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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

for

FALCON'S RIDGE**A PLANNED RECREATIONAL / RESIDENTIAL COMMUNITY****RECITALS**

A. The Declarant, Falcons Ridge, LLC, ("Declarant"), deems it desirable to establish Falcon's Ridge, a Planned Residential / Recreational Community and to establish covenants, conditions and restrictions upon the below described property and each and every lot and portion thereof (the "Covered Property") which will constitute a general scheme for the use, occupancy, and enjoyment thereof all for the purpose of enhancing and protecting the value, desirability and attractiveness thereof.

B. The Declarant further deems it desirable for the efficient preservation of the value, desirability, and attractiveness of the below described property to delegate and assign to a subdivision association the powers and duties of administering and enforcing these covenants and restrictions and collecting and disbursing funds pursuant to the assessment and charges created and referred to herein. The powers and duties will be administered by the Falcons Ridge Owners Association, Inc., (the "Association") which is formed concurrently with or soon after the Declaration is recorded.

NOW, THEREFORE, Declarant hereby declares that all of the property described below shall be held, sold, and conveyed subject to the following covenants, conditions, and restrictions which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on and inure to the benefit of all parties having any right, title and interest in the real property or any part thereof, including their legal representatives, heirs, successors and assigns.

Initial _____ Date _____

Initial _____ Date _____

Declarant further declares the establishment of a common interest community known as Falcon's Ridge, a Planned Residential / Recreational Community. The common interest community is a planned community. The association formed to govern the community is Falcons Ridge Owners Association and its initial address is 3940 Arctic Blvd, Suite 101, Anchorage, Alaska 99503-5711.

ARTICLE I DEFINITIONS

The following terms used in these covenants, conditions and restrictions shall be applicable to this Declaration and are defined as follows:

Section 1. "Act" shall mean the Alaska Common Interest Ownership Act, AS 34.08.010 et. seq.

Section 2. "Architectural Control Committee" shall mean and refer to the committee provided for in Article VI hereof, entitled "Architectural Control."

Section 3. "Association" shall mean and refer to Falcons Ridge Owners Association, an Alaska Nonprofit Corporation.

Section 4. "Association Rules" shall mean rules adopted by the Association, pursuant to Article III hereof.

Section 5. "Board" shall mean the Board of Directors of the Association.

Section 6. "Bylaws" shall mean and refer to the Bylaws of the Association as the same from time to time may be duly amended.

Section 7. "Common Area" shall mean all real property owned by the Association not included within any lot or all property owned by the Association for the common use and enjoyment of the Owners, whether shown on the plat or described as follows:

Initial _____ Date _____

Initial _____ Date _____



- a. A fifteen foot wide non motorized trail easement and utility easement along the roads in the Falcon's Ridge Subdivision;
- b. Private roads (Merlin Drive, Hawk Avenue, Gyrfalcon Drive, Kestrel Court and Kestrel Circle). Future Owners and users of Tract A or any part thereof may be granted use of some of the roads);
- c. Signs and gates (gates will be at the North end of S. Hawk Avenue between Lot 1, Block 2 and Lot 10, Block 4 and at the South end of S. Hawk Avenue between Lot 1, Block 4 and Lot 5, Block 1. The Association may later install a gate at the South end of Merlin Drive between Lot 1, Block 1 and Lot 28, Block 2);
- d. Nonexclusive easement for all Owners across Tract A for access to the Susitna River, which includes the right to use the boat launch area to launch and retrieve boats.

The Declarant reserves the right to dedicate additional Common Area.

Section 8. "Covered Property" shall mean and refer to all the real estate described as:

Falcon's Ridge Subdivision, Palmer Recording District, State of Alaska with a plat recorded as Plat No. 2006-19 consisting of the following Lots: Lots 1 through 5, Block 1; Lots 1 through 28, Block 2; Lots 1 through 34, Block 3 and Lots 1 through 10, Block 4.

Tract A on such plat is not part of the Covered Property but Declarant reserves the right to add some or all of Tract A to the Covered Property.

Initial _____ Date _____

Initial _____ Date _____



Declarant reserves the right, within 25 years from date of recordation hereof, to delete any of the lots. Declarant also may, but need not, add lots or tracts from any of the property described on Exhibit A attached hereto which is incorporated by this reference as though fully set forth. Any such additions may be made in any order and at any time within 25 years from the date of recordation hereof. Declarant reserves the right to develop up to 200 lots or units within the Covered Property and the property described on Exhibit A.

Section 9. "Declaration" shall refer to this instrument with all exhibits hereto as amended or supplemented from time to time.

Section 10. "Dwelling" shall mean a single family residential dwelling unit together with garage, guest house, and other structures on the same Lot as permitted by this Declaration in Article VI, Section (1) (g).

Section 11. "General Expenses" shall mean and refer to the expenses of administration and management of the Association; the cost of and expenses incurred for maintenance, repair and replacement of personal property owned by the Association; the expenses of administration (including management, security, and professional services), maintenance, operation, repair, and improvement of the Common Area (or portion thereof) as well as costs related to the access or right of way and launching area in Tract A; the cost of insurance, real estate taxes and assessments, snow removal, maintenance of private gate and subdivision signs, and any other expenses lawfully incurred by the Association in connection with the Covered Property.

Section 12. "Lot" shall mean and refer to each of the lots in Covered Area.

Section 13. "Member" shall mean and refer to every person or entity that is a member of the Association, pursuant to this Declaration.

Initial _____ Date _____



Initial _____ Date _____

Section 14. "Mortgage, Mortgagee, Mortgagor." Reference in this Declaration to a mortgage shall be deemed to include a deed of trust; reference to a mortgagee shall be deemed to include the beneficiary of a deed of trust; reference to a mortgagor shall be deemed to include the trustor of a deed of trust.

Section 15. "Owner" shall mean and refer to one (1) or more persons or entities who alone or collectively are the record owners of a fee simple title to a Lot, but excluding those having such interest merely as security for the performance of an obligation.

Section 16. "Plat" shall mean and refer to the plat described in Article I, Section 8, above.

Section 17. "Special Assessment" shall mean any assessment other than Subdivision Assessments charged by the Association for, but are not limited to, the following:

(a) Costs, damages, expenses, and fees arising from the failure of an Owner to comply with the provisions of the Declaration, Bylaws and Rules of the Association; and

(b) Fines imposed for failure to comply with the provisions of the Declaration, Bylaws or Rules of the Association; and

(c) Any other charges payable to the Association under this Declaration, the Bylaws or Rules of the Association (other than Subdivision Assessments).

Section 18. "Subdivision Assessment" shall mean and refer to the amounts which the Association shall assess and collect from the Owners to pay the general expenses, to pay the expenses of administration, maintenance, repair, and operation of the Association; the amounts which the Association shall determine to assess and collect from the owners of Lots in Covered Property to pay the expenses of operation and maintenance of the Common Areas and to accumulate reserves for such expenses and to promote the general welfare of all Lot Owners in the Covered Property.

Initial _____ Date _____



Initial _____ Date _____

ARTICLE II
SCOPE OF DECLARATION

Section 1. Property Subject to Declaration.

The real property, which is and shall be held, transferred, sold, conveyed, leased, or occupied subject to this Declaration, is identified in Article I, Section 8 above.

Section 2. Conveyances Subject to Declaration.

All covenants, conditions, restrictions, easements, reservations, liens, charges, rights, benefits, and privileges, which are granted, created, reserved, or declared by this Declaration shall be deemed to be covenants appurtenant, running with the land and shall at all times inure to the benefit of and be binding on any person having at any time any interest or estate in any part of the Covered Property. Reference in a deed of conveyance, lease, mortgage, trust deed, other evidence of obligation, or other instrument to the provisions of this Declaration shall be sufficient to create and reserve all of the covenants, conditions, restrictions, easements, reservations, liens, charges, rights, benefits and privileges, which are granted, created, reserved, or declared by this Declaration, as fully and completely as though they were set forth in their entirety in any such document.

Section 3. Maximum Number of Lots. As now platted, Falcon's Ridge Subdivision has 77 lots. Declarant reserves the right to add some or all of the property described in Exhibit A attached hereto. In any event, Covered Property shall be limited to a maximum number of 200 Lots, tracts or units.

Section 4. Boundaries of Lots. The boundaries of each lot in Falcon's Ridge Subdivision are as shown on Plat No. 2006-19. Some modification to the boundaries may occur during development, particularly including the creation of some additional lots or a reduction in the number of lots by combining lots or parts of lots shown on Plat No.

Initial _____ Date _____



Initial _____ Date _____

2006-19 . The Boundaries of lots that may be created in any of the property described in Exhibit A, if all or part of it is added to the community, are unknown.

Section 5. Easements, reservations and Licenses. Recorded easements, reservations and licenses appurtenant to or included in the common interest community or to which any portion of the common interest community is or may be subject are as follows:

- a. Reservations and exceptions contained in U.S. Patent, including but not limited to the reservation of all oil and gas rights, recorded July 13, 1966 in book 62 at Page 151 records of the Palmer Recording District, Third Judicial District, State of Alaska (selection by the State of Alaska of all mineral rights previously reserved);
- b. Rights of the Public and/or governmental agencies in and to any portion of the Covered Property lying below the mean high water line of the Susitna River, Sheep Creek or other navigable streams;
- c. Section line easements;
- d. Each Lot Owner in the Covered Property and all future owners of lots that may be developed and added to this community shall have a nonexclusive 20 foot wide road access easement for traveling to the Susitna River across Tract A, along with a nonexclusive right to use an area that has parking for four automobiles and small boat trailers. The easement area is generally shown on Exhibit B. Declarant reserves the right to move or relocate all or part of the existing road as Declarant may determine appropriate in the future development of Tract A. Right to use this easement shall be appurtenant to and may not be separated from the

Initial _____ Date _____



Initial _____ Date _____

fee ownership of any Lot in the Covered Property. Ownership of a Lot shall be the sole qualification for the right to benefit from this easement; and

- e. Trail and Utility easements throughout Falcon's Ridge Subdivision as shown on Plat No.

2006-19 ..

ARTICLE III THE SUBDIVISION ASSOCIATION

Section 1. In General. The Association, Falcons Ridge Owners Association, has been incorporated as a nonprofit corporation under the laws of the State of Alaska. The Association shall be the governing body for the administration and enforcement of this Declaration, including all architectural control regulations, and the administration and operation of all Common Areas.

Section 2. Membership. Every Owner shall be a Member of the Association. The terms and provisions set forth in this Declaration, which are binding upon all Owners, are not exclusive; Owners shall, in addition, be subject to the terms and provisions of the Bylaws of the Association to the extent the provisions thereof are not in conflict with this Declaration. In the event of conflict between the terms and provisions of this Declaration, and the terms and provisions of the Bylaws of the Association, the terms of this Declaration shall prevail. The foregoing is not intended to include persons or entities that hold an interest merely as security for the performance of an obligation. Membership of an Owner shall be appurtenant to and may not be separated from the fee ownership of any Lot, which is subject to assessment, by the Association. Ownership of a Lot shall be the sole qualification for membership. There shall be one (1) vote in the Association per Lot.

Section 3. Transfer of Membership. The membership held by any Owner shall not be transferred, pledged or alienated in any way, except upon the conveyance or encumbrance of such Lot and then only to the purchaser

Initial _____ Date _____



Initial _____ Date _____

or deed of trust holder of such Lot. The Association shall be given written notice of the change of ownership of the Lot within ten (10) days after such change.

Section 4. Voting rights. A Member shall be entitled to one (1) vote for each Lot in which that Member holds the interest required for membership. When more than one (1) person owns a portion of the interest required for membership, the vote for such Lot shall be exercised as they among themselves determine but in no event shall more than one (1) vote be cast with respect to any Lot. All voting rights shall be subject to the restrictions and limitations provided herein and in the Bylaws of the Association.

Section 5. General Duties and Powers of the Association. In addition to the duties and powers enumerated in its Bylaws, or elsewhere provided for herein, and without limiting the generality thereof, the Association shall:

(a) Enforce the provisions of this Declaration by appropriate means, including, without limitation, the expenditure of funds of the Association, the employment of legal counsel, the commencement of actions, and the promulgation of Association Rules, as provided in the Bylaws, which shall include the establishment of a system of fines or penalties enforceable as Special Assessments or as otherwise provided in the Bylaws;

(b) Maintain such policy or policies of insurance as the Board of Directors of the Association deems necessary or desirable in furthering the purpose and protecting the interest of the Association and its Members;

(c) Contract with independent contractors or managing agents to perform all or any part of the duties and responsibilities of the Association;

(d) Establish and maintain a working capital and contingency fund in an amount to be determined by the Board of Directors of the Association;

Initial _____ Date _____



Initial _____ Date _____

(e) Own, maintain and otherwise manage all of the Common Area and all facilities, improvements and landscaping thereon.

(f) Assess Members for the necessary expenses of maintaining operating, repairing and improving the Association and the Common Area.

Section 6. Association Rules. The Association shall also have the power to adopt, amend, and repeal such rules and regulations as it deems reasonable. The Association Rules shall cover such matters in furtherance of the purposes of the Association; provided, however, that the Association Rules may not discriminate among Owners and shall not be inconsistent with this Declaration or the Bylaws of the Association.

ARTICLE IV ALLOCATED INTERESTS

Section 1. Allocated Interests. The Common Expense liability and votes in the Association allocated to each Lot are equal. Each Lot shall have one (1) vote and each Lot shall have an equal obligation for assessments except for Special Assessments or fines levied against specific Lot(s). If a lot is withdrawn from the common interest community after the expense is incurred, that lot and lot owner will still be allocated and must pay the equal share of such expense with all other lots. Lots added, if any, after an expense was incurred will not be allocated an equal portion of an expense that was already incurred but thereafter shall have an equal allocation of Common Expense liability and one vote.

ARTICLE V COVENANT FOR ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation for Assessments. Each Owner of any Lot and each subsequent Owner of any Lot, by acceptance of a deed or other conveyance, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to covenant and agree to pay all Subdivision Assessments and Special

Initial _____ Date _____



Initial _____ Date _____

Assessments and any other charges payable to the Association under this Declaration or the Bylaws and Rules of the Association.

Each assessment, together with interest thereon and costs of collection thereof, shall be a charge on the land and shall be a continuing lien in favor of the Association upon the Lot against which such assessment is made. Each such assessment, together with such interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the Owner of such Lot at the time when the assessment fell due. The Association may enforce and foreclose any lien which it has or which may exist for its benefit or, without electing its remedy, may bring an action against the Owner personally obligated to pay the assessment to recover the assessment (together with interest, all actual costs and reasonable actual attorneys' fees for any such action, which shall be added to the assessment and included in any judgment rendered in such action).

Section 2. Assessment Allocation. Except as provided in Section 3 hereof, any Common Expenses shall be assessed against all Lots in accordance with Article IV. The Association, acting through its Board of Directors or Executive board shall adopt a proposed budget for Falcons Ridge, a Planned Residential / Recreational Community. Within 30 days of adopting the budget, a summary thereof shall be provided by mail at the address kept by the Association for each Lot owner and shall include a notice of a date for a meeting of Lot owners to consider ratification of the budget. The meeting shall be neither less than 14 nor more than 30 days after mailing the summary and notice of meeting. Unless, at that meeting, a majority of all Lot owners reject the budget, the budget is ratified for the period stated therein, whether or not a quorum is present. If the proposed budget is rejected, the periodic budget last ratified by the Lot owners continues until the Lot owners ratify a new proposed budget.

Section 3. Apportionment of Common Expenses to Less Than All lots; Limited Common Area or Limited Common Elements.

Initial _____ Date _____



Initial _____ Date _____

(a) Any Common Expenses for services provided by the Association for the benefit of an individual Lot at the request of the individual Lot Owner shall be assessed against said Lot.

(b) An assessment to pay a judgment against the Association may be made only against the Lots Owners in the Planned Community at the time judgment was entered, in proportion to their percentage interests in the Common Expenses at the time judgment was entered.

(c) Any fees, charges, late charges, fines, collection costs, and interest charged against a Lot Owner pursuant to this Declaration and the Act are enforceable as Common Expense Assessments.

(d) An assessment for Common Expenses for Limited Common Areas (also known as Limited Common Expenses) shall be allocated and assessed equally among only those Lot Owners who were able to use and benefit by the expense incurred. There are no identified Limited Common Areas for which there would be Limited Common Expenses at this time. Declarant reserves the right to add Common Areas or Limited Common Areas, including in those areas listed on Exhibit A that may be added.

Section 4. Liability of Mortgagee or Purchaser.
Subject to the Act, where the mortgagee of a first mortgage of record or a trustee of a recorded first deed of trust or other purchaser of a Lot obtains possession of the Lot as the result of foreclosure of the first mortgage or first deed of trust, or by deed in lieu of foreclosure thereof, such possessor, his successors and assigns, shall not be liable for the share of the assessments by the Association chargeable to such Lot which became due prior to such possession. Such unpaid share of assessments shall be deemed to be expenses collectible from all of the Owners including such possessor, his successors and assigns.

Section 5. Conveyance - Liability of Grantor and Grantee for Unpaid Common Expenses. In a voluntary conveyance the grantee of a Lot shall be jointly and

Initial _____ Date _____



Initial _____ Date _____

severally liable with the grantor for all unpaid assessments against the latter for his share of the expenses up to the time of the grantor's conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. Any such grantee shall be entitled to a statement from the Board of Directors setting forth the amount of the unpaid assessments against the grantor and such grantee shall not be liable for, nor shall the Lot conveyed by subject to a lien for any unpaid assessments against the grantor in excess of the amount therein set forth.

ARTICLE VI
ARCHITECTURAL CONTROL

Section 1. Conformity of Plans. No dwelling or out building shall be commenced, erected or maintained upon the Covered Property, nor shall any exterior addition to or change or alteration in any such structure, be made which is not in conformance with the provisions of this Declaration, rules adopted by the Association Board of Directors and approved by the Architectural Control Committee. This prior approval requirement shall also apply to driveways.

Written approval by the Architectural Control Committee as described below is required for the plans and specifications showing the nature, kind, shape, height, materials, exterior color and surface, location of structures, and manner of construction of driveways including elevation and amount of gravel fill. Before granting such approval, the Architectural Control Committee shall have in its reasonable judgment, determined that the plans and specifications conform to such architectural standards as may from time to time be adopted either by the Association or Board ("Architectural Standards"), and provide for a structure which is in harmony as to external design and location with surrounding structures and topography.

Such plans and specifications are not approved for engineering design. By approving such plans and specifications, neither the Architectural Control

Initial _____ Date _____



Initial _____ Date _____

Committee, the Members thereof, nor the Association assumes liability or responsibility therefor, or for any defect in any structure constructed from such plans and specifications.

Architectural Standards include the following:

(a) The owner of each Lot shall install a culvert under the Lot driveway at the ditch, which culvert shall be a minimum of twelve inches (12") in diameter. The elevation of the driveway must not be lower than that which existed prior to construction. Thus, for example, if eighteen inches (18") of topsoil are removed, at least eighteen inches (18") of gravel fill will be required. This section also requires that driveway permit be obtained from the Matanuska-Susitna Borough Public Works Department and that the driveway be constructed in conformity with that permit.

(b) It is the intention and purpose of these covenants that all improvements are of a high quality of workmanship and materials. Out buildings shall be of the same construction and appearance equal to the Dwelling's standard, utilizing proper foundation and siding. Nothing other than wood or log siding is permitted.

(c) All Dwellings, exclusive of out buildings, must have a finished exterior within one (1) year from the start of construction. All out buildings must be fully completed within six (6) months from the commencement of construction.

(d) No building, except sauna and gazebo, not to exceed 300 square feet in size, shall be located on any Lot nearer to any lot line than twenty-five feet (25') or nearer than seventy-five feet (75') from the ordinary high water mark of the Susitna River or any other location prohibited by the Plat.

(e) No more than twenty percent (20%) of standing trees shall be cleared from any Lot. No owner shall be permitted to completely clear a Lot or remove standing trees which are larger than six inches (6") in



diameter as measured three feet (3') above the ground without approval of the Architectural Control Committee, except to the extent reasonably necessary for the construction of the principal Dwelling, outbuildings, and driveway; to facilitate proper drainage; to prevent the spread of tree kill by insects; for defensible fire space; or that affect the safe installation of utilities. No clearing shall be allowed within twenty-five feet (25') of side property lines. Trees may be thinned so long as maximum natural beauty and the aesthetic value of trees are retained. The natural vegetation mat within a band seventy-five feet (75') wide from the ordinary Susitna River high water mark upland shall not be disturbed or removed except for installation of utilities, permitted walkways, decks, and screen porches. All such decks, walkways shall be light penetrating and shall not exceed a total of three hundred square feet (300 sq. ft.) per Lot. Stumps within the above seventy-five feet (75') wide band along the shoreline may be cut to ground level but shall not be removed. Disturbance within seventy-five feet (75') of the ordinary high water mark should minimize adverse impact to water quality and fish and wildlife habitat. All stumps and vegetation located elsewhere on the Lot, which are excavated for any reason (e.g., the installation of driveways, septic systems, foundations) shall be buried or removed from the Lot and the disturbed area shall be seeded or covered with an appropriate finish.

(f) No fence or wall shall be erected until the plans are approved in writing by the Architectural Control Committee as to location, quality of workmanship and materials. No fence of any kind may be installed in violation of any federal or state statute, or ordinance of the Matanuska-Susitna Borough as presently enacted or as may be hereafter enacted or amended.

(g) The following structures shall be permitted:

(1) No more than one main single family dwelling which must have a main ground floor size of at least four hundred eighty feet (480 sq. ft.). The height shall not exceed two (2) (above ground) stories. Duplexes

Initial _____ Date _____



Initial _____ Date _____

and other multi-family dwellings are prohibited.

(2) No more than one (1) detached garage not to exceed six hundred square feet (600 sq. ft.).

(3) No more than one (1) guesthouse, which shall not exceed five hundred square feet (500 sq. ft.).

(4) Generator shed - must be approved by the committee, and sound proofed so generator cannot be heard from the adjoining lots.

(5) No more than one (1) detached screen porch/gazebo which shall not exceed three hundred square feet (300 sq. ft.) within the seventy-five foot (75') set back from high water mark.

(6) No more than one (1) open-sided wood shed.

(7) No more than one (1) sauna/steam structure not to exceed two hundred and forty square feet (240 sq. ft.).

(h) Docks on the river are prohibited.

Section 2. Appointment of Architectural Control Committee. The Board of Directors of the Association shall appoint the members of the Architectural Control Committee. It shall consist of three (3) members. In the event of death or resignation of a Committee member, the Board of Directors shall appoint a replacement. The members of the Committee shall serve without any compensation.

Section 3. Appeal. Decisions of the Architectural Control Committee may be appealed to the Board of by written notice to the Board not more than thirty (30) days following the final decision of the Architectural Control Committee. Within thirty (30) days following the receipt of such notice of appeal, the Board may reverse the decision by a positive vote of sixty-seven percent (67%) of the members of the Board present to hear



the testimony. The Board may then recommend an alternative to the decision of the Architectural Committee.

Section 4. General Provisions.

(a) The Architectural Control Committee may establish reasonable rules, subject to adoption by either the Board or the Association, in connection with its review of specifications and plans, including, without limitation, the number of sets to be submitted, and the payment of a fee to cover costs incurred by the Committee in reviewing the plans (e.g. architect's fees). Unless such rules are complied with, such plans and specifications shall be deemed not submitted.

(b) The initial address of the Committee is 3940 Arctic boulevard, Suite 101, Anchorage, Alaska 99503 or such other place as may from time to time be designated by the Architectural Control Committee. Such address shall be the place for the submittal of plans and specifications and the place for requesting the current architectural standards.

(c) In the event the Committee fails to approve or disapprove within thirty (30) days after plans and specifications have been submitted to it or in any event, if no suit to enjoin construction has been commenced prior to completion thereof, approval will not be required and the related covenants shall be deemed to have been fully complied with.

ARTICLE VII
OWNERS MAINTENANCE OBLIGATIONS

Section 1. Maintenance. Every Owner of improved Lots shall:

(a) Maintain the Dwelling and other permitted structures and improvements on the Lot in good condition and repair. No discarded or inoperable appliances, furniture or other similar items of personal property shall be kept out of doors on any Lot; and

Initial _____ Date _____



Initial _____ Date _____

(b) Maintain an attractive and viable condition of landscaping on the Lot.

Section 2. Standards for Maintenance.
Maintenance of the exterior of the Dwellings, walls, roofs, shall be accomplished in accordance with the architectural standards of the Covered Property.

ARTICLE VIII
USE RESTRICTIONS

Section 1. General Provisions.

(a) All restrictive covenants listed and/or contained herein are subject in all instances to compliance with all applicable laws (including ordinances, regulations and restrictions) of the United States, State of Alaska and the Matanuska-Susitna Borough together with the provisions of the Plat.

(b) Enforcement shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any of the Declarations, the Plat and any law applicable to the use of any Lot; either to restrain such violation(s), to recover damages, levy fines or any combination thereof.

(c) The Covered Property is subject to all ordinances, regulations, statutes and other laws of the United States, State of Alaska and the Matanuska-Borough. The fact that a use may be permitted by this Declaration shall not be deemed as a representation, authorization or warranty by the Declarant, its agents or successors that such use is permitted by Federal, State or Local laws. Each person or entity that acquires any Lot in the Covered Property shall be deemed to have knowledge of all such laws, which pertain to the Covered Property.

Section 2. Business or Commercial Activity. No business or commercial activity shall be maintained or conducted on any Lot; provided, however, that professional and administrative occupations may be carried within residences on Lots so long as there exists no external

Initial _____ Date _____



Initial _____ Date _____

evidence thereof, including increased traffic. Camps (such as Boy Scout camps) are prohibited

Section 3. 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, disturbances or annoyance to other Owners in the enjoyment of their Lots or the neighborhood. No person within the Covered Property shall use any equipment of any kind, including, but not limited to sound reproduction equipment, chain saws, lawn mowers or any type of internal combustion engine or electric motor during the times of 10:00 p.m. to 7:00 a.m. Unreasonably loud sounds from any source shall be considered a nuisance under this paragraph, and shall be prohibited.

Section 4. Temporary Structures. No structure of a temporary nature, tent, shack or Quonset hut, residential trailer, pre-fabricated or mobile homes shall be used on any Lot at any time. Travel trailers and motor homes may be used by Lot Owners as recreational housing on a temporary basis until a permanent Dwelling has been constructed. Travel trailers and motor homes may not at any time be skirted or attached to the land. They must be licensed to travel and used on a regular basis as well as being approved by the Architectural Control Committee.

Section 5. Pets, Livestock and Poultry. No animals, sled dogs, livestock, or poultry of any kind shall be raised, bred or kept on any Lot for commercial purposes. A total of not more than two (2) dogs, cats or other indoor household pets may be kept on each Lot provided that they are not kept, bred, or maintained for any commercial purpose. Poultry and livestock are strictly prohibited. No vicious dogs as defined by any ordinance of the Matanuska-Susitna Borough shall be kept on any Lot. *No Pit Bulls*. No pet shall be allowed to leave the Lot at any time unless that pet is accompanied by and under effective voice or leash control of a person. All kennels shall be located near the Dwelling in a place that conceals its visibility from the street or the river.

Initial _____ Date _____



Initial _____ Date _____

Section 6. Garbage Disposal. No trash cans, garbage cans, trash barrels, boxes or other refuse containers shall be placed or maintained on or along the side or front of any Lot adjacent to a street. All garbage shall be stored either inside the Dwelling or garage or within a bear-proof container approved by the Association. No burning of trash, garbage refuse or other waste shall be permitted at any time. No Lot shall be used or maintained as a dumping ground for rubbish. All permitted trash containers shall be screened from view from any public right-of-way or the river.

Section 7. Water and Sewer. No community water or sewage treatment system shall be installed on the Covered Property by the Declarant. All dwellings shall be serviced by either on-site water and sewage disposal systems or outhouses, which must comply with specifications of the Matanuska-Susitna Borough and/or the State of Alaska Department of Environmental Conservation and the Alaska Department of Health, if appropriate.

Section 8. Vehicle Restrictions and Storage. No vehicle may be parked upon any street or Common Area except in designated parking areas. The presence of vehicles, trailers and equipment on Lots shall be in compliance with the following provisions:

(a) Service vehicles and equipment for the construction or repair of improvements to the Lot are permitted for those purposes only and only for so long as necessary to promptly complete such activities. Moving vans are also permitted for the purpose of moving to or from the Lot.

(b) Except as provided above and in subsection (c) hereof, all vehicles larger than a one-ton pickup are prohibited. Except as provided above, all equipment (such as tractors, backhoes, front-end loaders, semi trailers and the like) are prohibited.

(c) Except vehicles of bona fide visitors permitted by subsection (e), no more than three (3) motor vehicles may be kept on a Lot. No such permitted vehicle shall be larger than a one-ton pickup. In addition, one

Initial _____ Date _____

Initial _____ Date _____



(1) recreational vehicle (travel trailer, camper or motor home) may be kept on a Lot. Except as provided in Section 4 of this Article VII, no such recreational vehicle may be used for occupancy on site. In addition, no more than two (2) boat and/or utility trailers may be kept at a Lot. All vehicles as above listed must be in operating condition, currently licensed and owned or leased by the owner(s) or lessee(s) of the Lot or members of their immediate family who currently reside on the Lot.

(d) Except as permitted by subsection (a), commercial vehicles are prohibited except that one of the motor vehicles permitted by subsection (c) may be a commercial vehicle which is used to drive to and from employment.

(e) Non-commercial motor vehicles of bona fide visitors are permitted. Except for recreational vehicles, none may be larger than a one-ton pickup. No recreational vehicle of a bona fide visitor may be used for occupancy while on site. No more than two (2) recreational vehicles may be on a Lot at any given time.

(f) All recreational vehicles and trailers permitted per subsections (c) and (d) must be parked at least twenty-five feet (25') from the lot line, fifty feet (50') from the street and seventy-five feet (75') from the high water mark of the Susitna River.

Section 9. Snowmobiles and Other All Terrain Vehicles. Snowmobiles, three-wheelers, four-wheelers, ATV's or other similar recreational vehicles shall not be operated on the trails (except for maintenance), utility easements, or trail easements dedicated to the public or the homeowners located in the Covered Property.

Section 10. Signs. No sign of any kind shall be displayed to the public view on any Lot except for one (1) Lot Owner/Address identification sign, "private property" signs of not more than one and one-half square feet (1½ sq. ft.) placed not less than fifty feet (50') apart, or one (1) sign of not more than five square feet (5 sq. ft.) advertising the property for sale, or signs used by the

Initial _____ Date _____



Initial _____ Date _____

Developer to advertise the property during the sales period. Political signs are prohibited.

Section 11. Petroleum Provisions. No oil drilling, tunneling, oil development operations, refining, quarrying, or mining or mineral excavation operations of any kind shall be permitted upon or under any Lot. No derrick, oil well, shaft, or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot.

All Lots will be permitted fuel storage tanks for home heating/cooking use. All on-site fuel storage tanks must be approved by the State of Alaska Department of Environmental Conservation and/or any other entity that has jurisdiction over the installation of fuel storage facilities. Fuel storage facilities shall be screened from visibility from the streets and the Susitna River.

Section 12. Easements. Easements for installation and maintenance of utilities and drainage facilities and trails are reserved as shown on the recorded plat or as indicated by the public records for the Matanuska-Susitna Borough. Within these easements, no structure, plants 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 the flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements or interfere with the construction, use or maintenance of trails.

Section 13. Resubdivision. The Lots herein described shall not be reduced in size by resubdivision, except Owners of three contiguous Lots may divide the inner or middle Lot, thus increasing the size of the two remaining Lots which shall then be created for all purposes pertinent to these Covenants as two single Lots. Lots may be combined to create larger Lots.

Section 14. Mailboxes and Newspaper Tubes. Lot owners shall use the mailboxes approved by the U.S. Postal

Initial _____ Date _____



Initial _____ Date _____

Service. Materials and location of each individual mailbox shall be subject to the approval of the appropriate Committee. Newspaper receptacles are permitted on Lots as long as they are maintained in a neat and serviceable condition.

Section 15. Miscellaneous Equipment. Lawn furniture, and toys that are visible from the river shall be kept in an orderly manner. It is the intent of this provision to keep the natural beauty of the Susitna River front from being cluttered by personal items left out after use along the shoreline, visible to river or trail users. Subject to the Ordinances of the Matanuska-Susitna Borough and the provisions of the Plat, owners of Lots abutting on water shall have exclusive use of all land up to the water's edge. Any disk or other type of television or radio antenna or electronic device, which has as its purpose the sending or receiving of signals from or to any external source of any kind shall be screened from the road in an orderly and maintained appearance.

Section 16. Hunting and Firearms. Hunting and the discharge of firearms are strictly prohibited.

Section 17. Exterior Lighting. Any exterior lighting erected on any Lot shall be shaded so as to not create a nuisance to the Owners of adjacent Lots or to users of the roadways and Common Area.

Section 18. Generators. Generators shall be kept in detached and soundproof sheds, which shall be within fifty feet (50') of the Dwelling.

ARTICLE IX
DEVELOPMENT RIGHTS AND OTHER SPECIAL DECLARANT RIGHTS

Section 1. Special Declarant Rights. The Declarant reserves the following Special Declarant Rights:

(a) The right to complete or make improvements indicated on the Plats and Plans;

Initial _____ Date _____



Initial _____ Date _____

(b) The right to maintain a sales office or management office on any of the Common Areas or any Lot, but only in a manner which does not unreasonably disturb Lot Owners;

(c) The right to maintain signs in the Covered Property to advertise the Lots;

(d) The right to use, and to permit others to use, easements through the Common Areas as may be reasonably necessary for the purpose of discharging the Declarant's obligations under the Act and this Declaration;

(e) The right to appoint or remove officers and members of the Executive Board/Board of Directors during the Declarant Control Period consistent with the Act;

(f) The right to exercise any Development Right including the rights to:

(i) Add real estate presently outside of the Covered Property as described in Article I, Section 8, above; and

(ii) Create Lots or Common Areas within the Covered Property. Declarant may, at the time it adds any additional real estate, Lots, units and/or Common Areas to the Covered Property, specify changes to the restrictions on use, occupancy, and alienation, as well as standards for architectural control for the additional real estate, Lots, units and/or Common Areas; and

(iii) Withdraw real estate from the Covered Property;

(g) Convey utility and drainage easements to



utility companies and the Matanuska-Susitna Borough, respectively, in Declarant's own name and on behalf of the Association; and convey public use easements in any Common Areas or Lots;

(h) Modify or move the location of the road easement and launching area on Tract A.

Section 2. Limitations on Special Declarant Rights. Unless sooner terminated by a recorded instrument signed by the Declarant, any Special Declarant Right may be exercised by the Declarant for the period of time specified in the Act.

Section 3. Personal Property of Declarant. The Declarant reserves the right to retain all personal property and equipment used in the sales, management, and maintenance of the Covered Property that Declarant has not explicitly represented as property of the Association. The Declarant reserves the right to remove from the Covered Property any and all goods, models, and Improvements used in development and marketing, whether or not they have become fixtures.

Section 4. Lot Ownership by Declarant. Until Declarant no longer owns any Lots in the Covered Property, the Declarant and his duly authorized agents, representatives, and/or employees may maintain any Lot owned by the Declarant or any portion of the Common Areas as a model Lot, sales office or management office.

ARTICLE X GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce by proceedings at law and/or in equity, all restrictions, conditions, covenants, and reservations, now or hereafter imposed by the provisions of this Declaration or any amendment hereto, including the right to prevent the violation of any such restrictions, conditions, covenants or reservations and the right to recover damages or other dues for such violation. Failure by the Association or by any Member to enforce any



covenant, condition or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. These covenants and restrictions are severable. Invalidation of any one of these covenants, conditions or restrictions by judgment or court order shall in no way affect any other provision, which shall remain in full force and effect.

Section 3. Term. The covenants, conditions and restrictions of this Declaration shall run with and bind the subdivision property, the parties hereto, and all persons claiming under them and shall inure to the benefit of and be enforceable by the Association or any Member, their respective legal representatives, heirs, successors and assigns, for a term of twenty-five (25) years from the date this Declaration is recorded, after which time said covenants, conditions and restrictions shall be automatically extended for successive periods of ten (10) years, unless an instrument, signed by a majority of the then Members has been recorded, agreeing to change said covenants, conditions and restrictions in whole or in part. The purchase of any Lot in the Covered Property shall constitute an agreement on the part of such purchaser to be bound by these protective covenants in their entirety and to abide by them.

Section 4. Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the administration of a residential community and for the maintenance of the Covered Property. The article and section headings have been inserted for convenience only, and shall not be considered or referred to in resolving questions or interpretation or construction.

Section 5. Amendments. This Declaration of Covenants, Conditions and Restrictions may be amended at any time by an affirmative vote of the owners of sixty-six and two-thirds percent (66 2/3%) of the Lots. Upon vote of the owners of sixty-six and two-thirds percent (66 2/3%) of the Lots, the Members may make such further exceptions,

Initial _____ Date _____



Initial _____ Date _____

amendments and additions to these covenants, conditions, and restrictions as they deem appropriate and shall cause to be recorded in the Palmer Recording District a written instrument amending this Declaration.

Section 6. Singular Includes Plural. Whenever the context of this Declaration requires the same, the singular shall include the plural and the masculine shall include the feminine.

Section 7. Notices. All Lot Owners shall furnish a notice address to the Association and obtain a written acknowledgment from the Association of receipt of that notice address. If an Owner fails to furnish the required notice address, the notice address for all Owners of that Lot shall be that set forth on the bottom of the Warranty Deed by which the Owners acquired title to the Lot. In each instance in which notice is to be given to a Lot Owner, the same shall be in writing and may be delivered personally, in which case personal delivery of such notice shall be to one or two or more co-owners, or such notice may be delivered by United States mail, postage prepaid, to the Owner(s) at the most recent address furnished by such Owner(s) in writing to the Association for the purpose of giving notice. Any notice so deposited in the mail within Alaska shall be deemed delivered forty-eight (48) hours after such deposit.

Section 8. Non-liability of Officials. To the fullest extent permitted by law, neither the Declarant, the Board, the Architectural Control Committee, or any other committees of the Association, nor any member thereof shall be liable to any member or the Association for any damage, loss or prejudice suffered or claimed on account of any decision, approval, or disapproval of plans or specifications (whether or not defective), course of action, act, omission, error, negligence or the like made in good faith within which such Board, committees or persons reasonably believed to be within the scope of their duties.

Section 9. Failure of Owner to Comply. The failure of any Lot Owner to comply with provisions of the



Declaration and the Bylaws will give rise to a cause of action in the Association and any aggrieved Owner for the recovery of damages, or for injunctive relief, or both.

Section 10. Arbitration. Any dispute, controversy, or claim arising out of, in connection with, or in relation to this Declaration shall be submitted and determined by arbitration. This includes, but is not limited to any dispute related to the Bylaws or operation of the Association (including the Board and all committees). Except as otherwise provided herein, the arbitration shall be in accordance with the Uniform Arbitration Act as codified in Alaska Statutes (AS 09.43.010 et. seq.). All disputes shall be resolved by a one arbitrator who must be an attorney who is and has been licensed to practice in Alaska for at least 5 years. If the parties cannot agree to an arbitrator within 7 days from service of a written demand for arbitration upon all parties, the Superior Court at Anchorage shall make the appointment. All arbitration hearings shall be held in Anchorage. The party initiating arbitration shall pay any deposit reasonably required by the arbitrator. However, the arbitrator shall assess all arbitrator's fees and other costs related to the conduct of the hearing against the non-prevailing parties. The arbitrator shall also assess actual costs and attorneys fees against the non-prevailing parties. Except as provided in AS 09.43.070 there shall be no depositions. However, the arbitrator may compel the parties to produce and/or exchange documents prior to the hearing.

Initial _____ Date _____



Initial _____ Date _____

IN WITNESS WHEREOF, the undersigned Declarant has executed this instrument, the day and year written below.

FALCONS RIDGE, LLC

Gina L. Johnson
Member

Date 2/24/06

STATE OF ALASKA)
) ss
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this 24 day of February, 2006, before me the undersigned Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared Gina L. Johnson, Member of Falcons Ridge, LLC, known to me to be the person who executed the above and foregoing instrument and he acknowledged to me that he had, in his official capacity aforesaid, executed the foregoing document as the free act and deed of Falcons Ridge, LLC for the purposes and uses therein mentioned.

WITNESS MY HAND AND OFFICIAL SEAL the day and year in this certificate ~~first~~ above written.



Jeff Johnson
Notary Public in and for the
State of Alaska
My commission expires 10-25-06

After recording, return to:

Eugene Johnson
3940 Arctic Blvd., Suite 101
Anchorage, Alaska 99503

Initial _____ Date _____



Initial _____ Date _____

EXHIBIT A

Property from which Lots, tracts or units may be added to the DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS for FALCON'S RIDGE, A PLANNED RECREATIONAL / RESIDENTIAL COMMUNITY

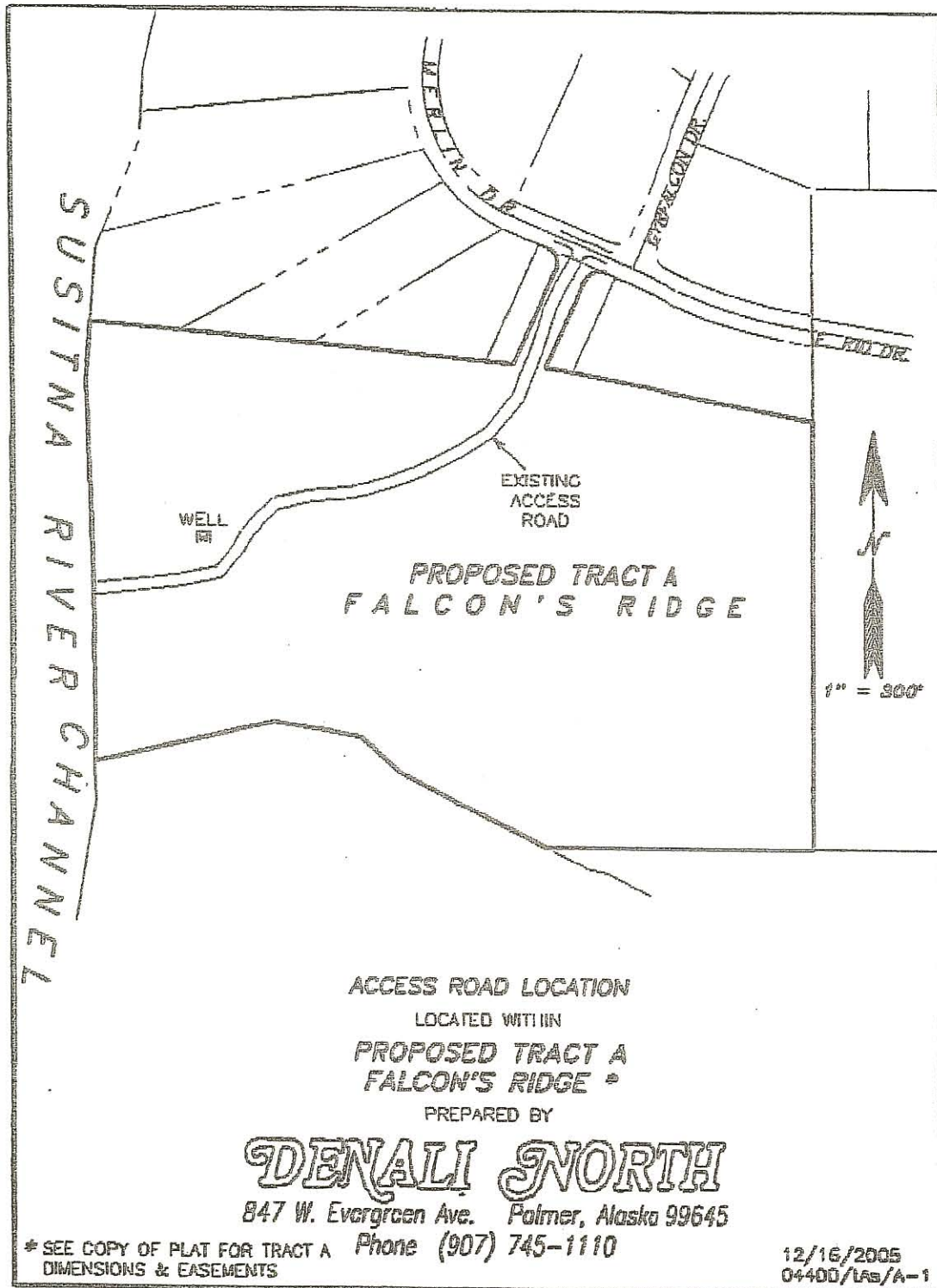
1. Tract A, FALCON'S RIDGE, as shown on Plat No. 2006-19;
2. The acreage between the westerly boundaries of Lots 7 through 13, Block 2, FALCON'S RIDGE and the Susitna River;
3. The 40 acres to the north of Lots 1 through 7, Block 2 and Lot 10, Block 4, FALCON'S RIDGE SUBDIVISION described as the South 1/2 of lots 3 and 4 and that portion of the South 1/2 of lot 2 which lies West of the Westerly right of way line of the Parks Highway, Section 6, Township 22 North, Range 4 West, Seward Meridian, located in the Palmer Recording District, Third Judicial District, State of Alaska.
4. The 80 acres to the south of Tract A, FALCON'S RIDGE SUBDIVISION described as the Northeast 1/4 of the Northwest 1/4 and the Northwest 1/4 of the Northeast 1/4 of Section 7, Township 22 North, Range 4 West, Seward Meridian, located in the Palmer Recording District, Third Judicial District, State of Alaska.
5. Lots 9 and 10, Block 5, Chandalar Subdivision, according to the official Plat No. 75-39 Records of the Palmer Recording District, Third Judicial District, State of Alaska.
6. Lots 3 and 4, Block 1, Lots 2 and 3, Block 2, and Lots 1 & 3, Block 3, Sheep Creek Acres, according to the official Plat No. 85-2, Records of the Palmer Recording District, Third Judicial District, State of Alaska.

Initial _____ Date _____



Initial _____ Date _____

EXHIBIT "B"



Initial _____ Date _____

Initial _____ Date _____



31 of 31

2006-004796-0



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**AMENDMENT NO. 1 TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS**

for

FALCON'S RIDGE

A PLANNED RECREATIONAL / RESIDENTIAL COMMUNITY

**TO PROVIDE FOR THE RELOCATION OF BOUNDARIES;
SUBDIVISION OF A LOT AND TO ADD AN EASEMENT**

This is an amendment to the certain Declaration of Covenants, Conditions and Restrictions for Falcon's Ridge, a Planned Recreational / Residential Community recorded February 24, 2006 as Document No. 2006-004796-0, Records of the Palmer Recording District, Third Judicial District, State of Alaska (hereinafter referred to as the "Declaration").

This Amendment is made to document the right of the Declarant of the Declaration to modify or change the boundaries of Lot 24, Block 3; Lots 1 and 2, Block 1; and Lots 27 and 28, Block 2, Falcon's Ridge Subdivision and to subdivide Lot 28, Block 2, Falcon's Ridge Subdivision into two smaller lots and to identify an additional easement that affects the common interest community.

Article I, Section 8 is amended to read:

Section 8. "Covered Property" shall mean and refer to all the real estate described as:

Falcon's Ridge Subdivision, Palmer Recording District, State of Alaska with a plat filed as Plat No. 2006-19, consisting of the following Lots: Lots 1 through 5, Block 1; Lots 1 through 28, Block 2; Lots 1 through 34, Block 3 and Lots 1 through 10, Block 4. Declarant has the right to modify or change the boundaries of Lot 24, Block 3; Lots 1 and 2, Block 1; and Lots 27 and 28, Block 2, Falcon's Ridge Subdivision and to subdivide Lot 28, Block 2, Falcon's Ridge Subdivision into two smaller lots. Tract A on such plat is not part of the Covered Property but Declarant reserves the right to add some or all of Tract A to the Covered Property. Declarant reserves the right, within 25 years from date of recordation hereof, to delete any of the lots. Declarant also may, but need not, add lots or tracts from any of the property described on Exhibit A which is incorporated by this reference as though fully set forth. Any such additions may be made in any order and at any time within 25 years from the date of recordation hereof. Declarant reserves the right to develop up to 200 lots or units within the Covered Property and the property described on Exhibit A.

Initial _____ Date _____

Initial _____ Date _____

ARTICLE II, Section 4 is amended to read:

Section 4. Boundaries of Lots. The boundaries of each lot in Falcon's Ridge Subdivision are as shown on Plat No. 2006-19. Some modification to the boundaries may occur during development, particularly including the creation of some additional lots or a reduction in the number of lots by combining lots or parts of lots shown on Plat No. 2006-19. This specifically includes modification or change to the boundaries of Lot 24, Block 3; Lots 1 and 2, Block 1; and Lots 27 and 28, Block 2, Falcon's Ridge Subdivision and subdividing Lot 28, Block 2, Falcon's Ridge Subdivision into two smaller lots. The Boundaries of lots or units or interests that may be created in any of the property described in Exhibit A, if all or part of it is added to the community, are unknown.

Article II, Section 5 is amended to read:

Section 5. Easements, reservations and Licenses. Recorded easements, reservations and licenses appurtenant to or included in the common interest community or to which any portion of the common interest community is or may be subject are as follows:

- a. Reservations and exceptions contained in U.S. Patent, including but not limited to the reservation of all oil and gas rights, recorded July 13, 1966 in book 62 at Page 151 records of the Palmer Recording District, Third Judicial District, State of Alaska (selection by the State of Alaska of all mineral rights previously reserved);
- b. Rights of the Public and/or governmental agencies in and to any portion of the Covered Property lying below the mean high water line of Big Susitna River, Sheep Creek or other navigable streams;
- c. Section line easements;
- d. Each Lot Owner in the Covered Property and all future owners of lots that may be developed and added to this community shall have a nonexclusive 20 foot wide road access easement for traveling to the Big Susitna River across Tract A, along with a nonexclusive right to use an area that has parking for a total of four automobiles and small boat trailers. The easement area is generally shown on exhibit B. Declarant reserves the right to move or relocate all or part of the existing road as Declarant may determine appropriate in the future development of Tract A. Right to use this easement shall be appurtenant to and may not be separated from the fee ownership of any Lot in the Covered Property. Ownership of a Lot shall be the sole qualification for the right to benefit from this easement;
- e. Trail and Utility easements throughout Falcon's Ridge Subdivision as shown on Plat No. 2006-19; and



- f. An easement benefiting the current and all future owners of a lot, unit or interest in Tract A, Falcon's Ridge Subdivision, to travel to and from the east boundaries of Lot 1, Block 1 and Lot 28, Block over and across South Merlin Drive to and over and across the road running between Lots 27 and 28, Block 2, Falcon's Ridge Subdivision to Tract A, Falcon's Ridge Subdivision.

This amendment is made pursuant to Article X, Section 5 of the Declaration and has been executed by owners of more than sixty-six and two-thirds percent (66 2/3%) of the Lots. It is further approved upon vote of the owners of sixty-six and two-thirds percent (66 2/3%) of the Lots, the Members may make such further exceptions, amendments and additions to these covenants, conditions, and restrictions as they deem appropriate and shall cause to be recorded in the Palmer Recording District a written instrument amending this Declaration.

IN WITNESS WHEREOF, the undersigned Declarant has executed this instrument, the day and year written below.

FALCON'S RIDGE, LLC

Owner of Lots: _____

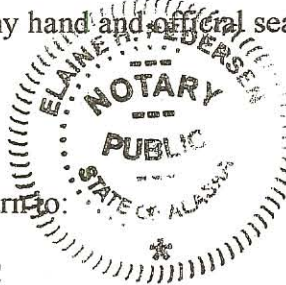
By Gina L. Johnson
Gina L. Johnson

Its: Member

STATE OF ALASKA)
)ss
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this 20th day of April, 2006, before me the undersigned Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared: Gina L. Johnson, Member of Falcon's Ridge, LLC, known to me to be the person who executed the above and foregoing instrument and she acknowledged to me that she had, in her official capacity aforesaid, executed the foregoing document as the free act and deed of Falcons Ridge, LLC, the owner of 64 lots which is 83% percent of Lots in Falcon's Ridge for the purposes and uses therein mentioned.

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



Elaine H. Pedersen

Notary Public in and for Alaska

My commission expires 8/9/2008

After recording, return to:

Falcon's Ridge, LLC
3940 Arctic Blvd., Suite 101
Anchorage, Alaska 99503



3 of 3

2006-027997-0

AMENDMENT NO. 2 TO DECLARATION
OF
FALCON'S RIDGE
(A PLANNED RECREATIONAL/ RESIDENTIAL COMMUNITY)
EXERCISING DEVELOPMENT RIGHTS

AFTER RECORDING, RETURN TO:

Falcon's Ridge, LLC
3940 Arctic Boulevard, Suite 101
Anchorage, Alaska 99503

Initial _____ Date _____

Initial _____ Date _____

AMENDMENT NO. 2 TO DECLARATION
OF
FALCON'S RIDGE
(A PLANNED RECREATIONAL/ RESIDENTIAL COMMUNITY)
EXERCISING DEVELOPMENT RIGHTS

Falcon's Ridge, LLC, an Alaska Limited Liability Company, with an office located at 3940 Arctic Boulevard, Suite 101, Anchorage, Alaska 99503, "Declarant" under a certain Declaration of Covenants, Conditions and Restrictions for Falcon's Ridge, A Planned Recreational / Residential Community, as recorded on the 24th day of February, 2006 as Instrument No. 2006-004796-0 in the Palmer Recording District, Third Judicial District, State of Alaska ("Declaration"), pursuant to Section 34.08.180 of the Alaska Uniform Common Interest Ownership Act, and pursuant to the reservations of Development Rights reserved pursuant to Section 34.08.130(a)(8) of the Act and the Declaration, does hereby amend the Declaration and does hereby declare:

ARTICLE I. Article II, Section 5, Easements, reservations and Licenses, is hereby amended to provide a new subsection g to Article II, Section 5 which adds another easement affecting some of the Lots. **Article II, Section 5 is amended to read:**

Section 5. Easements, reservations and Licenses. Recorded easements, reservations and licenses appurtenant to or included in the common interest community or to which any portion of the common interest community is or may be subject are as follows:

- a. Reservations and exceptions contained in U.S. Patent, including but not limited to the reservation of all oil and gas rights, recorded July 13, 1966 in book 62 at Page 151 records of the Palmer Recording District, Third Judicial District, State of Alaska (selection by the State of Alaska of all mineral rights previously reserved);
- b. Rights of the Public and/or governmental agencies in and to any portion of the Covered Property lying below the mean high water line of Big Susitna River, Sheep Creek or other navigable streams;

- c. Section line easements;
- d. Each Lot Owner in the Covered Property and all future owners of lots that may be developed and added to this community shall have a nonexclusive 20 foot wide road access easement for traveling to the Big Susitna River across Tract A, along with a nonexclusive right to use an area that has parking for a total of four automobiles and small boat trailers. The easement area is generally shown on exhibit B. Declarant reserves the right to move or relocate all or part of the existing road as Declarant may determine appropriate in the future development of Tract A. Right to use this easement shall be appurtenant to and may not be separated from the fee ownership of any Lot in the Covered Property. Ownership of a Lot shall be the sole qualification for the right to benefit from this easement;
- e. Trail and Utility easements throughout Falcon's Ridge Subdivision as shown on Plat No. 2006-19; and
- f. An easement benefiting the current and all future owners of a lot, unit or interest in Tract A, Falcon's Ridge Subdivision, to travel to and from the east boundaries of Lot 1, Block 1 and Lot 28, Block over and across South Merlin Drive to and over and across the road running between Lots 27 and 28, Block 2, Falcon's Ridge Subdivision to Tract A, Falcon's Ridge Subdivision.
- g. A common use access easement permitting certain persons to travel over, across, and upon a portion of Lots 6, 7 8, 9, 10, 11, 12 and 13, Block 2, FALCON'S RIDGE SUBDIVISION, Plat No. 2006-19 for purposes of access, ingress and egress, to and from the Susitna River. The easement benefits the owners of Lots 6-13, Block 2, and, for that portion of the Accretions (defined in the easement) subsequently obtained by Falcon's Ridge, LLC, both Falcon's Ridge, LLC and the future owners thereof.

Dated this 15 day of September, 2006.

FALCON'S RIDGE, LLC

Declarant

By 
MEMBER-MANAGER

STATE OF ALASKA

)

)SS.

THIRD JUDICIAL DISTRICT

)

THIS IS TO CERTIFY that on this 15th day of Sept, 2006, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn as such, personally appeared Ben Johnson, known to me to be the person who signed the foregoing instrument on behalf of and as Member Manager for FALCON'S RIDGE, LLC, and he acknowledged to me that he had, in his official capacity aforesaid, executed the foregoing document as the free act and deed of said FALCON'S RIDGE, LLC for the uses stated therein.

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



Elaine H. Pedersen
Notary Public in and for Alaska
My commission expires: 8/7/2008