2.63%	1

Amended Exhibit "B"
Anchor River Airpark Declaration

AMENDED EXHIBIT "C"

to

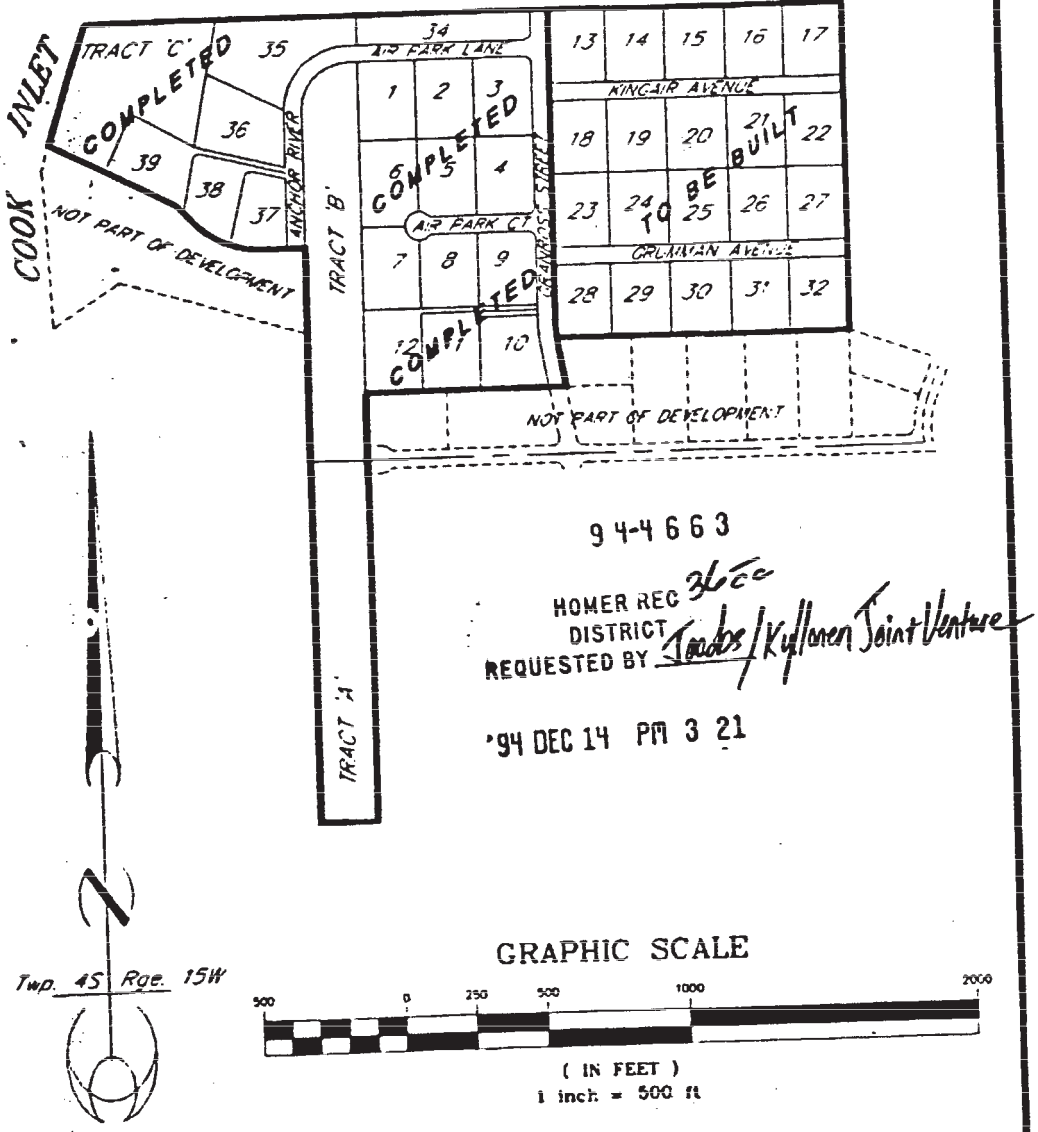
D E C L A R A T I O N

for

ANCHOR RIVER AIRPARK

Development Plan

BOOK 0239 PAGE 151



ANCHOR RIVER AIRPARK DEVELOPMENT PLAN

BK00302PG0865

IN THE HOMER RECORDING DISTRICT

OWNERS ASSOCIATION'S DECLARATION AMENDMENT TO

PROVIDE FOR ANNUAL COLLECTION OF ASSESSMENTS

FOR ANCHOR RIVER AIRPARK (A Planned Community)

BOOK 0233 PAGE 698

On 19 June 1999, the Anchor River Airpark Owners Association (ARAOA), during the annual meeting, unanimously approved the concept of annual assessment and collection of common expenses. ARAOA also specifically approved the following changes to the Declaration:

1. Page 23. Section 17.4 (c) (IV).
   Change the word "monthly" to "annually".

2. Page 28. Section 18.8.
   Change paragraph to read "Annual Payment of Common Expenses. All Common Expenses assessed under Article XVIII shall be due and payable on the first day of March of each and every year."

IN WITNESS WHEREOF, the undersigned, being Officers of the Board of Directors, herein has hereunto set their hands this 9th day of June 2000.

Jim Dress _____ President

June Picard _____ Vice President

Jacque Metzler _____ Treasurer

Sandy Dress _____ Acting Secretary

Return to:
J. Picard
PO Box 812
Anchor Pt AK
99556

BK 00302PG0866

STATE OF ALASKA)
: ss
THIRD JUDICIAL DISTRICT)

I, the undersigned, hereby certify that on this 9 day of June, 2000, personally appeared before me, Jim Dress, June Picard, Jacque Metzler and Sandy Dress, to me known and known to me to be the individuals described in and who executed the within instrument, and acknowledged that they signed the same freely and voluntarily as their act and deed, for the uses and purposes therein mentioned.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 9 day of June 2000, at Anchor Point, Alaska.

Mary Daley

Notary Public in and for the State of Alaska
residing at Anchor Point Alaska
My commission expires: Postmaster

ANCHOR POINT AK
JUN - 9 2000

END OF 19 JUNE 1999 DECLARATION AMENDMENT

002061
HOMER
RECORDING DISTRICT

2000 JUN -9 A 10:53 ASCC
REQUESTED BY Record

IN THE HOMER RECORDING DISTRICT

AMENDMENT TO THE
DECLARATION FOR
ANCHOR RIVER AIRPARK
(A Planned Community)

Book 0233 Page 698

The purpose of this amendment is to add clarification to ARTICLE IX Allocated Interests and ARTICLE XIII Relocation of Boundaries Between Adjoining Units.

SECTION 1. ARTICLE IX Allocated Interests, Section 9.2 Formulas for the allocation of interest is hereby amended to read as follows:

Section 9.2 - Formulas for the Allocation of Interests

(a) Liability for the Common Expenses: The percentage of liability for Common Expenses allocated to each Unit is derived by dividing the total number of Units in the Common Interest Community into one hundred percent (100%). Unit Owners who own adjacent Units and elect to combine Units into one parcel will retain responsibility for the original percentage share of common expense liability for each Unit. Nothing contained in this subsection shall prohibit certain Common Expenses from being apportioned to particular Units under Article XVIII of this Declaration.

(b) Votes: Each Unit in the Common interest Community shall have one (1) equal vote. Unit Owners who own adjacent Units and elect to combine Units into one parcel will retain the total number of original votes. 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.

SECTION 2. ARTICLE XIII Relocation of Boundaries between adjoining Units, Section 13.3 Reallocation of Interests is amended to read as follows.

Section 13.3 - Reallocation of Interests

The percentage share of common expense liability applicable to Units whose boundaries are relocated shall be amended on a pro rata basis so that the total common expense liability attributable to the

Units involved in the boundary relocation is the same before and after the relocation. Unit Owners owning adjacent Units who combine Units into one (1), shall retain responsibility for the original percentage share of common expense liability and the total number of original votes. The purpose of this provision is to protect Unit Owners not involved in a boundary relocation from having to pay a higher percentage of the common expense liability. The formula for the proration of the percentage share of common expense liability to each Unit with relocated boundaries must be stated in the amendment, and Exhibit "B" to the Declaration, the Table of Allocated Interests, must be amended. Regardless, the Unit shall have only one vote in the Association with the exception when an Owner combines multiple adjacent Units into one (1) Unit parcel.

SECTION 3 Attached to this amendment are amended Exhibits "B" and "C", The Table of Allocated Interest and The Development Plan respectively.

All other provisions of the Declaration not expressly amended hereby remain in full force and effect, unless amendment must be implied to obtain consistency with the Amendment.

IN WITNESS WHEREOF, Anchor River Airpark Executive Board has caused this Amendment to be executed this 15TH day of January, 2002.

Jim Dress

JIM DRESS, President
P.O. Box 104
Anchor Point, AK 99556

Wayne E Nicholas

WAYNE NICHOLAS, Director
P.O. Box 634
Anchor Point, AK 99556

STATE OF ALASKA)
) ss
THIRD JUDICAL DISTRICT)

THIS IS TO CERTIFY that on this 15 day of January, 2002, before me the undersigned Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared JIM DRESS, to me known, and known to me to be the person who signed the foregoing instrument, and he acknowledged to me that he signed the same in his capacity as President of ANCHOR RIVER AIRPARK OWNERS ASSOCIATION, for the uses and purposes therein expressed, pursuant to a resolution of the Board of Directors.

WITNESS my hand and official seal on the day and year in this certificate first above written.

ANCHOR POINT AK 99556 JAN 15 2002 USPS

Mary Isley
Notary Public in and for Alaska
My Commission expires: Postmaster

STATE OF ALASKA)
) ss
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this 17th day of January, 2002, before me the undersigned Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared WAYNE NICHOLAS, to me known, and known to me to be the person who signed the foregoing instrument, and he acknowledged to me that he signed the same for the uses and purposes therein expressed.

WITNESS my hand and official seal on the day and year in this certificate first above written.

KATHY TOMS NOTARY PUBLIC STATE OF ALASKA

Kathy Toms
Notary Public in and for Alaska
My Commission expires: 12-21-02

AMENDED EXHITBIT "B"

to

D E C L A R A T I O N

for

ANCHOR RIVER AIRPARK

Table of Allocated Interests

Unit No.	Percentage Share of Common Expense Liability		Votes In Association
Lot 1	2.63%		1
Lot 2	2.63%		1
Lot 3	2.63%		1
Lot 4	2.63%		1
Lot 5	2.63%		1
Lot 6	2.63%		1
Lot 7	2.63%		1
Lot 8	2.63%		1
Lot 9	2.63%		1
Lot 10	2.63%		1
Lot 11	2.63%		1
Lot 12	2.63%		1
Lot 13*	2.63%	(5%)	1
Lot 14*	2.63%	(5%)	1
Lot 15*	2.63%	(5%)	1
Lot 16*	2.63%	(5%)	1
Lot 17*	2.63%	(5%)	1
Lot 18*	2.63%	(5%)	1
Lot 19*	2.63%	(5%)	1
Lot 20*	2.63%	(5%)	1
Lot 21*	2.63%	(5%)	1
Lot 22*	2.63%	(5%)	1
Lot 23*	2.63%	(5%)	1
Lot 24*	2.63%	(5%)	1
Lot 25*	2.63%	(5%)	1
Lot 26*	2.63%	(5%)	1
Lot 27*	2.63%	(5%)	1
Lot 28*	2.63%	(5%)	1
Lot 29*	2.63%	(5%)	1
Lot 30*	2.63%	(5%)	1
Lot 31*	2.63%	(5%)	1
Lot 32*	2.63%	(5%)	1
**			

* Starred lots are on the community septic system and will share equally the common expense assessment for operation of it.

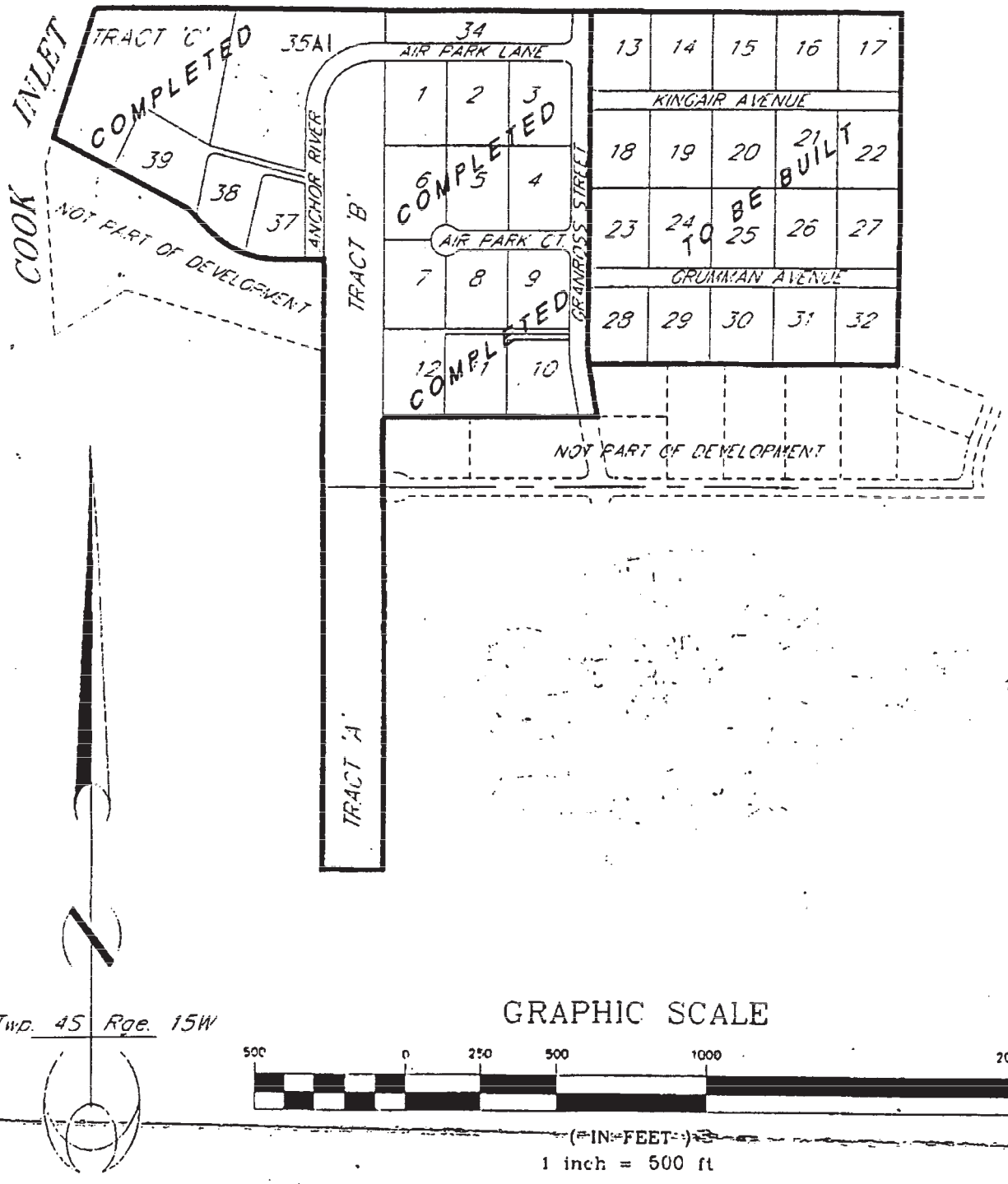
** There is no Lot 33.

*** Lots 35A & 36A combined & re-established as 35A1.

Lot 34	2.63%	1
Lot 35A1***	5.26%	2
Lot 37	2.63%	1
Lot 38	2.63%	1
Lot 39	2.63%	1

RETURN TO:
JIM DRESS
P.O. Box 104
ANCHOR PT AK 99556

BK 0326 PG 0281



Twp. 45 Rge. 15W

GRAPHIC SCALE

500 0 250 500 1000 2000

(IN FEET)

1 inch = 500 ft

000304

2002 JAN 17 P 2:39

3000

HOMER
RECORDING DISTRICT

REQUESTED BY

Gray

ANCHOR RIVER AIRPARK DEVELOPMENT PLAN

2005-002695-0
Recording Dist: 309 - Homer
6/17/2005 9:29 AM Pages: 1 of 13
ALASKA

IN THE HOMER RECORDING DISTRICT

Fourth (4) AMENDMENT TO THE DECLARATION FOR ANCHOR RIVER AIRPARK (A Planned Community)

AMENDS DECLARATION BOOK 233 PAGE 749
BOOK 239 PAGE 144

The purpose of this amendment is to modify and clarify the following Sections within the Declaration for Anchor River Airpark. On 11 June 05 over 67% of the Association Owners approved the amendment.

1. Section 4 to amendment 1, Section 7.6 (Community Septic System) with Table of Allocated of Interests.

2. Exhibit "E" (Standards for Architectural Control)

3. Section 12.1, Article XII (Additions, Alterations and Improvements by Unit Owners)

SECTION 1. Section VII the Maintenance, Repair and Replacement Article of the Declaration is hereby amended to read as follows:

Section 7.6 - Community Septic System. The Association owns and operates a Community Septic System that serves Lots 13-32. In accordance with lender requirements, and specifically HUD Handbook 4075.12, Central Water and Sewer Systems, for so long as Units are attached to Community Septic System, the Association assumes the responsibility for and guarantees the continuous service of the Community Septic System to Lots 13-32 at a reasonable service rate. Assessments based on the cost of operating the Community Septic System shall be disbursed only in payment for expenses of this system. Any local, state or federal approvals required to be provided for operation of the system will be so provided and paid

for by the Association. Any individual need for septic system certification shall be the sole responsibility of the requesting Unit Owner. *Association expenses related to the operation of septic system shall be divided equally between Unit Owners of Lots 13-32 who elect to connect to the system.*

SECTION 2. Attached to this Amendment is an amended EXHIBIT "B", The Table of Allocated Interest.

2 of 13
2005-002695-0

AMENDED EXHIBIT "B"
To
DECLARATION
For
ANCHOR RIVER AIRPARK

Table of Allocated Interests

Unit No.	Percentage Share of Common Expense Liability	Votes In Association
Lot 1	2.63%	1
Lot 2	2.63%	1
Lot 3	2.63%	1
Lot 4	2.63%	1
Lot 5	2.63%	1
Lot 6	2.63%	1
Lot 7	2.63%	1
Lot 8	2.63%	1
Lot 9	2.63%	1
Lot 10	2.63%	1
Lot 11	2.63%	1
Lot 12	2.63%	1
Lot 13	2.63%	1
Lot 14	2.63%	1
Lot 15	2.63%	1
Lot 16	2.63%	1
Lot 17	2.63%	1
Lot 18	2.63%	1
Lot 19	2.63%	1
Lot 20	2.63%	1
Lot 21	2.63%	1
Lot 22	2.63%	1
Lot 23	2.63%	1
Lot 24	2.63%	1
Lot 25	2.63%	1
Lot 26	2.63%	1
Lot 27	2.63%	1
Lot 28	2.63%	1
Lot 29	2.63%	1

3 of 13
2006-002695-0

AMENDED EXHIBIT "B"
to
DECLARATION
for
ANCHOR RIVER AIRPARK

Table of Allocated Interests
(Continued)

Lot 30	2.63%	1
Lot 31	2.63%	1
Lot 32	2.63%	1
Lot 33*		
Lot 34	2.63%	1
Lot 35A1**	5.26%	2
Lot 37	2.63%	1
Lot 38	2.63%	1
Lot 39	2.63%	1

* There is no Lot 33
** Lots 35A & 36A combined and re-established as 35A1

4 of 13
2006-002695-0

EXHIBIT E

to

D E C L A R A T I O N

for

ANCHOR RIVER AIRPARK

STANDARDS FOR ARCHITECTURAL CONTROL

We are a unique community who enjoys living with our aircraft in a residential airpark setting.

In reviewing architectural submissions, our Declaration guides us to ensure that the finished appearance of any proposed structure contributes to the overall appearance of the entire sub-division. Structures must be constructed in harmony and compatibility with the planned community as a whole.

1. In accordance within the provisions Section 2.2, Paragraph (T) of the Bylaws of the Anchor River Airpark Owners Association, the Architectural Control Committee has been established to administratively manage the Standards for Architectural Control as per Article XII of the Declaration. The Committee Chairman reports directly to the Executive Board.

2. Permitted Structures: No building or structure shall be erected, altered, placed or permitted to remain on any lot other than:

5 of 13
2005-002695-0

a. One (1) detached single-family dwelling, not to exceed two (2) stories in height from the average elevation of the building site.

b. Hangar

c. Shop

d. Garage

e. A greenhouse

f. A garden tool shed, children's playhouse or like structure

g. A doghouse and/or pen

h. Aviation & motor fuel storage tanks

i. Any other accessory building, shed, structure, statuary antenna to include satellite antennas or any other item permitted by the Architectural Control Committee. *Digital Satellite antennas attached to structures do not require Architectural Control approval.*

None of the structures listed above may be constructed, installed, placed or made without the express written approval of the Architectural Control Committee/Executive Board as provided in Article XII of the Declaration.

3. Dwelling Size: *A dwelling is defined as a house or stand alone building in which people live in on a full time basis. The total area of the dwelling unit, exclusive of decks, porches, hangars, shops, and garages shall not be less than 1200 sq. ft. unless the Architectural Control Committee/Executive Board expressly waives the size requirements. A living area may be constructed within a hangar, shop or garage however, it must meet all State requirements for sanitation.*

4. Completion Time: Every dwelling or outbuilding shall be finished on the exterior within one (1) year after the construction begins. Requests for extensions must be submitted to the Architectural Control Committee before the end of the construction period.

5. Placements of Structures, Setbacks and Siting: The location of any and all man-made structures is subject to the approval of the Architectural Control Committee. No dwelling, deck, porch, roof overhang or other portion of any structure may encroach into the yard areas specified below or any more restrictive setback requirements that may be contained in the Kenai Peninsula Borough Code, as amended from time to time, or on the Anchor River Airpark plat, as it may be amended.

Front yard:	25 feet
Side yard:	10 feet
Back yard:	10 feet

In addition, structures constructed on Lots 1, 6, 7 and 12, must be set back at least 25 ft. from the boundary with Tract B. Under no circumstances shall two structures be closer than 10 feet together. The Architectural Control Committee may require additional front yard setbacks.

6. *Submissions for Approval: Unit owners will submit a formal written request to the Chairman of the Architectural Control Committee for approval of all proposed structures identified in Paragraph 2 above. Submissions for Architectural Control Committee approval must include the following:*

   a. *Cover letter: Describing what the unit owner intends to accomplish. Attached to the cover letter will be a site plan, structure plan, elevation drawings, description of exterior colors and finish.*

   b. *Site Plan: The site plan will show the location and specific distances of all proposed structures*

as well as, septic location and well location in relation to lot boundaries with consideration to set back and easement requirements in accordance with Paragraph 5 above.

c. *Structure Plan: The structure plan will show the foot print of any proposed structure depicting specific dimensions.*

d. *Elevation Drawing: A to-scale drawing of what the structure will look like as viewed from the nearest community roadway.*

e. *Colors: A description of the exterior color and if applicable, a trim color will also be included. Additional structures on the same lot will be the same colors and trim colors as the main single family dwelling or predominate structure. Muted earth tone colors are highly recommended.*

7. Design and Materials Standards: The Executive Board wishes to permit flexibility with regard to the design and materials to be used in structures. *However, the finished appearance of a proposed structure must contribute to the appearance of the entire neighborhood and be in harmony and compatibility with the Residential Airpark setting. Out buildings, such as described in "c" through "i" in Paragraph two (2) above should be complimentary in appearance with the primary structure, enhancing the look of a planned community.*

8. *Metal Structure: Steel buildings are strong, easily installed and cost effective for aircraft hangars. To soften the industrial appearance of metal hangars the following guidelines will be followed:*

a. A minimum *of twenty (20) percent of the two sides of all metal structures visible from the community roadway must be contrasting wainscot type of appearance.*

b. *Gable ends facing community roadways will be sided with wood, vinyl, or contrasting material. Ends of hangar can be all metal except when the end can be viewed from any community roadway.*

c. *Roof eaves (overhang) a minimum of two (2) ft. will be installed on all metal structures.*

d. *Roof, siding, and trim will be finished in complimentary colors. A trim color is optional but recommended.*

e. *Windows are highly recommended.*

9. *Fuel Storage Tanks: Aviation and motor fuels are toxic and a hazardous substance. Fuels can contaminate wells, ground water and foul septic systems. A tank spill or leak can also cause financial hardship for unit owners for clean up. Tanks should be secured at all times and checked periodically to ensure no vandalism has occurred. The following guidelines will be followed for all approved aviation and motor fuel storage tanks over 500 gallons:*

a. *Be installed above ground level*

b. *Meet all set back requirement set forth in Paragraph 3, Exhibit "E" to the Declaration for Anchor River Airpark.*

c. *Have a shut off valve installed at the tank outlet to isolate the fuel line, in case of leakage.*

d. *Have a secondary containment under the storage tanks capable of holding 115% of the tanks capacity.*

e. *Must be grounded*

ARTICLE XII

Additions, Alterations and Improvements

Section 12.1 - Additions, Alterations and Improvements by Unit Owners.

a. No Unit Owner shall construct a structure, nor shall any Unit Owner make any structural additions, structure alterations, structural improvement to their individual unit/units or to the Common Interest Community without the prior written consent of the Architectural Control Committee/Executive Board.

b. The Unit Owner will submit a request to the Architectural Control Committee to gain approval for any improvement request in accordance with Paragraph 6, Exhibit "E" of the Declaration. *The Architectural Control Committee/Executive Board will attempt to provide an answer to any formal written request within twenty (20) days upon receipt of the request.*

c. After such plans and specifications have been approved, if or and the improvements are altered, erected or maintained other than as approved by the Architectural Control Committee, such alteration, erection and maintenance shall be deemed to have been undertaken without the Committee's approval and is subject to penalties contained in Paragraph (h) below.

d. The Committee's approval of any plans or specifications submitted for approval as herein specified shall not be deemed to be a waiver by the Board of its right to object to any of the features or elements embodied in such plans and specifications.

e. No member of the Board shall be liable to any person for his or her decisions or failure to act in making decisions as a member of said Board. Upon approval of the Board, it shall be conclusively presumed that the location

and height of any improvement does not violate the provisions of this Declaration, subject to conditions contained within the approval notice.

f. After a Unit Owner has obtained the written consent of the Architectural Control Committee/Executive Board for any addition, alteration or improvement to his or her Unit, the Unit Owner shall obtain any necessary permits, if required for such addition, alteration or improvement and the cost of such permit(s) shall be paid by the Unit Owner. There will be no liability created on the part of the Association or any of its members, except for the Unit Owner effecting such addition, alteration or improvement, to any contractor, sub-contractor or material man on account of such addition, alteration or improvement or to any person having claim for injury to person or damage to property arising therefrom.

g. All additions, alteration or improvements to the Units and Common Elements shall not, except pursuant to prior approval by the Architectural Control Committee/Executive Board, cause any increase in the premiums of any insurance policies carried by the Association or by the owners of any Units other than those affected by such change.

h. Any construction commenced without the written consent of the Architectural Control Committee/Executive Board will result in a penalty not to exceed $100.00 (One Hundred Dollars) per day against the Unit Owner violating the provisions of this Article, as assessed by resolution of the Executive Board.

Section 12.2 - Additions, Alternations and Improvements by Executive Board. The Executive Board may make any additions alterations or improvements to the Common Elements which, in its judgment it deems necessary.

All other provisions of the Declaration not expressly amended hereby remain in full force and effect, unless amendment must be implied to obtain consistency with the Amendment.

IN WITNESS WHEREOF, Anchor River Airpark Executive Board has caused this Amendment to be executed this 15 day of JUNE, 2005.

Robert D. Picard

BOB PICARD, President
P.O. Box 104
Anchor Point, AK 99556

Ted J. Gray

TED J. GRAY, Secretary
P.O. Box 490
Anchor Point, AK 99556

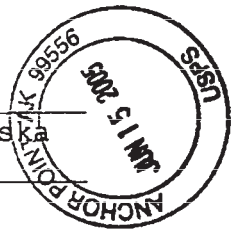
STATE OF ALASK)
) ss
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this 15 day of JUNE, 2005, before me the undersigned Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared BOB PICARD, to me known, and known to me to be the person who signed the foregoing instrument, and they acknowledged to me that he signed the same in his capacity as President of ANCHOR RIVER AIRPARK OWNERS ASSOCIATE, for the uses and purposes therein expressed, pursuant to a resolution of the Board of Directors.

12 of 13
2005-002696-0

WITNESS my hand and official seal on the day and year in this certificate first above written.

Notary Public in and for Alaska
My Commission expires: N/A



STATE OF ALASKA)
) ss
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this 15 day of June, 2005, before me the undersigned Notary Public in and for the state of Alaska, duly commissioned and sworn, personally appeared TED J. GRAY, to me known, and known to me to be the person who signed the foregoing instrument, and he acknowledged to me that he signed the same for the uses and purposes therein expressed.

WITNESS my hand and official seal on the day and year in this certificate first above written.

Notary Public in and for Alaska
My Commission expires: N/A

RETURN TO:
T GRAY
P.O. BOX 490
ANCHOR PT. AK 99556

13 of 13
2005-002696-0

2005-002695-0
Recording Dist: 309 - Homer
6/17/2005 9:29 AM Pages: 1 of 13
ALASKA

IN THE HOMER RECORDING DISTRICT

Fourth (4) AMENDMENT TO THE DECLARATION FOR ANCHOR RIVER AIRPARK (A Planned Community)

AMENDS DECLARATION BOOK 233 PAGE 749
BOOK 239 PAGE 144

The purpose of this amendment is to modify and clarify the following Sections within the Declaration for Anchor River Airpark. On 11 June 05 over 67% of the Association Owners approved the amendment.

1. Section 4 to amendment 1, Section 7.6 (Community Septic System) with Table of Allocated of Interests.

2. Exhibit "E" (Standards for Architectural Control)

3. Section 12.1, Article XII (Additions, Alterations and Improvements by Unit Owners)

SECTION 1. Section VII the Maintenance, Repair and Replacement Article of the Declaration is hereby amended to read as follows:

Section 7.6 - Community Septic System. The Association owns and operates a Community Septic System that serves Lots 13-32. In accordance with lender requirements, and specifically HUD Handbook 4075.12, Central Water and Sewer Systems, for so long as Units are attached to Community Septic System, the Association assumes the responsibility for and guarantees the continuous service of the Community Septic System to Lots 13-32 at a reasonable service rate. Assessments based on the cost of operating the Community Septic System shall be disbursed only in payment for expenses of this system. Any local, state or federal approvals required to be provided for operation of the system will be so provided and paid

for by the Association. Any individual need for septic system certification shall be the sole responsibility of the requesting Unit Owner. *Association expenses related to the operation of septic system shall be divided equally between Unit Owners of Lots 13-32 who elect to connect to the system.*

SECTION 2. Attached to this Amendment is an amended EXHIBIT "B", The Table of Allocated Interest.

AMENDED EXHIBIT "B"
To
DECLARATION
For
ANCHOR RIVER AIRPARK

Table of Allocated Interests

Unit No.	Percentage Share of Common Expense Liability	Votes In Association
Lot 1	2.63%	1
Lot 2	2.63%	1
Lot 3	2.63%	1
Lot 4	2.63%	1
Lot 5	2.63%	1
Lot 6	2.63%	1
Lot 7	2.63%	1
Lot 8	2.63%	1
Lot 9	2.63%	1
Lot 10	2.63%	1
Lot 11	2.63%	1
Lot 12	2.63%	1
Lot 13	2.63%	1
Lot 14	2.63%	1
Lot 15	2.63%	1
Lot 16	2.63%	1
Lot 17	2.63%	1
Lot 18	2.63%	1
Lot 19	2.63%	1
Lot 20	2.63%	1
Lot 21	2.63%	1
Lot 22	2.63%	1
Lot 23	2.63%	1
Lot 24	2.63%	1
Lot 25	2.63%	1
Lot 26	2.63%	1
Lot 27	2.63%	1
Lot 28	2.63%	1
Lot 29	2.63%	1

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2006-002695-0

AMENDED EXHIBIT "B"
to
D E C L A R A T I O N
for
ANCHOR RIVER AIRPARK

Table of Allocated Interests
(Continued)

Lot 30	2.63%	1
Lot 31	2.63%	1
Lot 32	2.63%	1
Lot 33*		
Lot 34	2.63%	1
Lot 35A1**	5.26%	2
Lot 37	2.63%	1
Lot 38	2.63%	1
Lot 39	2.63%	1

* There is no Lot 33
** Lots 35A & 36A combined and re-established as 35A1

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2006-002695-0

EXHIBIT E

to

D E C L A R A T I O N

for

ANCHOR RIVER AIRPARK

STANDARDS FOR ARCHITECTURAL CONTROL

We are a unique community who enjoys living with our aircraft in a residential airpark setting.

In reviewing architectural submissions, our Declaration guides us to ensure that the finished appearance of any proposed structure contributes to the overall appearance of the entire sub-division. Structures must be constructed in harmony and compatibility with the planned community as a whole.

1. In accordance within the provisions Section 2.2, Paragraph (T) of the Bylaws of the Anchor River Airpark Owners Association, the Architectural Control Committee has been established to administratively manage the Standards for Architectural Control as per Article XII of the Declaration. The Committee Chairman reports directly to the Executive Board.

2. Permitted Structures: No building or structure shall be erected, altered, placed or permitted to remain on any lot other than:

a. One (1) detached single-family dwelling, not to exceed two (2) stories in height from the average elevation of the building site.

b. Hangar

c. Shop

d. Garage

e. A greenhouse

f. A garden tool shed, children's playhouse or like structure

g. A doghouse and/or pen

h. Aviation & motor fuel storage tanks

i. Any other accessory building, shed, structure, statuary antenna to include satellite antennas or any other item permitted by the Architectural Control Committee. *Digital Satellite antennas attached to structures do not require Architectural Control approval.*

None of the structures listed above may be constructed, installed, placed or made without the express written approval of the Architectural Control Committee/Executive Board as provided in Article XII of the Declaration.

3. Dwelling Size: *A dwelling is defined as a house or stand alone building in which people live in on a full time basis. The total area of the dwelling unit, exclusive of decks, porches, hangars, shops, and garages shall not be less than 1200 sq. ft. unless the Architectural Control Committee/Executive Board expressly waives the size requirements. A living area may be constructed within a hangar, shop or garage however, it must meet all State requirements for sanitation.*

4. Completion Time: Every dwelling or outbuilding shall be finished on the exterior within one (1) year after the construction begins. Requests for extensions must be submitted to the Architectural Control Committee before the end of the construction period.

5. Placements of Structures, Setbacks and Siting: The location of any and all man-made structures is subject to the approval of the Architectural Control Committee. No dwelling, deck, porch, roof overhang or other portion of any structure may encroach into the yard areas specified below or any more restrictive setback requirements that may be contained in the Kenai Peninsula Borough Code, as amended from time to time, or on the Anchor River Airpark plat, as it may be amended.

Front yard:	25 feet
Side yard:	10 feet
Back yard:	10 feet

In addition, structures constructed on Lots 1, 6, 7 and 12, must be set back at least 25 ft. from the boundary with Tract B. Under no circumstances shall two structures be closer than 10 feet together. The Architectural Control Committee may require additional front yard setbacks.

6. *Submissions for Approval: Unit owners will submit a formal written request to the Chairman of the Architectural Control Committee for approval of all proposed structures identified in Paragraph 2 above. Submissions for Architectural Control Committee approval must include the following:*

   a. *Cover letter: Describing what the unit owner intends to accomplish. Attached to the cover letter will be a site plan, structure plan, elevation drawings, description of exterior colors and finish.*

   b. *Site Plan: The site plan will show the location and specific distances of all proposed structures*

as well as, septic location and well location in relation to lot boundaries with consideration to set back and easement requirements in accordance with Paragraph 5 above.

c. *Structure Plan: The structure plan will show the foot print of any proposed structure depicting specific dimensions.*

d. *Elevation Drawing: A to-scale drawing of what the structure will look like as viewed from the nearest community roadway.*

e. *Colors: A description of the exterior color and if applicable, a trim color will also be included. Additional structures on the same lot will be the same colors and trim colors as the main single family dwelling or predominate structure. Muted earth tone colors are highly recommended.*

7. Design and Materials Standards: The Executive Board wishes to permit flexibility with regard to the design and materials to be used in structures. *However, the finished appearance of a proposed structure must contribute to the appearance of the entire neighborhood and be in harmony and compatibility with the Residential Airpark setting. Out buildings, such as described in "c" through "i" in Paragraph two (2) above should be complimentary in appearance with the primary structure, enhancing the look of a planned community.*

8. Metal Structure: Steel buildings are strong, easily installed and cost effective for aircraft hangars. To soften the industrial appearance of metal hangars the following guidelines will be followed:

a. A minimum *of twenty (20) percent of the two sides of all metal structures visible from the community roadway must be contrasting wainscot type of appearance.*

b. *Gable ends facing community roadways will be sided with wood, vinyl, or contrasting material. Ends of hangar can be all metal except when the end can be viewed from any community roadway.*

c. *Roof eaves (overhang) a minimum of two (2) ft. will be installed on all metal structures.*

d. *Roof, siding, and trim will be finished in complimentary colors. A trim color is optional but recommended.*

e. *Windows are highly recommended.*

9. *Fuel Storage Tanks: Aviation and motor fuels are toxic and a hazardous substance. Fuels can contaminate wells, ground water and foul septic systems. A tank spill or leak can also cause financial hardship for unit owners for clean up. Tanks should be secured at all times and checked periodically to ensure no vandalism has occurred. The following guidelines will be followed for all approved aviation and motor fuel storage tanks over 500 gallons:*

a. *Be installed above ground level*

b. *Meet all set back requirement set forth in Paragraph 3, Exhibit "E" to the Declaration for Anchor River Airpark.*

c. *Have a shut off valve installed at the tank outlet to isolate the fuel line, in case of leakage.*

d. *Have a secondary containment under the storage tanks capable of holding 115% of the tanks capacity.*

e. *Must be grounded*

ARTICLE XII

Additions, Alterations and Improvements

Section 12.1 - Additions, Alterations and Improvements by Unit Owners.

a. No Unit Owner shall construct a structure, nor shall any Unit Owner make any structural additions, structure alterations, structural improvement to their individual unit/units or to the Common Interest Community without the prior written consent of the Architectural Control Committee/Executive Board.

b. The Unit Owner will submit a request to the Architectural Control Committee to gain approval for any improvement request in accordance with Paragraph 6, Exhibit "E" of the Declaration. *The Architectural Control Committee/Executive Board will attempt to provide an answer to any formal written request within twenty (20) days upon receipt of the request.*

c. After such plans and specifications have been approved, if or and the improvements are altered, erected or maintained other than as approved by the Architectural Control Committee, such alteration, erection and maintenance shall be deemed to have been undertaken without the Committee's approval and is subject to penalties contained in Paragraph (h) below.

d. The Committee's approval of any plans or specifications submitted for approval as herein specified shall not be deemed to be a waiver by the Board of its right to object to any of the features or elements embodied in such plans and specifications.

e. No member of the Board shall be liable to any person for his or her decisions or failure to act in making decisions as a member of said Board. Upon approval of the Board, it shall be conclusively presumed that the location

and height of any improvement does not violate the provisions of this Declaration, subject to conditions contained within the approval notice.

f. After a Unit Owner has obtained the written consent of the Architectural Control Committee/Executive Board for any addition, alteration or improvement to his or her Unit, the Unit Owner shall obtain any necessary permits, if required for such addition, alteration or improvement and the cost of such permit(s) shall be paid by the Unit Owner. There will be no liability created on the part of the Association or any of its members, except for the Unit Owner effecting such addition, alteration or improvement, to any contractor, sub-contractor or material man on account of such addition, alteration or improvement or to any person having claim for injury to person or damage to property arising therefrom.

g. All additions, alteration or improvements to the Units and Common Elements shall not, except pursuant to prior approval by the Architectural Control Committee/Executive Board, cause any increase in the premiums of any insurance policies carried by the Association or by the owners of any Units other than those affected by such change.

h. Any construction commenced without the written consent of the Architectural Control Committee/Executive Board will result in a penalty not to exceed $100.00 (One Hundred Dollars) per day against the Unit Owner violating the provisions of this Article, as assessed by resolution of the Executive Board.

Section 12.2 - Additions, Alternations and Improvements by Executive Board. The Executive Board may make any additions alterations or improvements to the Common Elements which, in its judgment it deems necessary.

All other provisions of the Declaration not expressly amended hereby remain in full force and effect, unless amendment must be implied to obtain consistency with the Amendment.

IN WITNESS WHEREOF, Anchor River Airpark Executive Board has caused this Amendment to be executed this 15 day of JUNE, 2005.

Robert D. Picard

BOB PICARD, President
P.O. Box 104
Anchor Point, AK 99556

Ted J. Gray

TED J. GRAY, Secretary
P.O. Box 490
Anchor Point, AK 99556

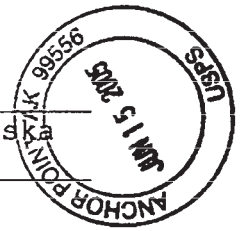
STATE OF ALASK)
) ss
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this 15 day of JUNE, 2005, before me the undersigned Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared BOB PICARD, to me known, and known to me to be the person who signed the foregoing instrument, and they acknowledged to me that he signed the same in his capacity as President of ANCHOR RIVER AIRPARK OWNERS ASSOCIATE, for the uses and purposes therein expressed, pursuant to a resolution of the Board of Directors.

12 of 13
2005-002695-0

WITNESS my hand and official seal on the day and year in this certificate first above written.

Notary Public in and for Alaska
My Commission expires: N/A



STATE OF ALASKA)
) ss
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this 15 day of June, 2005, before me the undersigned Notary Public in and for the state of Alaska, duly commissioned and sworn, personally appeared TED J. GRAY, to me known, and known to me to be the person who signed the foregoing instrument, and he acknowledged to me that he signed the same for the uses and purposes therein expressed.

WITNESS my hand and official seal on the day and year in this certificate first above written.

Notary Public in and for Alaska
My Commission expires: N/A

RETURN TO:
T GRAY
P.O. BOX 490
ANCHOR PT. AK 99556

13 of 13
2005-002695-0