

PUBLIC OFFERING STATEMENT

SUNSET HEIGHTS PLANNED COMMUNITY

1. Name and address of Declarant and Common Interest Community:

Declarant: Douglas Island Development, LLC
5405 North Douglas Highway
Juneau, Alaska 99801

Common Interest
Community: Sunset Heights Planned Community
5405 North Douglas Highway
Juneau, Alaska 99801

A planned community project located on Lot 7B1, U. S. Survey 2960, according to Plat 2015-49, Juneau Recording District, First Judicial District, State of Alaska.

2. Description of Sunset Heights Planned Community:

The individual single family units each have a footprint of 840 square feet, are three (3) stories high, consisting of a garage on the bottom and two living stories above, with a total of 2,458 square feet, inclusive of garage. The individual units are intended to create a sense of privacy for the occupants while still in close proximity to the neighboring buildings, which is mainly achieved by placing high, yet wide windows on those sides of the building. In contrast, the openings on the water view side of the units have been maximized to provide light and a view. The exterior consists of two different finishes which are either metal or lap siding, and shed roofs with metal panels.

3. Number of Units:

Sunset Heights Planned Community currently consists of two (2) units under construction, with all four (4) of the units for Phase I anticipated to be complete by April 1, 2017, with the Declarant reserving the right to ultimately construct a total of twelve (12) units.

4. Significant Features of Sunset Heights Planned Community:

The Declaration for Sunset Heights Planned Community, together with its supporting exhibits of the plat, floor plans, copies of recorded covenants, conditions, restrictions and reservations affecting the common interest community, is attached hereto as Exhibit A.

A. The significant features of Sunset Heights Planned Community are:

- i. Individual free-standing units.
- ii. One car garage.
- iii. Common areas listed here.
- iv. Green space with natural landscaping, native plants, shrubs, and vegetation.
- v. Filtered water and mountain views.

B. The name of the homeowners' association is:

Sunset Heights Planned Community Homeowners Association, Inc.
5405 North Douglas Highway
Juneau, Alaska 99801

Attached hereto as Exhibit B is a copy of the Articles of Incorporation of Sunset Heights Planned Community Homeowners Association, Inc. Attached hereto as Exhibit C is a copy of the Bylaws of Sunset Heights Planned Community Homeowners Association, Inc.

C. Contracts and Leases.

With the exception of a Buy-Sell Agreement between Declarant and the purchaser of a unit, there are no other contracts or leases to be signed by a purchaser at closing.

D. To the best of Declarant's knowledge, there are no contracts or leases that will or may be subject to cancellation by the association under AS 34.08.360.

5. Current Balance Sheet and Projected Association Budget.

The projected association budget and statement of reserves are attached hereto as Exhibit D. Exhibit D was prepared by Naomi Hobbs, Registered

Civil Engineer. The projected association budget assumes 100% occupancy. The projected reserves for repair, replacement and maintenance of the internal roads, playground, and garden are based on anticipated replacement costs at the time of future replacement. The Declarant has funded two (2) months of association dues per Unit for working capital on creation of Sunset Heights Planned Community Homeowners Association which shall be reimbursed to Declarant at closing from the sale of the first four (4) units.

- A. See Exhibit D attached hereto which sets forth the amount included in the budget as a reserve for repairs and replacement of internal roads, playground, and garden shed, including estimated cost of repair or replacement and the estimated useful life of the asset to be repaired or replaced.
- B. See Exhibit D for the projected common expense assessment by category of expenditures for the association.
- C. Monthly dues for each unit are set at \$273.36.

6. Services Not Reflected in Budget.

To the best of Declarant's knowledge, there are no services not reflected in the budget that the Declarant provides, or expenses that the Declarant pays and that the Declarant expects may become a common expense of the association at a subsequent time and the projected common expense assessment attributable to each of those services or expenses for the association and for each unit. **Unit Owners shall maintain their property insurance covering the permanent structures located on and within their Unit**

7. Initial Fees Due from Purchaser at Closing.

At closing, the Purchaser will be required to pay two (2) month's association dues of \$546.72 up front which will be held in reserve by the association. Monthly dues for the month of closing shall be prorated between Declarant and Purchaser. All closing costs are negotiable between Declarant and Purchaser.

8. Description of liens, defects, or encumbrances on or affecting the title to the common interest community.

See Schedule A-1 of Exhibit A.

9. Financing Offered or Arranged by Declarant.

None. Purchaser must secure his/her own financing.

10. Warranties Provided by Declarant.

Statutory warranties provided in AS 34.08.630-660.

11. Notice to Purchaser Regarding Public Offering Statement.

- A. Within fifteen (15) days after receipt of this Public Offering Statement, or a preliminary version of the public offering statement that reasonably reflects the contents of the public offering statement this is subsequently delivered to a purchaser, a purchaser, before conveyance, may cancel any contract for purchase of a unit from the Declarant.
- B. If the Declarant fails to provide a public offering statement to a purchaser before conveying a unit, the purchaser may recover from the Declarant up to ten percent (10%) of the sales price of the unit plus ten percent (10%) of the share, proportionate to the common expense liability of the unit, of any indebtedness of the association secured by security interests encumbering the common interest community.
- C. A purchaser who receives the public offering statement, or a preliminary version of the public offering statement that reasonably reflects the contents of the public offering statement that is subsequently delivered to a purchaser more than fifteen (15) days before signing the contract, cannot cancel the contract.

12. Unsatisfied Judgments or Pending Suits Against the Association.

There are no unsatisfied judgments or pending suits against the Sunset Heights Planned Community Homeowners Association.

13. Escrow Deposit and Escrow Agent.

All deposits made in connection with a planned purchase of one of the units will be held in an escrow account until closing and will be returned to the purchaser if the purchaser cancels the contract under AS 34.08.580. The name and address of the escrow agent is:

First American Title Insurance Company
8320 Airport Boulevard, #102
Juneau, Alaska 99801

14. Restraints on Alienation.

- A. Except as set forth in the Declaration attached hereto as Exhibit A, there are no restraints or restrictions on use, occupancy, and alienation of the units.
- B. Except as set forth in the Declaration attached hereto as Exhibit A, there are no restraints or restrictions on the amount for which a unit may be sold or on the amount that may be received by a unit owner on sale, condemnation, or casualty loss to the unit or to the common interest community, or on termination of the common interest community.

15. Insurance Coverage Provided for the Benefit of Unit Owners.

See Article 20 of the Declaration attached hereto as Exhibit A. The homeowners association is **NOT** responsible for insurance on the individual unit.

16. Fees To Be Paid By Unit Owner For Use of the Common Elements.

Pursuant to the budget attached hereto as Exhibit D, initial monthly common element expenses will be \$273.36 per month per unit. The monthly amount due for common element expenses is subject to change at the discretion of the homeowner's association board of directors.

17. Description Financial Arrangements for Completion of Construction and Reservation of Development Rights.

Declarant has reserved development rights and anticipates building eight (8) more units as part of this planned community project. Tentatively financing for construction of these units is to be provided by First National Bank Alaska.

The Development Rights reserved by the Declarant are limited as follows:

- (a) The Development Rights may be exercised at any time but not later than seven years after the recording of the Declaration.

- (b) Not more than a total of twelve (12) Units shall be created under the Development Rights. This includes all phases of the Project.
- (c) All improvements constructed under the Development Rights will be architecturally consistent and consistent in terms of quality of construction with improvements constructed pursuant to the Declaration as initially recorded.
- (d) Units, Common Elements and Limited Common Elements appurtenant thereto created pursuant to the Development Rights will be 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, to the same extent as the Units created under the initial Declaration.
- (e) All Units, Common Elements and Limited Common Elements will be contained in buildings of similar size to those initially constructed.
- (f) No assurance by Declarant is made that the additional units will be built.
- (g) The initial percentage of common expenses allocated to each unit is 25%. As each additional four units are completed and added to the Declaration, the percentage of common expenses allocated to each unit will be reduced to correspond with the number of units added to the Project. For example, upon completion of the next four units, common expenses allocated to each unit will be 12.5%. If all units are constructed as currently anticipated the final common expense allocation for each unit will be 8.333% to 8.34%.

18. Zoning and Other Land Use Requirements.

Lot 7B1, U. S. Survey 2960, according to Plat 2015-49, Juneau Recording District, First Judicial District, State of Alaska, is zoned D-3 single family and duplex.

22. Unusual and Material Circumstance, Feature, or Characteristic of the Common Interest Community and the Units.

None.

Dated: _____, 2017

DOUGLAS ISLAND DEVELOPMENT, LLC

By: _____
Austyn Schmidt, President