

DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS OF THE SOUTH BALD MOUNTAIN HOMEOWNER'S ASSOCIATION, INC.

The State of Alaska, through the Division of Land and Water Management, of the Department of Natural Resources, hereafter "the Declarant," is the owner of certain real property located in the Matanuska-Susitna Borough, Alaska which is more particularly described as follows: Alaska State Land Survey No. 82-1, South Bald Mountain Subdivision, located within Sections 26, 27, 28, 33, 34, 35 and 36, Township 25 North, Range 3 West, Seward Meridian, Alaska.

The Declarant hereby declares that all of the property described above shall be held, sold and conveyed subject to the following restrictions, covenants, and conditions, which shall run with the real property and be binding on all the owners of parcels within the described properties or any part thereof, their heirs successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

Section 1. "Association" means the South Bald Mountain Homeowner's Association, its successors and assigns.

Section 2. "Owner" means the record owner or owners of a lot within the South Bald Mountain Subdivision, a purchaser under contract with the Declarant, and the holder of a homesite entry authorization, excluding the Declarant and those having such interest merely as security for the performance of an obligation.

Section 3. "Properties" means that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

ARTICLE II

This association shall be incorporated under the name of the South Bald Mountain Homeowner's Association, Inc., as a corporation not for profit

under the laws of the State of Alaska. This Homeowner's Association is established to build or maintain roads and related drainage improvements within the subdivision, maintain reserved or common areas, build or maintain a sewer system within the subdivision, and to provide other necessary services until a unit of local government is able and willing to assume responsibility for them. This Homeowner's Association shall have all of the powers set forth in the Articles of Incorporation, Bylaws, and this Declaration.

ARTICLE III

An owner of a parcel in the South Bald Mountain Subdivision automatically becomes a member of the South Bald Mountain Homeowner's Association and is subject to this Declaration, the Articles of Incorporation and the Bylaws promulgated by the Association. All subsequent owners of any parcel within this subdivision automatically become members of the Homeowner's Association and are subject to the Declaration, Articles and Bylaws to the same extent as an original member of the Association.

ARTICLE IV

Section 1. Creation of a Lien and Personal Obligation of Assessment. Each owner of a lot within the subdivision, by acceptance of a sale contract, deed or homesite entry permit, is deemed to covenant and agree to pay the association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees shall be a charge on the land and shall be a continuing lien upon the owner's interest in the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the owner of such property at

the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments.

The assessments levied by the Association shall be used exclusively for the improvement and maintenance of the Reserved or Common Areas within the Subdivision and construction and maintenance of capital improvements.

Section 3. Special Assessments for Capital Improvements.

In addition to annual assessments, the Association may levy a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement. Both annual and special assessments must be fixed at a uniform rate for all parcels and may be collected on a monthly basis.

Section 4. Voting.

All assessments levied by this Homeowner's Association must have the assent of a majority of the owners of lots in the Subdivision.

Section 5. Notice of Meetings.

Written notice of any meeting called for the purpose of taking assessments shall be sent by registered or certified mail to all owners not less than 30 days nor more than 60 days in advance of the meeting.

Section 6. Exempt Property.

Where the Declarant is the record owner of a parcel subject to a homesite entry permit or land sale contract, the assessment lien is upon the homesite permittee's or purchaser's interest in the parcel. There may be no liens upon the Declarant's interest in the parcel. All properties owned by the Declarant which are not subject to a sales contract or homesite entry permit, and all properties dedicated to, and accepted by, a local public authority shall be exempt from the assessments created herein.

Article VSection 1. Enforcement

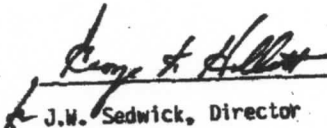
The Association, or any owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability.

Invalidation of any one of these covenants or restrictions by judgement or court order shall in no way affect any other provision which shall remain in full force and effect.

Section 3. Amendment.

The covenants and restrictions of this Declaration shall run with and bind the land for a term of forty (40) years from the date this Declaration is recorded. This Declaration may be amended or extended by an instrument signed by not less than a majority of the owners of the lots in the subdivision. Any amendment must be recorded.


J.W. Sedwick, Director
Division of Land and
Water Management

STATE OF ALASKA)

) ss.

Third Judicial District)

THIS IS TO CERTIFY that this 28th day of July, 1988,
before me personally appeared George K. Hollett of the Division of
Land and Water Management of the Department of Natural Resources of the
State of Alaska, who executed the foregoing Declaration of Covenants.

Conditions and Restrictions of the South Bald Mountain Homeowner's
Association and acknowledged voluntarily signing the same.

Rail Masuda

Notary Public in and for the State of Alaska

My Commission Expires:

My Commission Expires
November 5, 1985



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RECORDING DIST.

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