

RULES OF  
HORSESHOE HEIGHTS  
(Public Offering Statement Exhibit C)

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RULES OF  
HORSESHOE HEIGHTS  
OWNERS ASSOCIATION, INC.

(Note: Capitalized terms are defined in Article I of the Declaration.)

The following Rules apply to all owners and occupants of Units.

ARTICLE I

Use of Units

Section 1.1 - Occupancy Restrictions. Each Unit is restricted to residential use as a single-family residence including home professional pursuits not requiring regular visits from the public or unreasonable levels of mail, shipping, trash or storage. A single-family residence is defined as a single housekeeping unit, operating on a non-profit, non-commercial basis between its occupants, cooking and eating with a common kitchen and dining area, with no more permanent occupants than two per bedroom.

Section 1.2 - No Commercial Use. Except for those activities conducted as a part of the marketing and development program of the Declarant, no industry, business, trade or commercial activities, other than home professional pursuits without employees, public visits or nonresidential storage, mail, or other use of a Unit, shall be conducted, maintained or permitted on any part of the Common Interest Community, nor shall any signs, window displays or advertising be maintained or permitted on any part of the Common Elements or any Unit, nor shall any Unit be used or rented for transient, hotel or motel purposes.

Section 1.3 - Window Coverings and Holiday Lights. Unit Owners shall install only the following types of window coverings: (1) mini blinds, (2) shades (3) duettes and (4) sheers. Window coverings shall be white, neutral or light in color when viewed from the street and must be installed on all windows within three (3) months of closing or occupancy, whichever is sooner. No window shall be covered with garments, sheets, blankets, aluminum foil or similar materials. Temporary holiday lights may be displayed in window areas commencing the day after Thanksgiving and shall be removed no later than February 1st.

Section 1.4 - Painting Exteriors. Owners shall not paint, stain, or otherwise change the color of any exterior portion of any building. It shall be the responsibility of the Owners Association to paint the exteriors of all Units.

Section 1.5 - Unit Maintenance. Each Unit Owner shall keep their Unit in a good state of preservation and cleanliness.

## Section 1.6 –Decks

(a) Equipment including satellite dishes or satellite antennae and personal property and plants, shall not protrude beyond the deck boundary nor be placed on or hung from a deck railing. Barbecue units are prohibited on deck areas.

(b) Plants on plant shelves are permitted within deck areas provided they do not exceed the height of the deck rail. Plants may be hung within the boundary of the deck area and must be securely anchored so as not to create a safety hazard. Such visible hanging plants on a deck must not have an offensive appearance and dead plants are not permitted.

(c) No deck storage is permitted, including but not limited to, bicycles, gym equipment, boxes, tires, ladders, cleaning supplies (such as mops), garbage, trash containers, appliances (such as refrigerators) and visible storage cabinets.

(d) No article, such as towels, rugs, or clothing may be hung or shaken from a deck.

(e) No shades or blinds may be hung from a deck or within the deck area.

(f) No light fixtures may be installed on a deck except Association approved light fixtures and temporary holiday lights commencing the day after Thanksgiving and shall be removed no later than February 1st.

## Section 1.7 – Antennas and Satellite Dishes.

(i) Federal Communications Regulations. The Declarant is permitted by Federal Communications Commission (FCC) Regulations to impose reasonable restrictions relating to the installation of satellite dishes and antenna on the Common Elements and Limited Common Elements.

(ii) Satellite Wiring. Unit Owners may place a single satellite dish on the Common Element roof directly over their Unit. Roof penetration providing satellite wiring connectivity to the satellite dish shall be completed in a professional workmanlike manner by a licensed bonded and insured installer, approved by the Association. Installation in or on the Common Elements, except upon the roof is strictly prohibited.

(iii) Location. Placement of the satellite dish within the field of the roof shall be no closer than three feet (3 ft) from the roof edge and shall not protrude beyond four feet (4') above the roof line of the Unit. A satellite dish or antenna installed within a Limited Common Element Unit deck area shall not be placed on or hung from a deck railing or protrude beyond the deck boundary.

(iv) Safety and Non-interference. Installation must comply with reasonable safety standards and may not interfere with cable, telephone or electrical systems of neighboring Units.

(v) Color. Satellite dish color shall be neutral tones of gray only. No commercial advertising on the satellite dish is permitted other than the brand name.

(vi) Maintenance. No satellite dish on the roof shall be permitted to fall into disrepair or to become unsightly. Unit Owners have the sole responsibility of maintaining the installation and repair of their satellite dish, antenna and related equipment. In the event that a satellite dish installed on the roof by the Unit Owner becomes deteriorated or unsightly or is inconsistent with conditions of installation it may be removed or repaired at the Unit Owner's expense.

(vii) Removal and Damages. If a satellite dish, antenna and other related equipment is removed, any damage to the Common Elements or Limited Common Elements of the Unit must be repaired. The Owners Association may repair damages not repaired by the Unit Owner and assess the reasonable cost thereof against the Unit Owner.

Section 1.8 – Recreation Equipment. Basketball hoops, backboards, baseball, soccer, hockey cages or any other recreation apparatus shall be portable and stored out of sight from the street and adjoining Unit Owners during the winter season. No permanent basketball hoops, backboards, baseball cages or recreation apparatus may be attached to the Common Elements.

Section 1.9 – Mailboxes and Newspaper Tubes. Unit Owners shall use cluster mailboxes approved by the U.S. Postal Service and provided for the Community. Newspaper stands and receptacles are not permitted on the exterior of the cluster mailboxes or Units.

## ARTICLE II

### Use of Common Elements

Section 2.1 - Proper Use. Common Elements shall be used only for the purposes for which they were designed. No person shall commit waste on the Common Elements or interfere with their proper use by others, or commit any nuisances, vandalism, boisterous or improper behavior on the Common Elements which interferes with, or limits the enjoyment of the Common Elements by others.

Section 2.2 – Common Element Foyer Areas. No storage is permitted, including but not limited to, bicycles, gym equipment, boxes, tires, ladders, cleaning supplies (such as mops), garbage, trash containers, appliances (such as refrigerators) and visible storage cabinets in the foyer/entry areas.



Section 2.3 - Signs Except for Common Element Community and parking signage, no signs whatsoever shall be displayed to the public view except a sign of not more than five (5) square feet advertising the property for sale or rent, or a sign used by the Declarant to advertise the Property during the Unit sales or construction period.

Section 2.4 - Alterations, Additions or Improvements to Common Elements. No changes may be made to the Common Elements without the prior consent of the Executive Board or such committee established by the Executive Board having jurisdiction over such matters, if any.

Section 2.5 - Water and Sewer. Except for the Declarant installed well and septic systems, no individual well, water system, or septic system shall be allowed. To preserve and minimize potential damage and deterioration to the septic system and sewer and water lines, Units Owners shall not pour grease, oils or cooking fat residues into sinks, garbage disposal units or other drains. No diapers, sanitary napkins, newspapers, solid rags or paper towels are to be disposed in toilets. No used oil, oil-based paints, solvents or other chemicals are to be disposed into the Community sewer lines, storm drains or drainage ditches.

Section 2.6 - Utility and Drainage Easements. The obstruction or re-channeling of drainage flows after the original location and installation of drainage swales, storm sewers, or storm drains is not permitted. Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the Plat attached to the Declaration. No structures, plantings or other materials shall be placed or permitted in easement areas which may damage or interfere with the installation and maintenance of utilities or which may change the direction of water flow through the drainage channel within the easements.

### ARTICLE III

#### Actions of Owners and Occupants

Section 3.1 - Annoyance or Nuisance. No noxious or offensive activity shall be carried on within the Community, nor shall anything be done therein which may become an annoyance or nuisance to the neighborhood. Automobiles, motor bikes, motorcycles, snowmachines and all terrain vehicles shall have operable mufflers.

Section 3.2 - Compliance with Law. No immoral, improper, offensive or unlawful use may be made of the Property and 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, rules and regulations of the City of Wasilla and the Matanuska Susitna Borough. The violating Unit Owner shall hold the Association and other Unit Owners harmless from all fines, penalties, costs and prosecutions for the violation thereof or noncompliance therewith.

Section 3.3 - Pets. Pets shall mean domestic cats and domestic dogs only. No other animals may be kept as household pets, without the approval of the Board. Due to health, safety and infestation concerns, the following animals are prohibited as pets; rodents, insects, rabbits, ferrets and pigs.

- (i) No more than two (2) pets are permitted per Unit.
- (ii) Unit Owners with fenced yards may maintain their pets within the fenced yard area appurtenant to their Unit.
- (iii) Unit Owner's shall hold the Association harmless from all claims resulting from the actions of his or her pet. Pets demonstrating behaviors within the classifications defined in Anchorage Municipal Code ("AMC") 17.40.020(A), and not falling within any of the exceptions contained AMC 17.40.020(B) are not permitted on the Property.
- (iv) Unit Owners shall be responsible for keeping their Units and Common Element areas free and clear of pet feces and shall immediately remove their pet's animal feces from all areas of the Common Interest Community.
- (v) The provisions of the Municipal leash law (AMC 17.10.010) shall be observed and pets shall be leashed and kept under control at all times, when outside a Unit. Pets shall be licensed, vaccinated and maintained in accordance with Municipal law.
- (vi) Pets causing or creating a nuisance or unreasonable disturbance or noise, so as to interfere with the rights, comfort or convenience of other Unit Owners shall be permanently removed from the Property upon three (3) days' written Notice and Hearing from the Executive Board. Pets in the control of Unit Owners that are repeat offenders of the pet rules may be deemed a nuisance, and upon demand of the Executive Board shall be permanently removed from the Community. Unreasonable disturbance or noise may include but is not limited to; barking dogs and screeching birds.

Section 3.4 - Indemnification for Actions of Others. Unit Owners shall hold the Association and other Unit Owners and occupants harmless for the actions of their children, tenants, guests, pets, servants, employees, agents, invitees or licensees.

Section 3.5 - Employees of Management. No Unit Owner shall send any employee of the Manager out of the Property on any private business of the Unit Owner, nor shall any employee be used for the individual benefit of the Unit Owner, unless in the pursuit of the mutual benefit of all Unit Owners, or pursuant to the provision of special services for a fee to be paid to the Association.

Section 3.6 - Leasing. No Unit may be leased except by written leases in excess of six (6) months. Each lease will be filed with the Association, and written notice given of commencement and termination of possession. Each lessee will incorporate the terms and restrictions of the Documents as a personal obligation of the tenant. Each lease will attorn to the Association as landlord solely for the purpose of enforcing the restrictions of the Documents following Notice and Hearing to the Unit Owner/landlord, and an opportunity to cure the violation, and then by direct levy, injunction and/or eviction by summary process, against the tenant. The Association will not otherwise assume the responsibilities or obligations of the landlord. The Association will have the right and power to exercise the landlord's rights of summary eviction against any tenant of the Unit Owner who violates the restrictions of the Documents, provided the landlord has received Notice



and Hearing and is given a reasonable opportunity to cure the violation following the Hearing. A copy of all written occupancy agreements conforming to the foregoing requirements shall be submitted to the Executive Board to verify compliance with these requirements.

Section 3.7 - Lint Filters on Dryers; Grease Screens on Stove Hoods. All dryers will have lint filters, which will remain installed and prevent lint from accumulating in the vent duct. All stove hoods will have grease screens, which will remain installed and prevent grease from accumulating in the vent duct. All such filters and screens will at all times be used and kept in clean, good order and repair by the Unit Owner.

#### ARTICLE IV

##### Insurance

Section 4.1 - Increase in Rating. Nothing shall be done or kept which will increase the rate of insurance on any of the buildings, or contents thereof, without the prior consent of the Executive Board. No Unit Owner shall permit anything to be done, or kept on the Property which will result in the cancellation of insurance coverage on any of the buildings, or contents thereof, or which would be in violation of any law.

Section 4.2 - Rules of Insurance. Unit Owners and occupants shall comply with the Rules and Regulations contained in any fire and liability insurance policy on the Property.

Section 4.3 - Reports of Damage. Damage by fire or accident affecting the Property, and persons injured by or responsible for any damage, fire or accident must be promptly reported to the Manager or a Director by any person having knowledge thereof.

#### ARTICLE V

##### Rubbish Removal

Unit Owners shall dispose of household trash, garbage or other waste through a household garbage disposal or wrapped in a secure package which shall be transported to trash collection containers located on the Property. Unit Owners shall transport trash and garbage in such manner as to ensure the Common Elements are clean and free of trash and litter.

#### ARTICLE VI

##### Motor Vehicles

Section 6.1 - Compliance with Law. All persons will comply with Alaska State Laws, Department of Motor Vehicle regulations, and applicable local ordinances, on the Property.

##### Section 6.2 - Parking.

(a) The use of the Limited Common Element carport and assigned parking space for each Unit are restricted to the Unit Owner of the Unit to which it is assigned as shown on the Plat. Carports and parking spaces are restricted to use as a parking space for vehicles, snowmachines and all terrain vehicles only. No storage is permitted in a parking spaces including but not limited to storage of equipment, boats and trailers. No vehicle may be parked in a parking space that does not fit within the designated boundaries of the parking space.

(b) The use of the Limited Common Element carport and parking spaces is restricted to Unit Owners and their guests. Guest parking shall not exceed eight (8) hours in a twenty-four hour period.

(c) No repair or restoration of vehicles shall be permitted within Limited Common Element parking spaces except for emergency repairs thereto and only to the extent necessary to enable movement thereof to a proper repair facility.

## ARTICLE VII

### Rights of Declarant

The Declarant may make such use of the unsold Units and Common Elements as may facilitate completion and sale of the Common Interest Community including, but not limited to, maintenance of a sales office, the showing of the Common Elements and unsold Units, the display of signs, the use of vehicles, and the storage of materials. Interference with workmen or with buildings under construction is prohibited. Entrance into construction or Declarant's restricted areas will be only with representatives of the Declarant.

## ARTICLE VIII

### Rule Violations

Section 8.1 – Violation and Minimum Fines. A violation shall be failure by a Unit Owner to comply with a restriction, or cure a prohibited activity within five (5) days after notification of non-compliance. Violations of the use restrictions are disruptive to the Community and create additional administrative expense to the Association and accordingly, shall result in the following liquidated damages.

(a) Violations of the following use restrictions shall incur a one hundred dollar (\$50) one time charge upon issuance of written notice of violation, and for each subsequent notice. In addition, a ten dollar (\$10) per diem fee will be incurred for each day the violation continues from date of the notice until cured.

(i) Nuisance violations

(ii) Garbage and refuse disposal violations

(iii) Parking, vehicles and storage violations

(iv) Pet violations

(b) Violations of all other use restrictions shall incur a one hundred dollars (\$100) one time charge upon issuance of written notice of violation and a per diem charge of Fifteen Dollars (\$15) commencing upon the day written notice of violation is issued until the date of notice to the date the Unit Owner that the violation is cured. Each violation of the Declaration shall give rise to a separate liquidated damage recovery.

Section 8.2 – Legal Costs. In addition to fines that may be levied, the Board may institute legal proceedings or correct violations (i.e. repairs, restoration, vehicle towing, etc.), charging all associated costs back to the offending owner as a additional assessments. If the association must retain legal counsel to enforce Rules, Declaration or Bylaw provisions, legal costs may be assessed against the Unit Owner as additional fines.

## ARTICLE IX

### General Administrative Rules

Section 9.1 - Consent in Writing. Any consent or approval required by these Rules must be obtained in writing prior to undertaking the action to which it refers.

Section 9.2 - Complaint. Any formal complaint regarding the management of the Property or regarding actions of other Unit Owners shall be made in writing to the Executive Board or an appropriate committee.

Certified to be the initial rules adopted by the  
Executive Board on its date of organization

Printed Name \_\_\_\_\_  
Title: Secretary

STATEMENT OF  
MANAGEMENT RESPONSIBILITIES  
FOR  
HORSESHOE HEIGHTS  
(Public Offering Statement Exhibit D)

STATEMENT OF  
MANAGEMENT RESPONSIBILITIES

HORSESHOE HEIGHTS

ARTICLE I

Management

Section 1.1 - Management. The Association shall operate and manage the Common Interest Community and confer with the Executive Board in the performance of its duties as herein set forth with regard to the Common Elements as defined in the Declaration and such portions of the Units as may be controlled, inspected or maintained by the Association. Such authority and duties do not and shall not otherwise include supervision or management of Units except as directed by the Association.

ARTICLE II

Association Duties

Under the personal and direct supervision of one of its principal officers, the Association shall perform the following duties:

Section 2.1 - Bonding. The Association members responsible for handling the Association's funds shall be bonded by a commercial crime policy in accordance with Section 23.4 of the Declaration. The cost of the bond shall be charged to the Association.

Section 2.2 - Service of Complaints. Process service requests in a documented and efficient manner.

Section 2.3 - Collection. Collect all Common Expense assessments and other monies due from Unit Owners. The Executive Board shall request, demand, collect, receive, and receipt all charges which may at any time be or become due to the Association or the Common Interest Community and to take such action including but not limited to legal or other action, in the name of the Association to collect delinquent monthly assessments. The Association shall provide an itemized list of all delinquent accounts and other violations immediately following the tenth day of each month to the Unit Owners and mortgagees.

Section 2.4 - Maintenance. Maintain the Common Elements according to standards promulgated by the Executive Board, including but not limited to exterior cleaning, painting, plumbing, carpentry, and such other normal maintenance and repair work, subject to any limitations imposed by the Executive Board. The initial standards are attached as Schedule 1 to this Agreement (Service and Maintenance Policy).

Section 2.5 - Compliance With Official Requests. Take such action as may be necessary to promptly comply with requests or requirements affecting the Property placed thereon by any federal, state, or municipal authority having jurisdiction thereover, and such orders of the Board of Fire Underwriters or other similar bodies.

Section 2.6 - Contracts. Subject to approval by the Executive Board, make contracts for necessary services for the maintenance, repair and replacement of the Community. All such contracts and orders shall be made in the name of the Association. When taking bids or issuing purchase orders, the Executive Board shall be under a duty to secure for and credit to the Association any discounts, commissions, or rebates obtainable as a result of such purchases.

Section 2.7 - Insurance. The Executive Board shall maintain in force all forms of insurance as required by the Declaration and shall maintain written reports as required by any insurance company, mortgagee or trustee as to accidents or claims for damages relating to the Common Interest Community. Such reports shall contain a description of damage or destruction to the Property and the estimated cost of repair.

Section 2.8 - Bank Accounts. The Executive Board shall maintain a bank account(s) for the deposit of the monies of the Association, with authority to draw thereon the payment of Association liabilities or obligations incurred pursuant to the management of the Community.

Section 2.9 - Disbursements. From the funds collected and deposited into said Association bank account(s), the Executive Board shall cause to be disbursed, regularly and punctually monies for payment of services provided by contractors engaged by the Association, insurance premiums, and other sums due and payable by the Association as operating expenses or reserve funds.

Section 2.10 - Accounting. Working in conjunction with an accountant, prepare for execution and filing all forms, reports and returns required by law in connection with the operation of the Association.

Section 2.11 - Records. Maintain a comprehensive system of office records, books and accounts in a manner satisfactory to the Executive Board and in compliance with the Bylaws, which records shall be subject to examination at all reasonable hours. As a standard practice, the Executive Board shall provide to the Association not later than the tenth day of each month a statement of receipts and disbursements as of the end of the previous month.

Section 2.12 - Budget. At least sixty (60) days before the beginning of the new fiscal year, prepare with the assistance of an accountant, if need be, a proposed operating budget setting forth an itemized statement of the anticipated receipts and disbursements for the year and taking into account the general condition of the Common Interest Community. Such budget, together with a statement justifying the estimates made, shall be submitted to the Executive Board in final draft at least forty (40) days prior to the commencement of the annual period for which it has been made. The Executive Board shall thereupon approve or modify such budget, and the budget shall be ratified by the Unit Owners in accordance with Section 19.5 of the Declaration. The budget shall constitute a major control under which the Association shall operate, and there shall be no substantial variances therefrom, except such as may be sanctioned by the Executive Board. No expenses may be incurred or commitments made by the Association in connection with the maintenance and operation of the Common Interest Community in excess of the amounts allocated to the various classifications of expense in the approved budget without the prior consent of the Executive Board, except that, if necessary because of an emergency or lack of sufficient time to obtain such prior consent, an overrun may be experienced, provided it is brought promptly to the attention of the Executive Board in writing.

Section 2.13 - Standards. It shall be the duty of the Association to operate and maintain the Common Interest Community according to the highest standards achievable consistent with the overall



plan of the Common Interest Community and the interests of the Unit Owners. The Association shall make all Unit Owners and occupants aware of such rules, regulations and notices as may be promulgated by the Association or the Executive Board from time to time and perform such other acts and deeds as are reasonable, necessary and proper in the discharge of its duties.

### ARTICLE III

#### Compensation

The Association shall not charge a fee to the Unit Owners for the management of the Community.

### ARTICLE IV

#### Termination of Association Management

Section 4.1 - Cancellation. Association management shall terminate upon a \_\_\_\_\_ % vote of the Unit Owners to terminate Association management.

Section 4.2 - Termination for Cause. If the Association shall fail to substantially perform its duties and obligations hereunder for a continuous period of thirty (30) days after receiving written notice of the default from the \_\_\_\_\_ % of Unit Owners, specifying the default complained of, Association Management shall terminate immediately at the expiration of said thirty (30) day period, unless the default so specified shall have been cured.

Section 4.3 - Accounting. Upon termination, the Association shall account to the Unit Owners with respect to all matters outstanding as of the date of termination.

HORSESHOE HEIGHTS OWNERS ASSOCIATION,  
INC. ("Association")

By: \_\_\_\_\_  
Linda Frank  
President