

RULES
OF
HEART HAVEN ESTATES
OWNERS ASSOCIATION, INC.

(Note: Terms initial capitalized terms are defined in Article I of the Declaration.)

The following Rules apply to all owners of Lots and occupants of dwellings on Lots.

ARTICLE I
Use of Lots

Section 1.1 - Occupancy Restrictions. Lots are limited to one single family dwelling, and garages are limited to occupancy for the storage of vehicles and accessory storage, both as defined in the Declaration.

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 Lot, shall be conducted, maintained or permitted on any part of the Common Interest Community. No signs, window displays or advertising shall be maintained or permitted on any part of the Lot or the Common Elements. No structure on a Lot shall be used or rented for transient, hotel or motel purposes.

Section 1.3 - Window Coverings and Displays Outside of Dwellings on Lots. No clothes, sheets, blankets, laundry or any other kind of article, shall be hung out of a dwelling or exposed or placed on the outside walls, doors of a dwelling or on trees. No sign, awning, canopy or shutter shall be affixed to or placed upon the exterior walls or doors, roof or any part thereof or exposed on or at any window. Temporary holiday lights 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 without the prior consent of the Executive Board or such committee then established having jurisdiction over such matters, if any.

Section 1.5 - Cleanliness. Each Lot Owner shall keep his or her Lot in a good state of preservation and cleanliness.

Section 1.6 - Fences.

(i) Lot Owner's may construct a fence enclosing the rear yard area of their Lot. Fence material, design and location shall be determined by the Architectural Review Committee ("ARC") as provided for in Article XI of the Declaration. The ARC may change the designated materials and design from time to time without amending this Declaration.

(ii) Fencing shall connect to the house at a point no closer than three (3) feet behind the entry door. Front yard areas adjacent to the street shall not be fenced.

(iii) To the extent that a fence separates yard areas appurtenant to separate Lots, then the responsibility for the maintenance, repair, and replacement of that portion of the fence shall be the joint responsibility of the Lot Owners to which such yards are appurtenant. The cost of construction of the fence shall be that of the Lot Owner constructing the fence enclosing his or her yard. To the extent that a fence constructed by a Lot Owner joins an existing fence dividing the yards between the two Lots, then such Lot Owner shall pay to the owner of the adjoining Lot one-half (1/2) of the reasonable costs of the shared fence at reasonable commercial rates in effect at the time. No Lot Owner may construct a fence around a portion of its yard without completely enclosing the yard.

(iv) Provided, however, that the requirements of 1.6(e)(iii) shall not be construed to compel a Lot Owner to erect and maintain a fence, who does not agree to the erection of the fence. In such circumstances the cost of fence construction shall be that of the Lot Owner desiring the construction of the fence. If the Lot Owner not originally in agreement with construction of the fence, should subsequently decide to enclose their yard with a fence, then at such time, they shall contribute an equitable portion of fence construction costs including a reasonable adjustment for the remaining economic life of the existing fence.

(v) Hedges, shrubs or trees may be used for screening between Lots. Dog runs are permitted and shall be concealed by a wooden fence approved by the ARC.

Section 1.7 – Recreation Equipment. All recreation equipment including barbecues, tables, chairs, toys and bicycles must be stored either within the garage or contained within fenced yard areas and shall not be stored in any Lot area or Common Element area facing the private roadway within the Community.

Section 1.8 - Antennae and Satellite Dishes.

(i) Declarant imposes the following restrictions relating to the installation of satellite dishes and antennae if compliance does not (1) unreasonably delay or prevent installation, maintenance or use; (2) unreasonably increase the cost of installation, maintenance or use; or (3) preclude reception of an acceptable quality signal to the Lot Owner.

(ii) Acceptable Locations. Subject to the requirements contained in 1.8(i) above, satellite dishes and antennas shall be installed in the following locations (listed in decreasing order of preference).

(A) Inside the dwelling structure within the Lot.

(B) On the dwelling roof. Satellite or antennae shall not protrude beyond four feet (4') above the roof line and shall be set back a minimum of two feet (2') from the roof edge.

(C) Within the yard area.

(iii) Unacceptable Locations. Except as otherwise provided herein, antennas and satellite dishes shall not encroach upon Common Elements or another Lot.

(iv) Shielded from View. Antennas and satellite dishes shall be located in a place shielded from view to the public or from other Lots to the maximum extent possible; provided, however, that nothing in this rule requires installation where an acceptable quality signal cannot be received or in such a manner that unreasonably increases the cost of installation.

(v) Satellite Wiring. Wiring shall be installed in a neat, secure and inconspicuous manner so as to minimize exposed satellite wiring on the exterior of the dwelling. No loose sagging wiring is permitted. Installation shall be completed in a professional workmanlike manner by a licensed bonded and insured installer, approved by the Association.

(vi) 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. Satellite wiring shall be painted to match siding color of the dwelling.

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

(viii) Maintenance. Lot Owners are responsible to maintain, repair and replace their satellite dish or antenna. In the event that a satellite dish installed on the roof by the Lot Owner becomes deteriorated or unsightly or is inconsistent with conditions of installation it may be removed or repaired by the Association, at the Lot Owner's expense.

(ix) Removal and Damages. If a satellite dish, antenna and other related equipment is removed, any damage to the roof or dwelling structure contained in the Lot shall be repaired at the Lot Owner's expense. The Association may repair damages not repaired by the Lot Owner and assess the reasonable cost thereof against the Lot Owner.

ARTICLE II

Use of Common Elements

Section 2.1 - Obstructions. There shall be no obstruction of the Common Elements, nor shall anything be stored outside of Lots without the prior consent of the Executive Board except as hereinafter expressly provided.

Section 2.2 - Trash. No garbage cans or trash barrels shall be placed outside dwellings on Lots, except in areas designated for trash pick up on the evening of or the day of trash collection.

No accumulation of rubbish, debris or unsightly materials shall be permitted in the Common Elements, except in trash storage containers approved by the Executive Board.

Section 2.3 - Storage. Storage of materials in Common Elements is not permitted, except with written permission of the Executive Board.

Section 2.4 - 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 2.5 - Alterations, Additions or Improvements to Common Elements. No alterations, additions or improvements 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.

ARTICLE III Actions of Owners and Occupants

Section 3.1 - Annoyance or Nuisance. No noxious, offensive, dangerous or unsafe activity shall be carried on a Lot or the Common Elements, nor shall anything be done therein either willfully or negligently, which may be or become an annoyance or nuisance to the other Lot Owners or occupants.

(a) No Lot Owner or occupant shall make or permit any disturbing noises by himself or herself, his or her family, servants, employees, agents, visitors and licensees, nor do or permit anything to be done by such persons that will interfere with the rights, comforts or convenience of other Lot Owners or occupants. No Lot Owner or occupant shall play, or suffer to be played, any musical instrument or operate or suffer to be operated any music system or television set at such high volume or in such other manner that it shall cause unreasonable disturbances to other Lot Owners or occupants.

(b) Lot Owners shall supervise their guests and children on the Property.

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

Section 3.3 - Pets. Domestic dogs, cats, fish, and birds inside bird cages may be kept as household pets. No pets shall be kept, bred, or raised for commercial purposes or in unreasonable quantities.

(a) Pets that make objectionable noise, endanger the health or safety of, or constitute a nuisance or inconvenience to the occupants of other Lots shall be removed upon request of the Executive Board. If the pet owner fails to honor such request, the Board may remove the offending pet. Pets in the control of Lot Owners that are repeat offenders of the pet rules may be deemed a nuisance, and upon demand of the Board of Directors shall be permanently removed from the Community.

(b) Lot Owners may maintain a dog or cat within fenced yard areas on their Lot. Dog houses and dog runs shall be painted to match the existing single family residence and shall be situated within fenced yards in such manner as to not be visible from the street. Such structures shall first be approved by the Executive Board. Lot Owners shall keep their yard areas free and clear of pet feces and shall immediately remove their pet's animal feces from all areas of the Common Interest Community.

(c) Lot Owner's with pets shall hold the Association harmless from any claim resulting from any action of his or her pet.

Section 3.4 - Indemnification for Actions of Others. Lot Owners shall hold the Association and other Lot 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 Lot Owner shall send any employee of the manager out of the Property on any private business of the Lot Owner, nor shall any employee be used for the individual benefit of the Lot Owner, unless in the pursuit of the mutual benefit of all Lot Owners, or pursuant to the provision of special services for a fee to be paid to the Association.

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 Lot 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. Lot 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

Section 5.1 - Deposit of Rubbish. Trash, garbage or other waste shall be wrapped in a secure package and deposited into such trash containers. Said trash containers shall not be visible to adjacent Lots or to the public from the street, except when placed at the street curb on day of garbage pick-up. Following garbage pick-up, trash containers shall be removed from the curb, no later than the evening of the day of trash collection. No outside burning of trash or garbage is permitted. Long term storage of rubbish in the Lots is forbidden.

ARTICLE VI
Motor Vehicles

Section 6.1 - Compliance with Law. Lot Owners and occupants shall comply with Alaska State Laws, Department of Motor Vehicle regulations, and applicable local ordinances, on the Property. All highway vehicles used or parked on the Property will be licensed and properly equipped and in operating condition for safe travel on the public roadways.

Section 6.2 - Parking, Vehicle Restrictions and Storage.

(a) No inoperable or junk vehicles shall be parked or stored upon any Lot, a Common Element, or on a Community street. No repair, restoration or disassembly of vehicles, boats, trailers, aircraft or other vehicles shall be permitted within a Lot or Common Element. Emergency repairs may be made to motor vehicles for a period of up to ten (10) days. Thereafter, the vehicles shall be removed from the Community, except that Lot Owners may store said items within an enclosed garage so that the item is not visible from the street or adjacent Lots. The purpose of this provision is to keep such vehicles and equipment stored out of sight. Fuel storage is prohibited.

(b) The Association may impose fines for violations of this Section in accordance with Section 8.3 herein, which shall be a lien against the Lot.

(c) Street parking will be permitted on one side of the street in the Community. Restricted parking areas will be posted with 'No Parking' signage and Lot Owners and guests may park on the street for temporary periods of time not exceeding four (4) hours for every twenty-four hour period. Overnight guests shall park in the driveway of the respective Lot Owner. Vehicles parked illegally will be towed by the Association.

(d) Temporary Lot Owner and guest parking on Community streets shall not exceed four (4) hours in duration for every twenty-four hour period.

(e) No large commercial van, business related vehicle (e.g., dump trucks), heavy equipment such as bulldozers and road graders may be kept on a Lot or the street, except during the period of Declarant construction when such vehicles are actually working in the Community in a continuous manner. No part of the Property may be used

for the storage of any equipment, materials or merchandise used or to be sold in a business or trade.

ARTICLE VII
Rights of Declarant

The Declarant may make such use of the unsold Lots 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 Lots, 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
General Administrative Rules

Section 8.1 - 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 8.2 - Complaint. Any formal complaint regarding the management of the Property or regarding actions of other Lot Owners shall be made in writing to the Executive Board or an appropriate committee.

Section 8.3 - Violations and Fines.

(a) A violation shall be failure by a Lot 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.

(b) Violations of use restrictions shall incur a fifty 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.

(c) In addition to fines that may be levied, the Board may institute legal proceedings to correct violations (i.e. repairs, restoration, vehicle towing, etc.), charging all associated costs back to the offending Lot Owner as an additional assessment. If the Association must retain legal counsel to enforce Rules, Declaration or Bylaw provisions, legal costs may be assessed against the Lot Owner as additional fines.

ARTICLE IX
General Recreation Rules

Section 9.1 – Recreation Equipment. Basketball hoops, backboards, baseball, soccer, hockey cages or other recreation apparatus shall be portable and stored out of sight from the street and other adjoining Lot Owners during the winter season. No permanent basketball hoops, backboards, baseball cages or recreation apparatus may be attached to the Common Elements or the dwellings on the Lots.

Section 9.2 - Limited to Occupants and Guests. The Common Elements are limited to the use of Lot Owners, their tenants and invited guests. All Common Elements are used at the risk and responsibility of the user, and the user shall hold the Association harmless from damage or claims by virtue of such use.

Section 9.3 - Children. Parents shall direct and control the activities of their children in order to require them to conform to these rules. Parents shall be responsible for violations, or damage caused by their children whether the parents are present or not.

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

Secretary