

DECLARATION FOR
CHUGACH TOWNHOUSE CONDOMINIUMS

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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

CHUGACH TOWNHOUSE CONDOMINIUMS

THIS DECLARATION is made on the 22 day of January, 1998, by Hagen Investments, L.L.C., referred to as "Declarant" herein.

Declarant submits that certain real estate located in the Municipality of Anchorage, more particularly described as follows:

Lots Three (3) and Four (4), CHUGACH TERRACE No. 2, according to Plat 84-498, filed in the Anchorage Recording District, Third Judicial District, State of Alaska,

("Property"), together with improvements constructed or to be constructed as shown in the plans attached as Sheets 4 through 11 of Exhibit A to the provisions of the Uniform Common Interest Ownership Act (the "Act"), (A.S. 34.08) for the purpose of creating a condominium to be known as Chugach Townhouse Condominiums.

ARTICLE I.
DEFINITIONS

As used herein, the following words and terms shall have the following meanings:

Section 1.1 "Additional Real Estate" means Lot 2, CHUGACH TERRACE No. 2, according to Plat 84-498, filed in the Anchorage Recording District, Third Judicial District, State of Alaska, together with all buildings and improvements now or hereafter constructed or located thereon.

Section 1.2 "allocated interests" means the undivided interests in the common elements, the common expense liability, and votes in the Association, allocated to each unit.

Section 1.3 **"Association"** means Chugach Townhouse Condominium Association, a nonprofit corporation organized pursuant to A.S. 34.08.310 as the Unit owners association.

Section 1.4 **"Bylaws"** means the Bylaws of the Association, as they may be amended from time-to-time.

Section 1.5 **"common elements"** means each portion of the Common Interest Community other than a Unit.

Section 1.6 **"common expenses"** means expenditures made by, or financial liabilities of, the Association, together with any allocations to reserves.

Section 1.7 **"common expense liability"** means the liability for common expenses allocated to each unit.

Section 1.8 **"Common Interest Community"** means the real estate with respect to which a person, by virtue of ownership of a Unit, is obligated to pay for real estate taxes, insurance premiums, maintenance, or improvement of other real estate described in this Declaration.

Section 1.9 **"Declarant"** means Hagen Investments, L.L.C.

Section 1.10 **"Development Right"** means a right or a combination of rights reserved by Declarant in the Declaration to add real estate to a Common Interest Community; create units, common elements, or Limited Common Elements with a Common Interest Community; subdivide units or convert units into common elements; or withdraw real estate from a Common Interest Community.

Section 1.11 **"dispose" or "disposition"** means a voluntary transfer to a purchaser of any legal or equitable interest in a unit, other than a transfer or release of a security interest.

Section 1.12 **"Documents"** means the Declaration, the plans recorded and filed pursuant to the provisions of the Act, and the Bylaws and the Rules as they may be amended from time-to-time. Any exhibit or certification accompanying a document is part of that document.

Section 1.13 **"eligible Insurer"** means an insurer or guarantor of a first security interest in the Unit which has notified the Association in writing of its name and address and that it has insured or guaranteed a first security in a Unit. Such notice shall be deemed to include a request that the eligible Insurer be given the notices and other rights described in Article XVII.

Section 1.14 **"eligible mortgagee"** means the holder of a first security interest in a Unit which has notified the Association, in writing, of its name and address, and that it holds a first security interest in a unit. Such notice shall be deemed to include a request that the eligible mortgagee be given the notices and other rights described in Article XVII.

Section 1.15 **"Executive Board"** or **"Board"** means the Board of Directors of the Association.

Section 1.16 **"improvements"** means any construction or facilities existing or to be constructed on the land included in the Common Interest Community, including but not limited to buildings, trees and shrubbery planted by the Declarant or the Association, landscaping, paving, sidewalks, utility wires, pipes and light poles.

Section 1.17 **"identifying number"** means the symbol or address that identifies each separate Unit in the Common Interest Community.

Section 1.18 **"Limited Common Elements"** means the portion of the common elements allocated for the exclusive use of one or more but fewer than all of the units by the declaration or by A.S. 34.08.100(2) or (4).

Section 1.19 **"Manager"** means a person, firm or corporation employed or engaged to perform management services for the Common Interest Community and the Association.

Section 1.20 **"Master Association"** means an organization described in A.S. 34.08.280.

Section 1.21 **"person"** means an individual, corporation, business trust, estate, trust, partnership, association, joint venture, government, government subdivision or agency, or other legal or commercial entity. In the case of a land trust, "person" means the beneficiary of the land trust and not the land trust or its trustee.

Section 1.22 **"Property"** means the Property described in Article III, and upon its addition, any portion of the Additional Real Estate added to the Condominium, together with all improvements.

Section 1.23 **"purchaser"** means a person, other than a Declarant or dealer, who by means of a voluntary transfer acquires a legal or equitable interest in a Unit other than a leasehold interest, including renewal options, of less than forty (40) years, or a security for an obligation.

Section 1.24 **"residential purposes"** means use for dwelling or recreational purposes, or both.

Section 1.25 **"Rules"** means Rules for the use of Units and common elements and for the conduct of persons within the Common Interest Community, adopted by the Executive Board pursuant to this Declaration.

Section 1.26 **"security interest"** means an interest in real property or personal property, created by contract or conveyance, which secures payment or performance of an obligation.

Section 1.27 **"Special Declarant Rights"** means the rights reserved for the benefit of a Declarant to:

(a) complete improvements indicated on plats and plans filed with the Declaration;

(b) exercise a Development Right;

(c) maintain sales offices, management offices, signs advertising the Common Interest Community, and models;

(d) use easements through the common elements for the purpose of making improvements within the Common Interest Community or within real estate that may be added to the Common Interest Community;

(e) make the Common Interest Community subject to a Master Association.

(f) merge or consolidate the Common Interest Community with another Common Interest Community of the same form of ownership; or

(g) appoint or remove an officer of the Association or a master association or any Executive Board member during any period of Declarant control.

Section 1.28 **"time share"** means a right to occupy a Unit or any of several Units during five or more separated time periods over a period of at least five years, including renewal options, whether or not coupled with an estate or interest in a Common Interest Community or a specified portion of a Common Interest Community.

Section 1.29 **"Unit"** means a physical portion of the Common Interest Community designated for separate ownership or occupancy, the boundaries of which are described in Article IV, Section 4.3, 4.3.(c) of this Declaration pursuant to A.S. 34.08.130(a)(5).

Section 1.30 "Unit owner" means the Declarant or other person who owns a unit. "Unit owner" does not include a person having an interest in a Unit solely as security for an obligation or a person having a leasehold interest in a Unit, including renewal options, of less than forty (40) years.

Section 1.31 **General.** All terms used but not defined herein shall have the meaning given to such terms in the Act, unless the context clearly indicates otherwise.

ARTICLE II.
TYPE AND NAME OF COMMON INTEREST
COMMUNITY AND ASSOCIATION

Section 2.1 **Common Interest Community.** The Common Interest Community is a condominium named Chugach Townhouse Condominiums.

Section 2.2 **Association.** The name of the Association is Chugach Townhouse Condominium Association.

ARTICLE III.
DESCRIPTION OF LAND

The Common Interest Community is situated on Property in the Municipality of Anchorage, Anchorage Recording District, Third Judicial District, State of Alaska, and is more particularly described as follows:

Lots Three (3) and Four (4), CHUGACH TERRACE No. 2, according to Plat 84-498, filed in the Anchorage Recording District, Third Judicial District, State of Alaska.

ARTICLE IV.

MAXIMUM NUMBER OF UNITS, IDENTIFICATION AND BOUNDARIES

Section 4.1 **Number of Units.** The Common Interest Community upon creation will contain seven (7) units. An additional three (3) units will be added to the Common Interest Community when Declarant submits the Additional Real Estate to the Common Interest Community. A total of ten (10) units will be developed.

Section 4.2 **Identification of Units.** All Units have an identifying number. These numbers are shown on the plans and/or survey map.

Section 4.3 **Unit Boundaries.** The boundaries of each Unit created by this Declaration are located as shown on the survey and/or plans and are more particularly described as follows:

(a) As reflected in the survey and/or plans, walls, floors, and ceiling are designated as boundaries of the Units.

(b) The lath, furring, wallboard, plasterboard, plaster, paneling, titles, wallpaper, paint, finished flooring, and other materials which are part of the finished surfaces of the walls, floors, or ceilings constituting the boundaries of the Unit are a part of the Unit, and all other portions of said walls, floors, or ceilings are a part of the common elements.

(c) If a chute, flue, duct, wire, conduit, bearing wall, bearing column, or other fixture lies partially within and partially outside the designated boundaries of a Unit, the portion serving only the Unit is a Limited Common Element allocated solely to the Unit, and any portion serving more than one Unit but less than all the Units is a Limited Common Element allocated equally to the Units it serves.

(d) Subject to Section 4.3.(c) above, spaces, interior partitions, and other fixtures and improvements within the boundaries of a Unit are a part of the Unit.

(e) Shutters, awnings, window boxes, doorsteps, stoops, porches, decks, balconies, patios, and each exterior door and window or other fixture designed to serve a single Unit, which are located outside the boundaries of the Unit, are Limited Common Elements allocated exclusively to the Unit.

(f) Except when specifically included by other provisions of this section, the spaces and improvements lying outside of the boundaries described above are excluded from each unit.

Section 4.4 Inconsistency with Survey and Plans. If this definition of Unit Boundaries is inconsistent with the Plans, then this definition shall control.

ARTICLE V.
ADDITIONAL REAL ESTATE

Section 5.1 Declarants Right to Add Additional Real Estate. Declarant expressly reserves the right to add the Additional Real Estate to the Condominium, and is obligated to do so prior to July 30, 1999.

Section 5.2 Maximum Number of Additional Units. The maximum number of additional Units that may be created within the Additional Real Estate is three (3) Units.

Section 5.3 Compatibility of Style and Use. All buildings and Units that may be constructed upon the Additional Real Estate or a portion thereof will be of similar design and compatible with the other buildings and Units in the Condominium in terms of architectural style, utility of construction, principal materials employed in construction, and size.

Section 5.4 Reallocation of Common Elements and Expenses. Upon the addition of Additional Real Estate, the Common Elements and expenses will be reallocated among the owners of the Common Interest Community based on the number of Units.

Section 5.5 Applicability of Restrictions. All restrictions in this Declaration and the Bylaws affecting use, occupancy and alienation of Units will apply to any and all additional Units that may be created within the Additional Real Estate.

ARTICLE VI.
MAINTENANCE, REPAIR AND REPLACEMENT

Section 6.1 Common Elements. The Association shall maintain, repair and replace all of the common elements, except the Limited Common Elements which are required by this Declaration to be maintained, repaired or replaced by the Unit owner.

Section 6.2 Units. Each Unit owner shall maintain, repair and replace, at the Unit owner's expense, all portions of the Unit, except the portions thereof otherwise required by this declaration to be maintained, repaired or replaced by the Association.

Section 6.3 Limited Common Elements. Common expenses associated with the cleaning, maintenance, repair or replacement of all Limited Common Elements will be assessed against the Unit or Units to which the Limited Common Element is assigned herein.

Section 6.4 Access. Any person authorized by the Executive Board shall have the right of access to all portions of the Property for the purpose of correcting any condition threatening a Unit or the common elements, and for the purpose of performing any installations, alterations or repairs, and for the purpose of any reading, repairing, replacing utility meters and related pipes, valves, wires and equipment, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the

affected Unit owner. In case of an emergency, no such request or notice is required and such right of entry shall be immediate, whether or not the Unit owner is present at the time.

Section 6.5 Repairs Resulting from Negligence. Each Unit owner will reimburse the Association for any damages to any other Unit or to the common elements caused intentionally; negligently; by the Unit owner's failure to properly maintain, repair or make replacements to his or her Unit or to the Limited Common Elements assigned to his or her Unit, or by the Unit owner's failure to permit timely access to his or her Unit by any person authorized such access by Section 6.4. The Association will be responsible for damage to Units caused by its intentional negligent acts, or by its failure to maintain, repair or make replacements to the common elements. If such expense is caused by misconduct, it will be assessed following notice and hearing.

ARTICLE VII.

SUBSEQUENTLY ALLOCATED LIMITED COMMON ELEMENTS

Any portions of the common elements shown as unallocated on the plat may be subsequently allocated as Limited Common Elements in accordance with Article XI of this Declaration, or may be assigned by rule of the Executive Board.

ARTICLE VIII.

ALLOCATED INTERESTS

Section 8.1 Allocation of Interests. The table showing interests allocated to each Unit is attached as Exhibit B. These interests have been allocated in accordance with the formulas set out in this Article.

Section 8.2 Formulas for the Allocation of Interests.

(a) Undivided Interest in the Common Elements and Liability for Common Expenses. The percentage of liability for common expense and for the undivided interest in the common elements allocated to each

Unit is an equal percentage interest, determined by dividing the number one (1) by the total number of Units constructed in the Property. The specified percentage is set forth in Exhibit B.

(b) Votes. Each Unit in the Common Interest Community shall have one equal vote.

ARTICLE IX.
RESTRICTIONS ON USE, ALIENATION AND OCCUPANCY

Section 9.1 **Single Family Residence**. Residences shall be used exclusively for single-family residential purposes except as provided for in Section 9.12.

Section 9.2. **Parking and Vehicle Restrictions**. To provide adequate access for ingress and egress of vehicles to all units located on Lots 3 and 4, all parking is prohibited in front of Units 5529-1, 5529-2, 5529-3, located on Lot 3, and unit 5531-1 located on Lot 4. The owners and residents of, and invitees to, Units 5531-2, 5531-3 and 5531-4, located on Lot 4, may park no more than two vehicles not to exceed 20 feet in overall length in front of their respective units. A total of five additional parking spaces located to the north and south of buildings 5529 and 5531, as depicted in Exhibit C are available for common use by the owners and residents of, and invitees to, all units located on Lots 3 and 4.

No wrecked, inoperative or otherwise derelict-appearing automobiles, and no trucks larger than 3/4 ton with extended cab and long bed, trailers, mobile homes, truck campers (except on a permitted vehicle being used daily for regular transportation), detached camper units, boats, or commercial vehicles shall be kept, placed, stored, or maintained for any period upon any land subject to this Declaration, except within an enclosed garage. "Commercial vehicles" are vehicles adapted to and used primarily for performance of business functions.

Section 9.3 Obstruction of Common Elements. Access to and permitted use of common elements shall not be obstructed, and nothing shall be stored in or on the common elements without the prior consent of the Association except as expressly provided herein.

Section 9.4 Nuisances. No noxious or offensive activities shall be carried on upon any land subject to this Declaration, nor shall anything be done therein which might be, or may become, an annoyance or nuisance to the Common Interest Community; such nuisances include, but are not limited to activities causing loudness, noxious odors, interference with telecommunications and similar activities substantially detracting from the enjoyment of other Units.

Section 9.5 Signs. No signs of any kind shall be displayed to the public on any land subject to this Declaration, with exception that a Unit owner may post one sign of not more than five (5) square feet advertising his or her Unit for sale or rent, and Declarant may post one sign per lot, not to exceed twenty-five (25) square feet to advertise the Units during the initial sale period.

Section 9.6 Hazardous Use and Waste. Nothing shall be done to or kept in any Unit or the common elements that will increase the rate of insurance maintained for the Condominium without the prior written consent of the Association. No Unit owner or occupant shall permit anything to be done to or kept in or on any Unit or the common elements that will result in the cancellation of insurance maintained for the Condominiums or that would violate any law, or that will or could result in the waste, damage, abuse or destruction to, in or on the Unit or the common elements.

Section 9.7 Hold Harmless and Indemnification. Each Unit owner shall be liable to the Association for any damage to the common elements or any equipment thereon which may be sustained by reason of the negligent or intentional actions of said Unit owner or such

owner's invitees, but only to the extent that any such damage is not covered by insurance maintained by the Association. Each Unit owner does further, by the acceptance of his or her deed, agree to indemnify each and every other Unit owners, and to hold each and every other Unit owner harmless from claims by any person for personal injuries or property damage occurring within the residence of the Unit owner, unless said injury or damage shall occur by reason of the negligence or intent of any other Unit owner, and each Unit owner further agrees to defend, at his or her expense and using counsel acceptable to defendants, any and all other Unit owners who are sued by any person for personal injury or property damage alleged to have been sustained within the residence of that Unit owner.

Section 9.8 Outside Installations. No outside pole or antennae shall be erected or maintained without first obtaining the approval of the Executive Board. No wiring, air conditioning or other machine shall be installed on the exterior of the building of the project or be allowed to protrude through the walls or roof of the building, unless the prior written approval of the Executive Board is secured. No basketball standards or fixed sports apparatus shall be attached to any residence without the prior written approval of the Executive Board.

Section 9.9 Pet Regulations. No animals, livestock or poultry of any kind shall be raised, bred, or kept in any Unit, except that domestic dogs, cats or other normal household pets, provided that they are not kept, bred or maintained for commercial purposes, and provided that all dogs shall be restrained and controlled as necessary to prevent loud, obnoxious barking, or other offensive actions. The Association shall have the right to prohibit maintenance of any animal which constitutes, in the opinion of the Executive Board, a nuisance to any other Unit owner. Any Unit owner shall be strictly liable to all other Unit owners, their families, guests and invitees, for any damage to person or Property caused by any pets brought or kept upon the Property by a Unit owner, his or her family members, guests, licensees or invitees.

Section 9.10 Business or Commercial Activity. No business or commercial activity shall be maintained or conducted in any residence, except that Declarant, or a person designated by the Association as agent of the Association for purposes of managing the Property, may maintain management offices and facilities in a residence.

Section 9.11 Trash Disposal. No owner of a Unit shall permit or cause any trash or refuse to be disposed of on any portion of the land subject to this Declaration. No portion of the land subject to this Declaration shall be used for the outside storage of building materials, refuse or any other materials except those to be used in connection with approved construction.

Section 9.12 Lease of Units. Any Unit owner may lease his or her Unit to a third party, but such a lease arrangement must be in writing, for a term of more than sixty (60) days, and shall provide that the failure to comply in all respects with the provisions of this Declaration and the Association Articles, Bylaws and Rules shall be a default under the terms of the lease. No Unit owner may lease his or her Unit for transient or hotel purposes; nor may less than the entire Unit be leased.

Section 9.13 Restriction on Alienation. A Unit may not be conveyed pursuant to a timesharing plan.

Section 9.14 Rules. In addition to the foregoing restrictions and conditions concerning the use of the Condominium, reasonable Rules not in conflict herewith may be adopted and/or amended from time to time by the Association.

ARTICLE X.
EASEMENTS AND LICENSES

Section 10.1 **Existing Easements.** All easements or licenses to which the Common Interest Community is presently subject are recited in Exhibit D to this Declaration.

Section 10.2 **Reciprocal Easements For Access to Common Elements.** Declarant expressly reserves, for the benefit of the Unit owners in the Association, reciprocal easements of access, ingress and egress over all of the common elements. Such easements may be used by Declarant's successors, purchasers, and all Unit owners, their guests, tenants and invitees, residing or temporarily visiting the project, for pedestrian walkways, vehicular access, and such other purposes reasonably necessary to the use and enjoyment of a Unit in the Association. Such easements shall be appurtenant to, and shall pass with, the title to every Unit conveyed. The Declarant expressly reserves, for the benefit of each Unit owner, an exclusive easement for use of those areas depicted on the plans as Limited Common Elements, as assigned to each Unit owner for his or her numbered unit. All building walls shall be considered to adjoin and abut the wall of the contiguous Unit against the surface from the bottom of the foundation of the building. Such right of use shall be as not to interfere with the use and enjoyment of the Owners of adjoining Units, and in the event that any such contiguous wall is damaged or injured from any cause other than the act or negligence of one of the Unit owners, the same shall be repaired or rebuilt at their joint and equal expense. In the event any portion of the common elements encroaches upon any Unit, or any Unit encroaches upon the common elements, as a result of the construction, reconstruction, repair, shifting, settlement or movement of any portion of the Common Interest Community, a valid easement for the encroachment and for the maintenance of the same shall exist so long as the encroachment exists.

Section 10.3 Declarant's Easement for Development of Additional Real Estate. Declarant reserves an easement on, over and under those portions of the common elements not located in a Building which contains Units, for all purposes relating to the construction, development, leasing, and sale of improvements on the Additional Real Estate. This easement shall include without limitation, the right of vehicular and pedestrian ingress and egress, the right to park motor vehicles and engage in construction and marketing activities of any nature whatsoever, including the movement and storage of building materials and equipment, the conduct of sales, leasing and management activities, the maintenance of a model and an office and the erection and maintenance of directional and promotional signs.

ARTICLE XI.

ALLOCATION AND REALLOCATION OF LIMITED COMMON ELEMENTS

A common element not previously allocated as a Limited Common Element may be allocated pursuant to the provisions in Article XXIV of this Declaration. The allocations will be made by amendments to the Declaration, specifying to which Unit or Units the Limited Common Element is allocated.

No Limited Common Element depicted on the plat or plans may be reallocated by an amendment to this Declaration pursuant to this Article XI without the consent of all affected Unit owners.

Such an amendment shall require the approval of all holders of security interests in the affected Units, which approval shall be endorsed thereon. The person signing the amendment shall provide an executed copy thereof to the Association which, if the amendment complies with the provisions of this Declaration and the Act, shall record it. The amendment shall contain words of conveyance and must be recorded and indexed in the names of the parties and the Common Interest Community.

The parties executing the amendment shall be responsible for the preparation of the amendment and shall reimburse the Association for its reasonable attorney's fees incurred in connection with the review of the amendment and for the recording costs.

ARTICLE XII.
ADDITIONS, ALTERATIONS AND IMPROVEMENTS

Section 12.1 **Exterior Additions or Alterations.** Excepting the interior of the Units, no replacement, addition or alteration of the building, structure, fence, drainage facility, common or limited-common area landscaping or planting shall be affected on any residence other than by Declarant until the plans, specifications and plot plan showing the location and nature of such replacement, addition, alteration or removal have been submitted to, and approved in writing by the Board; nor shall any exterior painting or decorative alteration be commenced until the Board has approved the plans therefor, including the proposed color schemes, design thereof, and the quality of the materials to be used. All such plans and specifications shall be prepared by an architect or landscape architect or licensed building designer, said architect and/or designer to be employed by the Unit owner making application at his or her sole expense. Plans and resubmittals thereof shall be approved or disapproved by the Board within thirty (30) days. Failure of the Board to respond to a submittal or resubmittal of plans within such period shall be deemed disapproval of the plans as submitted or resubmitted.

Section 12.2 **Denial of Plan Approval.** The approval of the plans and specifications may be withheld, not only because of noncompliance with this Declaration, but also by reason of reasonable dissatisfaction of the Board with the location of the structure on the Unit, the elevation, color scheme, finish, design, proportions, architecture, shape, height, style and appropriateness of the proposed structure or altered structure, the materials used therein, or because of its reasonable dissatisfaction with any or all other

matters or things which, in the reasonable judgment of the Board, will render the proposed additions, alterations, and/or improvements inharmonious or out of keeping with the general plan of improvement of the Common Interest Community or with the improvements erected on other Units. If, after such plans and specifications have been approved, the improvements are altered, erected or maintained upon the Unit other than as approved by the Board, such alteration, erection and maintenance shall be deemed to have been undertaken without the approval of the Board as required by this Declaration.

Section 12.3 Time Bar for Approval Requirement. After the expiration of one year from the date of completion of any improvements, said improvement shall, in favor of purchasers and encumbrancers, in good faith and for value, be deemed to comply with all of the provisions hereof, unless a notice of such noncompliance or noncompletion, executed by one or more members of the Board, shall appear of record in the Office of the Recorder, Anchorage Recording District, or legal proceedings shall have been instituted to enforce compliance with these provisions.

Section 12.4 Approval Does Not Waive Right to Object to Similar Features. The approval of the Board of any plans or specifications submitted for approval as herein specified for use on any Unit shall not be deemed to be a waiver by the Board of its right to object to any of the features of elements embodied in such plans and specifications, if or when the same features or elements are embodied in any subsequent plans or specifications submitted for approval as herein provided for use on other Units.

ARTICLE XIII.
SUBDIVISION OF UNITS

Section 13.1 Application and Amendment. Subject to approval of any structural changes and issuance of required permits pursuant to Article XI, the boundaries between adjoining Units may be reallocated by an amendment to the Declaration upon application to

the Association by the owners of the Units affected by the reallocation. If the owners of the adjoining Units have specified a reallocation between their Units of their allocated interests, the application shall set forth the proposed reallocations. The Executive Board shall act upon the application within thirty (30) days. Failure of the Board to respond within such period to the application shall be deemed disapproval of the application.

The Board's approval of the application may be withheld not only because of noncompliance with this Declaration, but also based on a determination that the reallocated boundaries, as proposed, will, in the reasonable judgment of the Board, render the proposed reconfigured Units inharmonious or out of keeping with the general plan of the Common Interest Community.

If the Board approves the application, the Association shall consent to the reallocation and prepare an amendment that identifies the Units involved, states the reallocations and indicates the Association's consent. The amendment must be executed by those Unit owners and contain words of conveyance between them, and the approval of all holders of security interests in the affected Units shall be endorsed thereon. On recordation, the amendment shall be indexed in the name of the grantor and the grantee, and in the grantee's index in the names of the Association.

Section 13.2 Recording Amendments. The Association shall prepare and record plats necessary to show the altered boundaries between adjoining Units, and their dimensions and identifying numbers.

The applicants will pay for the costs of preparation of the amendment and its recording, and the reasonable consultant fees of the Association if it is deemed necessary by the Executive Board to employ such consultant.

ARTICLE XIV.
AMENDMENTS TO DECLARATION

Section 14.1 **General**. Except in cases of amendments that may be executed by the Association under Article XI of this Declaration and Section 34.08.740 of the Act, or by certain Unit owners under Article XI and 34.08.260 of the Act, and except as limited by Section 14.4 of this Article, and Article XVI of this Declaration, this Declaration, including the plat and plans, may be amended only by vote or agreement of Unit owners of units to which at least seventy-five percent (75%) of the votes in the Association are allocated.

Section 14.2 **Limitation of Challenges**. No action to challenge the validity of an amendment adopted by the Association pursuant to this Article may be brought more than one (1) year after the amendment is recorded.

Section 14.3 **Recordation of Amendments**. Each amendment to the Declaration is effective only upon recording set forth in A.S. 34.08.250(c).

Section 14.4 **When Unanimous Consent is Required**. Except to the extent expressly permitted or required by other provisions of the Act and this Declaration, no amendment may create or increase Special Declarant Rights, increase the number of Units, change the boundaries of any Unit, the allocated interests of any Unit, or the uses to which any Unit is restricted, in the absence of unanimous consent of the Unit owners.

Section 14.5 **Execution of Amendments**. Amendments to this Declaration required by the Act to be recorded by the Association, which have been adopted in accordance with this Declaration and the Act, shall be prepared, executed recorded and certified on behalf of the Association by any officers of the Association designated for that purpose or, in the absence of designation, by the president of the Association.

Section 14.6 Special Declarant Rights. Provisions in this Declaration creating Special Declarant Rights may not be amended without the consent of the Declarant.

Section 14.7 Consent of Holders of Security Interests. Amendments are subject to the consent requirements of Articles XI and XVI.

ARTICLE XV.
TERMINATION

Termination of the Common Interest Community may be accomplished only in accordance with A.S. 34.08.260.

ARTICLE XVI.
MORTGAGE PROTECTION

Section 16.1 General. This Article establishes certain standards and covenants which are for the benefit of the holders, insurers and guarantors of security interests. This Article is supplemental to, and not in substitution for, any other provisions of the Documents, but in the case of conflict, this Article shall control.

Section 16.2 Percentage of Eligible Mortgages. Wherever in this Declaration the approval or consent of a specified percentage of eligible mortgagees is required, it shall mean the approval or consent of eligible mortgagees holding security interests in Units which, in the aggregate, have allocated to them such specified percentage of votes in the Association when compared to the total allocated to all Units then subject to security interests held by eligible mortgagees.

Section 16.3 Notice of Actions. The Association shall give prompt notice to each eligible mortgagee and eligible Insurer of:

(a) Any condemnation loss or any casualty loss which affects a material portion of the Common Interest Community or any Unit in which there is a first security interest held, insured or guaranteed by such eligible mortgagee or eligible Insurer, as applicable; if such loss of taking or damage to a condominium Unit exceeds \$10,000.

(b) Any delinquency in the payment of Common Expense assessments owed by a Unit owner, or any other default under the Documents, whose Unit is subject to a first security interest held, insured, or guaranteed, by such eligible mortgagee or eligible Insurer, which remains uncured for a period of sixty (60) days;

(c) Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association;

(d) Any proposed action which would require the consent of a specified percentage of eligible mortgagees as specified in Section 4;

(e) Any judgment rendered against the Association.

Section 16.4 Consent Required.

(a) Document Changes. Notwithstanding any lesser requirement permitted by this Declaration or the Act and not excepting any greater requirements mandated by this Declaration or the Act, no amendment of any material provision of the Documents by the Association or Unit owners described in this subsection may be effective without the vote of at least seventy percent (70%) of the Unit owners (or any greater Unit owner vote required in this Declaration or the Act) and until approved in writing by at least seventy percent (70%) of the eligible mortgagees (or any greater eligible mortgagee approval required by this Declaration). The foregoing approval requirements do not apply to amendments affected by the exercise of any Development Right. For purposes of this subsection, "material" includes, but is not limited to, any provision affecting;

- (i) assessments, assessment liens or subordination of assessments;
- (ii) voting rights;
- (iii) reserves for maintenance, repair and replacement of common elements;
- (iv) responsibility for maintenance and repairs;
- (v) reallocation of interests in the common elements or Limited Common Elements, except that when Limited Common Elements are reallocated by agreement between Unit owners, then, in addition to other requirements which may be mandated by this Declaration or the Act, only those Unit owners and only the eligible mortgagees holding security interests in such Units must approve such action;
- (vi) rights to use common elements and Limited Common Elements;
- (vii) partition or subdivision of Units except that when boundaries of only adjoining Units are involved, or a single Unit is being subdivided, then, in addition to other requirements which may be mandated by this Declaration or the Act, only those Unit owners and the eligible mortgagees holding security interests in such Unit or Units must approve such action;
- (viii) convertibility of Units into common elements or common elements into Units;
- (ix) expansion or contraction of the Common Interest Community, or the addition, annexation or withdrawal of Property to or from the Common Interest Community;
- (x) insurance or fidelity bonds;

(xi) leasing of units;

(xii) imposition of restrictions on a Unit owner's right to sell or transfer a Unit;

(xiii) establishment of self-management when professional management had been required previously by any eligible mortgagee;

(xiv) restoration or repair of the Common Interest Community after damage or partial condemnation in a manner other than specified in the Documents;

(xv) the benefits of mortgage holders, insurers or guarantors.

(b) Actions. Notwithstanding any lesser requirement permitted by this Declaration or the Act and not excepting any greater requirements mandated by this Declaration or the Act, the Association may not take any of the following actions, other than rights reserved to the Declarant as Special Declarant Rights, without the approval of at least fifty-one percent (51%) of the eligible mortgagees:

(i) convey or encumber the common elements or any portion thereof (such conveyance or encumbrance requires approval of at least eighty percent (80%) of eligible mortgagees). The granting of easements for public utilities or for other public purposes consistent with the intended use of the common elements by the Common Interest Community is not a conveyance or encumbrance within the meaning of this clause;

(ii) the establishment of self-management when professional management had been required previously by any eligible mortgagee;

(iii) the restoration or repair of the Property (after damage or partial condemnation) in a manner other than that specified in the Declaration or use of hazard insurance proceeds for losses to

any condominium Property, whether to a Unit or to the common elements, for other than the repair, replacement or reconstruction of such improvements;

(iv) the termination of the Common Interest Community for reasons other than a substantial destruction or condemnation (such termination requires approval of at least seventy percent (70%) of eligible mortgagees);

(v) the alteration of any partition or creation of any aperture between adjoining Units (when Unit boundaries are not otherwise being affected), in which case only the owners of Units affected and eligible mortgagees of those Units need approve the action;

(vi) the merger of this Common Interest Community with any other Common Interest Community;

(vii) the granting of any easements, leases, licenses and concessions through or over the common elements (excluding, however, any utility easements serving or to serve the Common Interest Community and excluding any leases, licenses or concessions for no more than one year);

(viii) the assignment of the future income of the Association, including its right to receive Common Expense assessments; and

(ix) any action taken not to repair or replace the Property.

(c) The Association may not change the period for collection of regularly budgeted Common Expense assessments to other than monthly without the consent of all eligible mortgagees.

(d) The failure of an eligible mortgagee to respond within thirty (30) days to any written request of the Association for approval of a nonmaterial addition or amendment to the Documents shall constitute an implied approval of the addition or amendment.

Section 16.5 **Inspection of Books.** The Association shall permit any eligible mortgagee or eligible Insurer to inspect the books and records of the Association during normal business hours.

Section 16.6 **Financial Statements.** The Association shall provide any eligible mortgagee or eligible Insurer which submits a written request, with a copy of an annual financial statement within ninety (90) days following the end of each fiscal year of the Association. Such financial statement shall be audited by an independent certified public accountant if any eligible mortgagee or eligible Insurer requests it and the eligible mortgagee or eligible Insurer agrees to bear the cost of the audit.

Section 16.7 **Enforcement.** The provisions of this Article are for the benefit of eligible mortgagees and eligible Insurers and their successors, and may be enforced by any of them by any available means, at law, or in equity.

Section 16.8 **Attendance at Meetings.** Any representative of an eligible mortgagee or eligible Insurer may attend any meeting which a Unit owner may attend.

Section 16.9 **Appointment of Trustee.** In the event of damages or destruction under Article XXI or condemnation of all or a portion of the Common Interest Community, any eligible mortgagee may require that such proceeds to be payable to a Trustee established pursuant to Section 21.5. Such Trustee may be required to be a corporate trustee licensed by the State of Alaska. Unless otherwise required, the members of the Executive Board acting by majority vote through the president may act as Trustee.

ARTICLE XVII.
ASSESSMENT AND COLLECTION OF COMMON EXPENSES

Section 17.1 **Apportionment of Common Expenses.** Except as provided in Section 17.2, all common expenses shall be assessed against all Units in accordance with their percentage interest in the common expenses as shown on Exhibit B to this Declaration.

Section 17.2 **Common Expenses Attributable to Fewer than all Units.**

(a) Any Common Expense associated with the maintenance, repair or replacement of a Limited Common Element which serves exclusively one Unit shall be assessed against that Unit. If any Limited Common Element serves more than one Unit, but less than all Units, the common expenses attributable to the Limited Common Element shall be assessed equally among the Units.

(b) Any Common Expense for services provided by the Association for the benefit of an individual Unit at the request of the individual Unit owner shall be assessed against said Unit.

(c) Any insurance premium increase attributable to a particular Unit by virtue of activities in the Unit shall be assessed against that Unit.

(d) An assessment to pay a judgment against the Association may be made only against the units in the Common Interest Community at the time the judgment was entered, in proportion to their Common Expense liabilities.

(e) If a Common Expense is caused by the misconduct of Unit owner, the Unit owner's family members, guests or invitees, the Association may assess that expense exclusively against the Unit.

(f) Fees, charges, late charges, fines, collection costs, and interest charged against a Unit owner pursuant to the Documents and the Act are enforceable as Common Expense assessments.

Section 17.3 Lien.

(a) The Association has a lien on a Unit for all assessments levied against the Unit and fines, fees, charges, late charges, collection costs, and interest imposed against its Unit owner from the time the assessment or fines, fees, charges, late charges, collection costs, and interest become due. Fees, charges, late charges, fines and interest charged pursuant to the Act and the Documents are enforceable as assessments, the full amount of which is a lien from the time any portion of such assessment becomes due.

(b) A lien under this Section is prior to all other liens and encumbrances on a Unit except: (1) liens and encumbrances recorded before the recordation of the Declaration; (2) a first security interest on a Unit recorded before the date on which the assessment sought to be enforced became delinquent; and (3) liens for real estate taxes and other governmental assessments or charges against the Unit. A lien under this section is also prior to all security interests described in Subdivision (2) above if the Common Expense assessments based on the periodic budget adopted by the Association pursuant to Section 17.4 which would have become due in the absence of acceleration during the six months immediately preceding institution of an action to enforce the lien. This subsection does not affect the priority of mechanics' or materialmen's liens, or the priority of a lien for other assessments made by the Association. A lien under this Section is not subject to the provisions of A.S. 09.38.010.

(c) A lien for an unpaid assessment is extinguished unless proceedings to foreclose the lien are instituted within three years after the full amount of the assessment becomes due.

(d) If a holder of a first or second security interest in a Unit forecloses that security interest, the purchaser at the foreclosure sale is not liable for any unpaid assessments against that Unit which became due before the sale, other than the assessments which are prior to that security interest under Section 17.3.(b). Any unpaid assessments not satisfied from the proceeds of the sale become common expenses collectible from all the Unit owners, including the purchaser.

(e) Any payments received by the Association in the discharge of a Unit owner's obligation may be applied first to the oldest balance due.

Section 17.4 **Budget Adoption and Ratification.** Within thirty (30) days after adoption of a proposed budget for the Common Interest Community, the Executive Board shall provide a summary of the budget to each Unit owner, and shall set a date for a meeting of the Unit owners to consider ratification of the budget not less than fourteen (14) nor more than thirty (30) days after mailing of the summary. Unless at that meeting a majority of all Unit owners reject the budget, the budget is ratified, whether or not a quorum is present. If the proposed budget is rejected, the periodic budget last ratified by the Unit owners continues until the Unit owners ratify a budget proposed by the Executive Board.

Section 17.5 **Ratification of Nonbudgeted Common Expenses.** If the Executive Board votes to levy a Common Expense assessment not included in the current budget, other than the one enumerated in Section 17.2, in an amount greater than fifteen percent (15%) of the current annual operating budget, the Executive Board shall submit such Common Expense to the Unit owners for ratification in the same manner as a budget under Section 17.4.

Section 17.6 **Certification of Payment of Common Expense Assessments.** The Association upon written request shall furnish to a Unit owner a statement in recordable form setting out the amount of

unpaid assessments against the Unit. The statement must be furnished within ten (10) business days after receipt of the request and is binding on the Association, the Executive Board, and each Unit owner.

Section 17.7 Monthly Payment of Common Expenses. All common expenses assessed under Sections 17.1 and 17.2 shall be due and payable monthly.

From and after the date of recordation of a deed to the first Unit owner of an interest in the Common Interest Community, the Unit owner shall establish an assessment reserve fund with the Association, which reserve fund shall equal the projected assessments to the Unit owner for a two-month period. In addition, the Unit owner shall pay to the Association the regular monthly assessment as provided herein, the purpose being to have available at all times for the Association an assessment reserve fund equal to two (2) months of assessments. This assessment reserve fund shall be maintained at all times, just as a reserve for taxes and insurance is maintained, and in the event of a transfer of the Unit owner's interest in the Common Interest Community, the purchaser shall be responsible for establishing and maintaining this reserve fund.

Section 17.8 Acceleration of Common Expense Assessments. In the event of default for a period of thirty (30) days by any Unit owner in the payment of any Common Expense assessment levied against his or her Unit, the Executive Board shall have the right, after Notice and Hearing, to declare all unpaid assessments for the fiscal year to be immediately due and payable.

Section 17.9 Commencement of Common Expense Assessments. Common Expense assessments shall begin on the first day of the month in which conveyance of the first Unit to a Unit owner other than the Declarant occurs.

Section 17.10 No Waiver of Liability for Common Expenses. A Unit owner is not exempted from liability for payment of the common expenses by waiver of the use or enjoyment of the common elements or by abandonment of the Unit against which the assessments are made.

Section 17.11 Personal Liability of Unit Owners. The owner of a Unit at the time a Common Expense assessment or portion thereof is due and payable is personally liable for the assessment. Personal liability for the assessment shall not pass to a successor in title to the Unit unless he or she agrees to assume the obligation.

ARTICLE XVIII.
RIGHT TO ASSIGN FUTURE INCOME

The Association may assign its future income, including its right to receive Common Interest Expense assessments, only by the affirmative vote of Unit owners of Units to which at least seventy percent (70%) of the votes in the Association are allocated, at a meeting called for that purpose.

ARTICLE XIX.
PERSONS AND UNITS SUBJECT TO DOCUMENTS

Section 19.1 Compliance with Documents. All Unit owners, tenants, mortgagees and occupants of Units shall comply with the Documents. The acceptance of a deed or the exercise of any incident of ownership or the entering into of a lease or the entering into occupancy of a Unit constitutes agreement that the provisions of the Documents are accepted and ratified by such Unit owner, tenant, mortgagee, or occupant.

Section 19.2 Adoption of Rules. The Executive Board may adopt Rules regarding the use and occupancy of Units, common elements, and Limited Common Elements and the activities of occupants, subject to Notice and Comment.

ARTICLE XX.

INSURANCE

Section 20.1 **Coverage.** To the extent reasonably available, the Executive Board shall obtain and maintain insurance coverage as set forth in this Article. If such insurance coverage is not reasonably available, and the Executive Board determines that any insurance described herein will not be maintained, the Executive Board shall cause notice of the fact to be hand-delivered or sent prepaid by United States mail to all Unit owners and eligible mortgagees at their respective last known address.

Section 20.2 **Property Insurance.**

(a) **Property Insurance Covering:**

(i) The Common Interest Community facilities (which term, for purposes of this Article, means all buildings on the Property, including the Units and all fixtures, equipment and any improvements whether part of a Unit or a common element, and such personal property of Unit owners as is normally insured under building coverage), but excluding land, excavations, portions of foundations below the undersurfaces of the lowest basement floors, underground pilings, piers, pipes, flues and drains and other items normally excluded from insurance coverage policies; and

(ii) All personal property owned by the Association.

(b) **Amounts.**

The Common Interest Community facilities for an amount (after application of any deductions) equal to one hundred percent (100%) of their replacement cost at the time the insurance is purchased and at each renewal date or equal to one hundred percent (100%) of their actual cash value at the time the insurance is purchased and at each renewal date, whichever is greater. Personal

property owned by the Association for an amount not less than to its actual cash value.

The Executive Board is authorized to obtain appraisals periodically for the purpose of establishing said replacement cost of the Common Interest Community facilities and the actual cash value of the personal property of the Association, and the cost of such appraisals shall be a Common Expense.

(c) Risks Insured Against.

The insurance must at least protect against loss or damage by fire and all other hazards that are normally covered by the standard extended coverage endorsement, and all other perils customarily covered for condominiums, including those covered by the standard "all risk" endorsement.

(d) Other Provisions.

Insurance policies required by this Article shall also provide that:

(i) The insurer waives the right to subrogation under the policy against Unit owners or members of the households of Unit owners.

(ii) An act or omission by a Unit owner or members of his or her household, unless acting within the scope of the Unit owner's authority on behalf of the Association, will not prejudice the policy in any way or be a condition to recovery under the policy.

(iii) If, at the time of a loss under the policy, there is other insurance covering the same risk covered by the policy, the Association's policy of the Association provides primary insurance.

(iv) Loss must be adjusted with the Association.

(v) Insurance proceeds shall be paid to any insurance trustee designated in the policy for that purpose, and in the absence of such designation to the Association, in either case to be held in trust for each Unit owner and such Unit owner's mortgagee.

(vi) The insurer may not cancel, refuse to renew, or otherwise substantially change the policy until thirty (30) days after notice of the proposed cancellation, non-renewal, or substantial changes has been mailed to the Association, each Unit owner, each holder of a first mortgage on a Unit, and each holder of a security interest to whom a certificate or memorandum of insurance has been issued, at their respective last known addresses.

(vii) Notwithstanding any provisions to the contrary herein, the Association shall be required to continuously carry a master (or blanket) condominium policy of casualty insurance, and a fidelity bond, with such coverage and endorsements in form and amounts, including full replacement costs coverage with an agreed-amount endorsement as required by the Federal National Mortgage Association (FNMA), during such periods of time as the FNMA is a mortgagee on a Unit in the Association or the owner of such a Unit.

(viii) The name of the insured shall be substantially as follows: "Chugach Townhouse Condominium Association, for the use and benefit of the individual Owners."

Section 20.3 Liability Insurance.

Comprehensive general liability insurance, including medical payments insurance, in an amount determined by the Executive Board but in no event less than \$1,000,000 per occurrence, covering any legal liability that results from lawsuits related to employment contracts in which the Owners' Association is a party, and all occurrences commonly insured against for death, bodily injury and

Property damage arising out of or in connection with the use, ownership, operation, or maintenance of the common elements and any areas under the Association's supervision, including public ways, and the activities of the Association.

Insurance policies carried pursuant to this section shall also provide that:

(a) Each Unit owner is an insured person under the policy with respect to liability arising out of the interest of the Unit owner in the common elements or membership in the Association.

(b) The insurer waives the right to subrogation under the policy against Unit owners or members of the households of Unit owners;

(c) An act or omission by a Unit owner, unless acting within the scope of the Unit owner's authority on behalf of the Association, will not prejudice the policy in any way or be a condition to recovery under the policy.

(d) If, at the time of a loss under the policy, there is other insurance in the name of a Unit owner covering the same risk covered by the policy, the policy of the Association provides primary insurance.

(e) The insurer issuing the policy may not cancel, refuse to renew, or otherwise substantially change it until 30 days after notice of the proposed cancellation, non-renewal, or substantial changes has been mailed to the Association, each Unit owner, each holder of a first mortgage on a Unit and each holder of a security interest to whom a certificate or memorandum of insurance has been issued at their last know addresses.

(f) A Unit owner's claim will not be denied because of negligent acts of the Association or another Unit owner.

Section 20.4 Fidelity Bonds. A blanket fidelity bond is required for anyone who either handles or is responsible for funds held or administered by the Association, whether or not they receive compensation for their services. The bond shall name the Association as obligee and shall cover the maximum funds that will be in the custody of the Association or the Manager at all times while the bond is in force, and in no event less than the sum of three months' assessments on all Units in the Common Interest Community plus the Association's reserve funds. The bond shall include a provision that calls for ten (10) days' written notice to the Association, to each first mortgage holder of a Unit, to each servicer of a FNMA-owned mortgage on a Unit, and to the insurance Trustee, if any, before the bond can be canceled or substantially modified for any reason. The premiums for the fidelity bond shall be paid as a Common Expense by the Association.

Section 20.5 Unit Owner Policies. An insurance policy issued to the Association does not prevent a Unit owner from obtaining insurance for his or her own benefit.

Section 20.6 Directors' and Officers' Liability Insurance. The Executive Board shall obtain and maintain directors' and officers' liability insurance, if available, covering all of the Directors and officers of the Association in such limits as the Executive Board may, from time to time determine.

Section 20.7 Other Insurance. The Association may carry other insurance which the Executive Board considers appropriate to protect the Association.

Section 20.8 Premiums. Insurance premiums are to be paid as a Common Expense and funds to cover the deductible amounts are to be included in the Association's operating budget.

ARTICLE XXI.
DAMAGE TO OR DESTRUCTION OF PROPERTY

Section 21.1 **Duty to Restore.** The damaged or destroyed portion of the Common Interest Community for which insurance is required under A.S. 34.08.440 or for which insurance is actually carried by the Association, whichever is more extensive, must be repaired or replaced promptly by the Association unless:

(a) The Common Interest Community is terminated;

(b) Repair or replacement would be illegal under a statute or municipal ordinance; or

(c) Eighty percent (80%) of the Unit owners, including each owner of a Unit or assigned Limited Common Element that will not be rebuilt, vote not to rebuild.

Section 21.2 **Cost.** Any cost of repair or replacement in excess of insurance proceeds and reserves is a Common Expense.

Section 21.3 **Plans.** The Property must be repaired and restored in accordance with either the original plans and specifications or other plans and specifications which have been approved by the Executive Board, a majority of Unit owners, and seventy percent (70%) of eligible mortgagees.

Section 21.4 **Replacement of Less than Entire Property.**

(a) The insurance proceeds attributable to the damaged common elements shall be used to restore the damaged area to a condition compatible with the remainder of the Common Interest Community;

(b) Except to the extent that other persons will be distributees,

(i) The insurance proceeds attributable to a Unit and Limited Common Elements that are not rebuilt must be distributed to the owner of the Unit and the owner of the Unit to which the Limited Common Elements were allocated, or to lien holders, as their interests may appear; and

(ii) The remainder of the proceeds must be distributed to each Unit owner or lien holder, as their interest may appear, in proportion to the common interest of all the Units;

(c) If the Unit owners vote not to rebuild a Unit, the allocated interests of the Unit are reallocated upon the vote as if the Unit had been condemned under Subsection 34.08.860(a) of the Act, and the Association promptly shall prepare, execute and record an amendment to the Declaration reflecting the reallocations.

Section 21.5 Insurance Proceeds. The insurance Trustee, or if there is no insurance Trustee, then the Executive Board of the Association, shall hold any insurance proceeds in trust for the Association, Unit owners, and lien holders as their interests may appear. Subject to the provisions of Sections 21.1.(a) through 21.1.(c), the proceeds shall be disbursed first for the repair or restoration of the damaged Property and then for replacement of personal property of the Association. Unit owners and lien holders are not entitled to receive a payment of any portion of the proceeds unless there is a surplus of proceeds after the Property has been completely repaired or restored and the Association paid the value of its insured personal property, or the Common Interest Community is terminated.

Section 21.6 Certificates by the Executive Board. The Trustee, if any, may rely on the following certifications in writing made by the Executive Board:

(a) Whether or not damaged or destroyed Property is to be repaired or restored;

(b) The amount or amounts to be paid for repair, restoration and/or replacement of the damaged Property and personal property of the Association, and the names and addresses of the parties to whom such amounts are to be paid.

Section 21.7 Title Determination. If payments pursuant to this Article are to be made to Unit owners or Mortgagees, the Executive Board and the Trustee, if any, shall obtain and may rely on a title insurance company, attorney's title certificate of title, or a title insurance policy based on a search of the records of the Anchorage Recording District, Third Judicial District, State of Alaska, from the date of the recording of the original Declaration stating the names of the Unit owners and the Mortgagees.

ARTICLE XXII.

RIGHTS TO NOTICE AND COMMENT; NOTICE OF HEARING

Section 22.1 Right to Notice and Comment. Before the Executive Board amends the Bylaws or the Rules, whenever the Documents require that an action be taken after "Notice and Comment," and at any other time the Executive Board so determines, the Unit owners have the right to receive notice of the proposed action and the right to comment orally or in writing. Notice of the proposed action shall be given to each Unit owner in writing and shall be delivered personally or mailed to all Unit owners at such addresses that appear in the records of the Association, or published in a newsletter or similar publication which is routinely circulated to all Unit owners. The notice shall be given not less than ten (10) days before the proposed action is to be taken, unless earlier notice is required by this Declaration or the Act. The right to Notice and Comment does not entitle a Unit owner to be heard at a formal meeting.

Section 22.2 Right to Notice and Hearing. Whenever the Documents require that an action be taken after "Notice and Hearing," the following procedure shall be observed: The party proposing to

take the action (e.g., the Executive Board, a committee, an officer, the Manger, etc.) shall give written notice of the proposed action to all Unit owners or occupants of Units whose interest would be significantly affected by the proposed action. The notice shall include a general statement of the proposed action and the date, time and place of the hearing. At the hearing, the affected person shall have the right, personally or by a representative, to give testimony orally, in writing, or both (as specified in the notice), subject to reasonable Rules of procedure established by the party conducting the meeting to assure a prompt and orderly resolution of the issues. Such testimony shall be considered in making the decision but shall not be binding on the decision makers. The affected persons shall be notified of the decision in the same manner in which notice of the meeting was given.

Section 22.3 Appeals. Any person having a right to Notice and Hearing shall have the right to appeal to the Executive Board from a decision of persons other than the Executive Board by filing a written notice of appeal with the Executive Board within ten (10) days after being notified of said decision. The Executive Board shall conduct a hearing within thirty (30) days, giving the same notice and observing the same procedures as was required for the original meeting.

ARTICLE XXIII.
EXECUTIVE BOARD

Section 23.1 Minutes of Executive Board Meetings. The Executive Board shall permit any Unit owner to inspect the Minutes of Executive Board meetings during normal business hours. The Minutes shall be available for inspection within fifteen (15) days after any such meeting.

Section 23.2 Powers and Duties. The Executive Board may act in all instances on behalf of the Association, except as provided in this Declaration, the Articles of Incorporation, the Bylaws, or the

Act. The Executive Board shall have, subject to the limitations contained in this Declaration and the Act, the powers and duties necessary for the administration of the affairs of the Association and of the Common Interest Community which shall include, but not be limited to, the following:

(a) Adopt and amend Bylaws and Rules;

(b) Adopt and amend budgets for revenues, expenditures and reserves;

(c) Collect assessments for Common Expense from Unit owners;

(d) Hire and discharge managing agents and other employees, agents and independent contractors;

(e) Institute, defend or intervene in litigation or administrative proceedings in the Association's name on behalf of the Association or two or more Unit owners on matters affecting the Common Interest Community;

(f) Make contracts and incur liabilities;

(g) Regulate the use, maintenance, repair, replacement and modification of the common elements;

(h) Cause additional improvements to be held as a part of the common elements;

(i) Acquire, hold, encumber, and convey in the Association's name any right, title, or interest to real property or personal property, but common elements may be conveyed or subject to a security interest only pursuant to Section 34.08.430 of the Act;

(j) Grant easements, leases, licenses, and concessions through or over the common elements;

(k) Impose and receive payments, fees or charges for the use, rental or operation of the common elements, other than Limited Common Elements described in AS 34.08.100(2) and (4), and for services provided to Unit owners;

(l) Impose reasonable charges, interest and collection fees or for late payment of assessments and, after Notice of Hearing, levy reasonable fines for violation of this Declaration, the Bylaws, or the Rules of the Association;

(m) Impose a reasonable charge for preparation and recordation of an amendment to this Declaration, the filing and recording of a plat or plan that accompanies an amendment, resale certificate required by Section 34.08.590 of the Act or a statement of unpaid assessments;

(n) Provide for the indemnification of the Association's officers and Executive Board and maintain Directors' and officers' liability insurance;

(o) Assign the Association's right to future income, including the right to receive Common Expense assessments;

(p) Exercise any other powers conferred by this Declaration, the Articles of Incorporation, or by the Bylaws;

(q) Exercise all other powers that may be exercised in this state by legal entities of the same type as the Association; and

(r) Exercise any powers necessary and proper for the governance and operation of the Association.

Section 23.3 Executive Board Limitations. The Executive Board may not act on behalf of the Association to amend this Declaration, to terminate the Common Interest Community, or to elect members of the Executive Board or determine the qualifications, powers and duties, or terms of office of Executive Board members, but the Executive Board may fill vacancies in its membership for the unexpired portion of any term.

Section 23.4 No Compensation. The members of the Board shall receive no compensation for their services performed pursuant to this Declaration.

Section 23.5 Indemnification. Each member of the Executive Board, when acting as a Board member, shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred as the result of any proceeding in which the member becomes involved by reason of being or having been a member of the Board, or any settlement of any such proceeding, whether or not such person is a member of the Board at the time such expenses are incurred or liability established, except in such cases where the Board member is found to be liable for willful misconduct or gross negligence in the performance of Board duties; provided that in the event of a settlement, this indemnification shall apply only if and when the Executive Board (with the affected member abstaining) approves such settlement and reimbursement as being in the best interests of the Association.

ARTICLE XXIV.
CONDEMNATION

If part or all of the Common Interest Community is taken by any power having the authority of eminent domain, all compensation and damages for or on account of the taking shall be payable in accordance with A.S. 34.08.740.

ARTICLE XXV.
MISCELLANEOUS

Section 25.1 **Captions.** The captions contained in the Documents are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of the Documents nor the intent of any provision thereof.

Section 25.2 **Waiver.** No provision contained in the Documents is abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

Section 25.3 **Invalidity.** The invalidity of any provision of the Documents does not impair or affect in any manner the validity, enforceability or effect of the remainder, and in such event, all of the other provisions of the Documents shall continue in full force and effect.

ARTICLE XXVI.
SPECIAL DECLARANT RIGHTS

Section 26.1 **Declarant Rights.** The Declarant reserves the following Special Declarant Rights, to the maximum extent permitted by law, which may be exercised, where applicable, anywhere within the Common Interest Community.

(a) Complete improvements reflected on plats and plans filed with the Declaration;

(b) Exercise any Development Right;

(c) Maintain sales offices, management offices, signs advertising the Common Interest Community, and models;

(d) Use easements through the common elements for the purpose of making improvements within the Common Interest Community

or within real estate that may be added to the Common Interest Community;

(e) Delegate the powers of the Association to a Master Association under the provisions of A.S. 34.08.280.

(f) Merge or consolidate the Common Interest Community with another Common Interest Community of the same form of ownership under A.S. 34.08.290;

(g) Appoint or remove an officer of the Association or a Master Association or any Executive Board member during any period of Declarant control; or

(h) Add Additional Real Estate to the Common Interest Community.

Section 26.2 Models, Sales Offices and Management Offices. As long as the Declarant is a Unit owner, the Declarant and its duly authorized agents, representatives and employees may maintain any Unit owned by the Declarant or any portion of the common elements as a model Unit, sales office, or management office.

Section 26.3 Construction; Declarant's Easement. The Declarant reserves the right to perform warranty work, and repairs and construction work, and to store materials in secure areas, in Units and common elements, and the further right to control all such work and repairs and the right of access thereto, until its completion. All work may be performed by the Declarant without the consent or approval of the Executive Board. The Declarant shall have an easement through the common elements reasonably necessary for the purpose of discharging the Declarant's obligations or exercising Special Declarant Rights, whether arising under the Act or reserved in the Declaration. Such easement includes the right to convey utility and drainage easements to public utilities, municipalities, the State, riparian owners or upland owners to fulfill the plan of development.

Section 26.4 Signs and Marketing. Notwithstanding any contrary provisions of Section 9.5, the Declarant reserves the right to post signs and displays in the common elements to promote sales of Units, and to conduct general sales activities, in a manner that will not unreasonably disturb the right of Unit owners.

Section 26.5 Declarant's Personal Property. The Declarant reserves the right to retain all personal property and equipment used in the sales, management, construction and maintenance of the Common Interest Community that have not been represented as Property of the Association. The Declarant reserves the right to remove from the Property any and all goods and improvements used in development, marketing and construction whether or not they have become fixtures, including any models.

Section 26.6 Declarant Control of the Association.

(a) Subject to Section 26.6.(b) hereof, there shall be a period of Declarant control of the Association, during which the Declarant, or persons designated by it, may, in its sole discretion, appoint and remove the officers and members of the Executive Board. The period of Declarant control shall terminate no later than the earlier of:

(i) sixty (60) days after conveyance of seventy-five percent (75%) of the Units that may be created to Unit owners other than a Declarant;

(ii) two (2) years after the Declarant has ceased to offer Units for sale in the ordinary course of business; or

(iii) three (3) years after the first Unit is conveyed to a Unit owner other than a Declarant.

Declarant may voluntarily surrender the right to appoint and remove officers and members of the Executive Board before termination of that period, but in that event the Declarant may require, for the duration of the period of Declarant control, that specified actions

of the Association or Executive Board, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective.

(b) Not later than sixty (60) days after conveyance of twenty-five percent (25%) of the Units that may be created to Unit owners other than a Declarant, at least one member and not less than twenty-five percent (25%) of the members of the Executive Board shall be elected by Unit owners other than the Declarant. Not later than sixty (60) days after conveyance of fifty percent (50%) of the Units that may be created to Unit owners other than a Declarant, not less than thirty-three and one-third percent (33 1/3%) of the members of the Executive Board must be elected by Unit owners other than the Declarant.

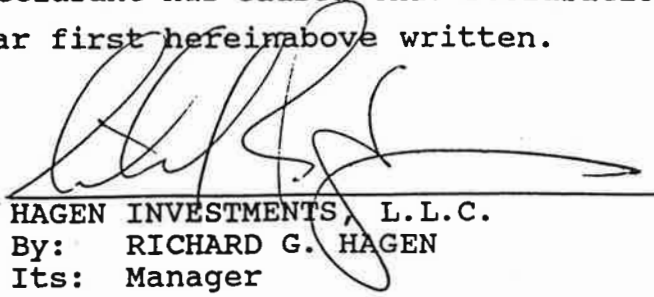
(c) Not later than the termination of any period of Declarant control, the Unit owners shall elect Executive Board of at least three (3) members, at least a majority of whom shall be Unit owners. The Executive Board shall elect the officers. The Executive Board members and officers shall take office upon election.

(d) Notwithstanding any provision of this Declaration or Bylaws to the contrary, following notice under AS 34.08.390, the Unit owners, by a two-thirds (2/3) vote of all persons present and entitled to vote at any meeting of the Unit owners at which a quorum is present, may remove any members of the Executive Board with or without cause, other than a member appointed by the Declarant.

Section 26.7 Limitations on Special Declarant Rights. These rights may be exercised by the Declarant at any time prior to June 30, 1999.

Section 26.8 Interference with Special Declarant Rights. Neither the Association nor any Unit owner may take any action or adopt any rule that will interfere with or diminish any Special Declarant Rights without the prior written consent of the Declarant.

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be executed on the day and year first hereinabove written.

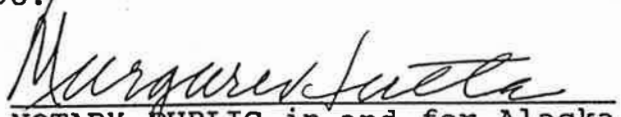


HAGEN INVESTMENTS, L.L.C.
By: RICHARD G. HAGEN
Its: Manager

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

RICHARD G. HAGEN states under oath that he has read the foregoing document, and believes that all statements made in the document are true.

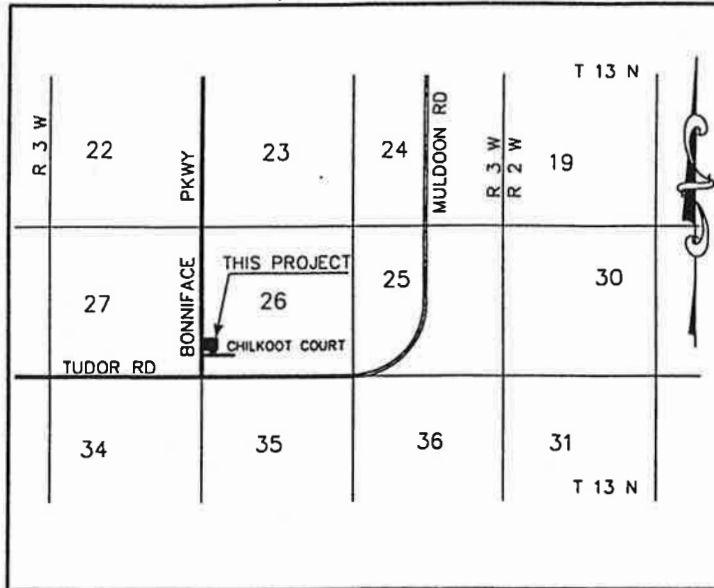
SUBSCRIBED AND SWORN TO before me at Anchorage, Alaska, this 22 day of Jan, 1998.



NOTARY PUBLIC in and for Alaska
My Commission Expires: 3-24-98

CHUGACH TOWNHOUSE CONDOMINIUMS

TOWNSHIP 13 NORTH, RANGE 3 WEST, SEWARD MERIDIAN



VICINITY MAP 1"=1 MILE

CONDOMINIUM ASBUILT SURVEY OF LOTS 3 AND 4 CHUGACH TERRACE SUBD. NO. 2

NOTES:

- 1) ALL DISTANCES, DIMENSIONS, AND ELEVATIONS ARE GIVEN IN FEET AND HUNDREDTHS OF FEET.
- 2) ALL BUILDING TIES ARE AT 90° TO THE PROPERTY LINES.
- 3) ELEVATION DATUM FOR THE BUILDINGS IS GREATER ANCHORAGE BOROUGH, POST QUAKE, U.S. GEODETIC SURVEY, MEAN SEA LEVEL OF 1972.
- 4) EACH UNIT IS DESIGNATED BY A NUMBER INDICATING THE DESIGNATION OF THE UNIT WITHIN THE PROJECT. THE UNIT NUMBERS ARE A CONCATENATION OF STREET ADDRESS, HYPHEN, AND NUMBER i.e. (5531-1). LEVELS OF THE EXISTING STRUCTURE ARE DESIGNATED BY LOWER LEVEL AND UPPER LEVEL.
- 5) THIS PROJECT IS LOCATED ON LOTS 3 AND 4, CHUGACH TERRACE SUBD. NO. 2, LOCATED WITHIN SW 1/4, SECTION 26, TOWNSHIP 13 NORTH, RANGE 3 WEST, SEWARD MERIDIAN, ALASKA. ANCHORAGE RECORDING DISTRICT.
- 6) THE CONDOMINIUM DEPICTED HEREON ARE SUBJECT TO THE PROVISIONS OF THE "COMMON INTEREST OWNERSHIP ACT", ALASKA STATUTES 34.08.
- 7) EXTERIOR WALLS OF THE EXISTING STRUCTURE AS SHOWN, ALIGN WITH ASBUILT DIMENSIONS DEPICTED ON SHEET 5.
- 8) INCREMENTAL SQUARE FOOTAGES FOR EACH UNIT ARE LISTED ON THE ASBUILT PLANS AS SHOWN ON SHEETS 6 THROUGH 11.
- 9) TOTAL FLOOR AREA FOR EACH EXISTING STRUCTURE IS LISTED FOR EACH INDIVIDUAL UNIT AS SHOWN ON SHEETS 6 THROUGH 11.
- 10) EXTERNAL DECKS & PORCHES SHOWN ON PLAN VIEW SHEETS 6, 7, AND 10 ARE LIMITED COMMON ELEMENTS ACCORDING TO ARTICLE IV OF THE DECLARATION. DECKS ARE DESIGNATED BY "DECK" FOLLOWED BY THE UNIT NUMBER, i.e. (DECK-1).
- 11) AREAS OUTSIDE OF UNIT BOUNDARIES AND LIMITED COMMON ELEMENTS AS SHOWN ON SHEETS 6 THRU 11, OR AS SPECIFIED IN THE DECLARATIONS, ARE COMMON ELEMENTS.

AN ASBUILT OF:

CHUGACH TOWNHOUSE CONDOMINIUMS
LOTS 3 AND 4
CHUGACH TERRACE SUBD. NO. 2

Lantech
 LAND & CONSTRUCTION SURVEYORS-AUTOCAD
 440 W BENSON BLVD. SUITE 103
 ANCHORAGE, ALASKA 99503
 562-5291 (FAX 561-6626) **PLANNERS ENGINEERS**

GRID 1738	SCALE: AS SHOWN	DATE: JANUARY 9, 1998
DRAWN BY KLD	FILE #	W.O.# 97-L-238
CHK'D BY	ACAD 971238C_1	

WE, THE UNDERSIGNED, DO HEREBY CERTIFY THAT WE ARE THE OWNERS OF LOTS 3 AND 4, CHUGACH TERRACE SUBDIVISION NUMBER 2, LOCATED WITHIN THE SW 1/4 SECTION 26, TOWNSHIP 13 NORTH, RANGE 3 WEST, SEWARD MERIDIAN, ALASKA. ANCHORAGE RECORDING DISTRICT. WE DO HEREBY CONSENT TO THE PREPARATION AND RECORDATION OF THIS CONDOMINIUM PLAN PURSUANT TO THE UNIFORM COMMON INTEREST OWNERSHIP ACT, AS 34-08.

[Handwritten Signature]
MANAGING PARTNER

Owner(s) HAGEN INVESTMENTS L.L.C.
P.O. BOX 231195
ANCHORAGE, ALASKA 99523

AUTHORIZED SIGNER/POSITION



NOTARY ACKNOWLEDGMENT

Subscribed and sworn to before me this 16th day of January 1998.
FOR: Richard Hagen

September 5, 2001
My commission expires

[Handwritten Signature]
Notary Public

BENEFICIARY

[Handwritten Signature]

NORTHRIM BANK,
3111 C STREET
ANCHORAGE ALASKA

AUTHORIZED SIGNATURE / POSITION



NOTARY ACKNOWLEDGMENT

Subscribed and sworn to before me this 16th day of January 1998.
FOR: Robert L. SHAKE

September 5, 2001
My commission expires

[Handwritten Signature]
Notary Public

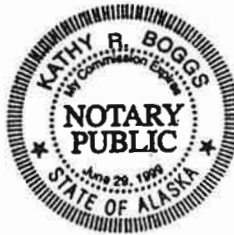
SURVEYORS CERTIFICATE

SECTION 34.08.170 OF THE COMMON INTEREST OWNERSHIP ACT
REQUIRES THAT A CERTIFICATION BE MADE WHICH STATES THE PLAT AND PLAN
CONTAINS THE INFORMATION AS SET FORTH IN SECTION 34.08.170.

I DO HEREBY CERTIFY THAT THIS FLOOR PLAN IS A TRUE AND CORRECT
LAYOUT OF UNITS ACCURATELY SURVEYED TO DEPICT AN ASBUILT SURVEY,
AND THAT THE INFORMATION AS REQUIRED BY ALASKA STATUTE 34.08.170
IS PROVIDED FOR ON THESE PLANS.

KLD

KENNETH L. DREYER
LANTECH INC.
440 WEST BENSON BLVD.
ANCHORAGE, ALASKA 99503



NOTARY ACKNOWLEDGMENT

Subscribed and sworn to before me this 16 day of January, 1998.

FOR: *Kenneth L. Dreyer*

June 29, 1999
My commission expires

Kathy R. Boggs
Notary Public

CERTIFICATE OF COMPLETION

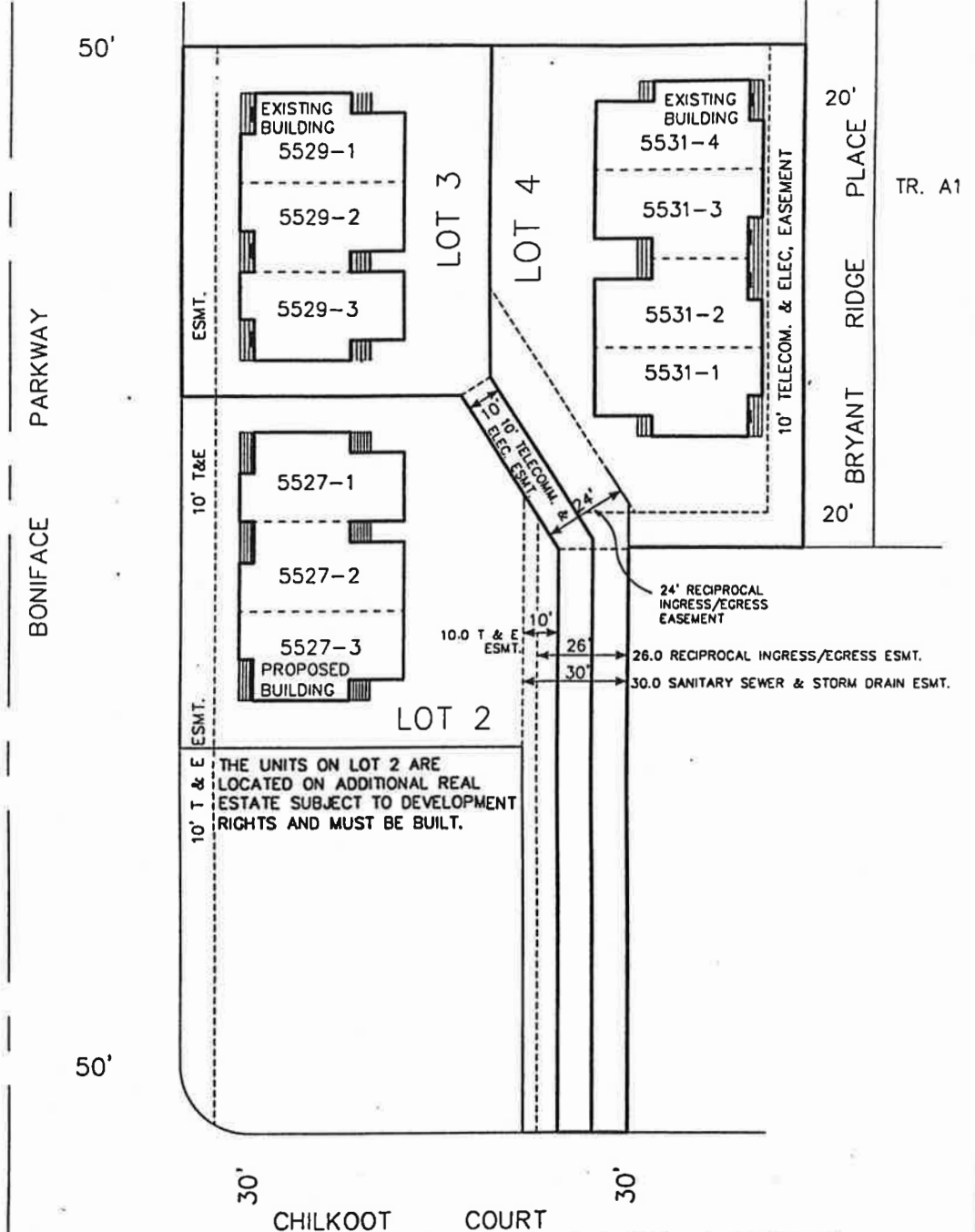
SECTION 34.08.090 OF THE UNIFORM COMMON INTEREST OWNERSHIP ACT
PROVIDES THAT A DECLARATION FOR A CONDOMINIUM MAY NOT BE RECORDED
AND A PLAT OR PLAN THAT IS PART OF THE DECLARATION FOR A CONDOMINIUM
MAY NOT BE FILED UNLESS A CERTIFICATE OF COMPLETION IS RECORDED WITH
THE DECLARATION AS EVIDENCE THAT THE STRUCTURAL COMPONENTS AND
MECHANICAL SYSTEMS OF EACH BUILDING CONTAINING OR COMPRISING A UNIT
OF THE CONDOMINIUM ARE COMPLETED SUBSTANTIALLY IN ACCORDANCE WITH
THE PLANS.

THIS IS TO CERTIFY THAT THE BUILDINGS ON LOT 3 AND 4, IN THE CHUGACH
TERRACE CONDOMINIUMS ARE EXISTING BUILDINGS AND HAVE BEEN COMPLETED
SUBSTANTIALLY AS SHOWN ON THE PLANS FILED HEREWITH. THE STRUCTURAL
COMPONENTS AND MECHANICAL SYSTEMS OF THE BUILDINGS HAVE BEEN
INSTALLED AND WERE FUNCTIONING ON THE DATE OF INSPECTION,
JANUARY 15, 1998.

KLD

KENNETH L. DREYER, RLS
LANTECH INC.
440 WEST BENSON #103
ANCHORAGE, ALASKA 99503

DEVELOPMENT PLAN CHUGACH TOWNHOUSE CONDOMINIUMS



NOTES:

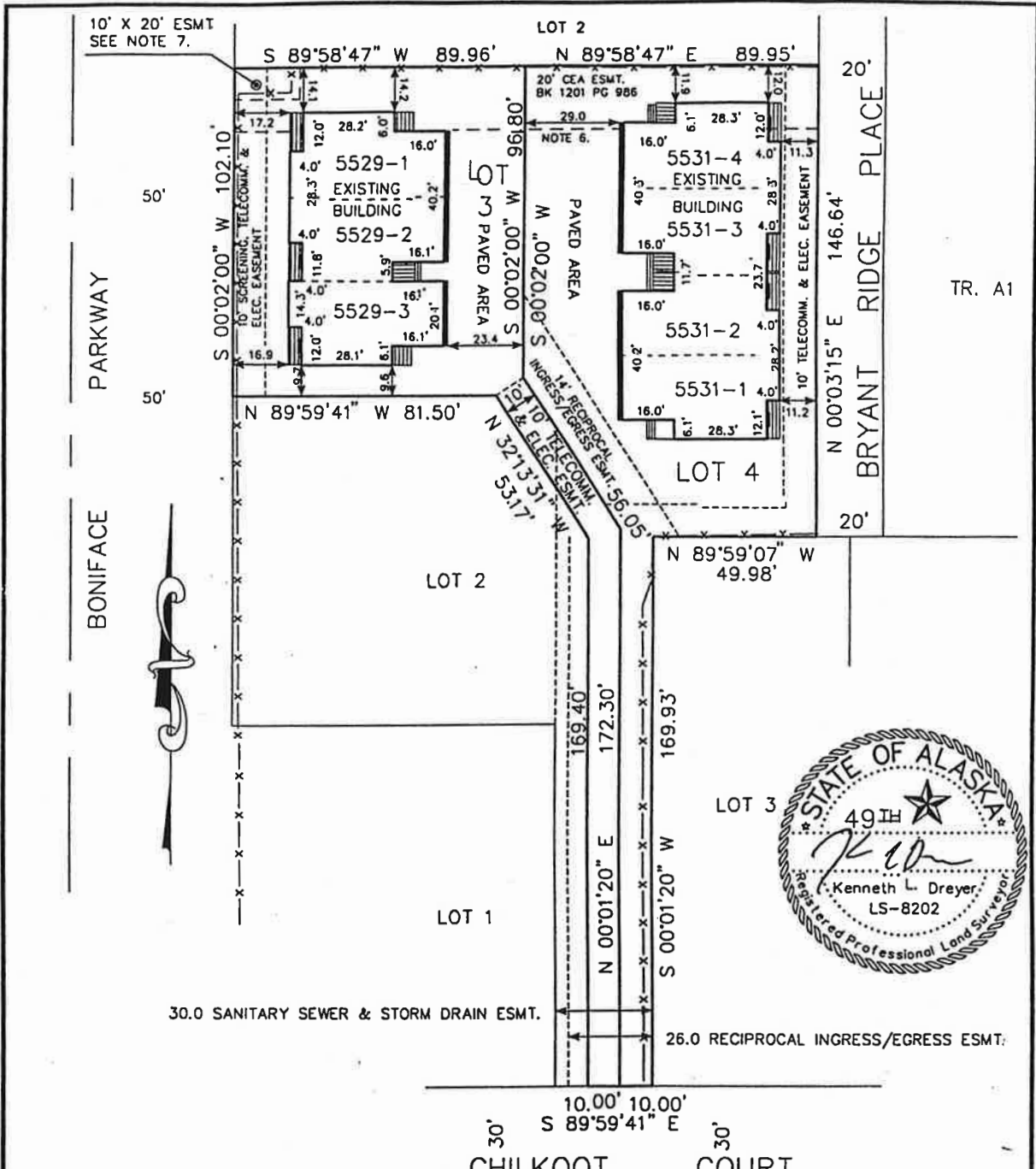
- 1) UNITS 5531-1 THRU 4 ARE UNITS IN AN EXISTING BUILDING AS SHOWN ON ASBUILT SHEETS 6-9, ATTACHED HEREWITH.
- 2) UNITS 5529-1 THRU 3 ARE UNITS IN AN EXISTING BUILDING AS SHOWN ON ASBUILT SHEETS 10-11, ATTACHED HEREWITH.
- 3) UNITS 5527-1 THRU 3 ARE UNITS IN A PROPOSED BUILDING AND MUST BE BUILT.
- 4) THE UNIT BOUNDARIES SHOWN HEREON ARE SCHEMATIC, SEE SHEETS 6-11 FOR ACTUAL UNIT BOUNDARIES.

Lantech
 LAND & CONSTRUCTION SURVEYORS-PLANNERS-ENGINEERS
 440 WEST BENSON BLVD. # 103
 ANCHORAGE, ALASKA 99503 (907) 562-5291
 (fax) 561-6626

WORK ORDER NUMBER: 97L238C_2	DATE: JAN 9, 1998	SCALE: NONE
DRAWN BY: KLD	CHECKED BY: KEN	GRID NUMBER: 1738

SHEET 4 OF 11

DEVELOPMENT PLAN OF: LEGAL DESCRIPTION:
**CHUGACH TOWNHOUSE CONDOMINIUMS
 LOTS 2-4,
 CHUGACH TERR. SUBD. NO. 2**



TR. A1

NOTES:

- 1) DIMENSIONS SHOWN ON THIS DRAWING ARE EXTERIOR DIMENSIONS OF THE SIDING.
- 2) UNITS 5531-1 THRU 4 ARE UNITS IN AN EXISTING BUILDING AS SHOWN ON ASBUILT SHEETS 6-9.
- 3) UNITS 5529-1 THRU 3 ARE UNITS IN AN EXISTING BUILDING AS SHOWN ON ASBUILT SHEETS 10-11.
- 4) UNITS 5527-1 THRU 3 ARE UNITS IN A PROPOSED BUILDING AND MUST BE BUILT.
- 5) THE UNIT BOUNDARIES SHOWN HEREON ARE SCHEMATIC, SEE SHEETS 6-11 FOR ACTUAL UNIT BOUNDARIES.
- 6) CHUGACH ELECTRIC BLANKET EASEMENT BK 73, PAGE 349, AND BOOK 134, PAGES 135, 153, AND 155.
- 7) CHUGACH ELECTRIC EASEMENT AFFECTS PORTIONS OF THE NORTH 20' AND IS PLOTTED HEREON, BK 3181, PAGE 285. (THE EASEMENT JOGS AROUND THE EXISTING BUILDING, EAVES, AND DECKS.)
- 7) 10' X 20' EASEMENT FOR TELEPHONE AND ELECTRIC GRANTED TO THE STATE OF ALASKA DEPARTMENT OF TRANSPORTATION, BOOK 1773, PAGE 866, IS PLOTTED HEREON.

LEGEND: SET	FND
5/8" RB W/CAP	5/8" RB
3.25" ALUM. HUB & TACK	MONUMENT
FENCE	X X
OVERHANG	X X
WOOD DECKS	[Symbol]
CONCRETE	[Symbol]
ASPHALT	[Symbol]
SEPTIC STANDPIPES	[Symbol]
WATER WELL	[Symbol]
ELEC. (NO DATUM)	[Symbol]

SHEET 5 OF 11



SURVEY CERTIFICATION: LANTECH has conducted a physical survey of this property as shown on this drawing and that the improvements situated thereon are within the property lines and no encroachments exist other than noted.

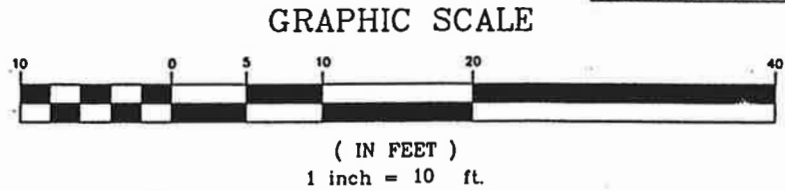
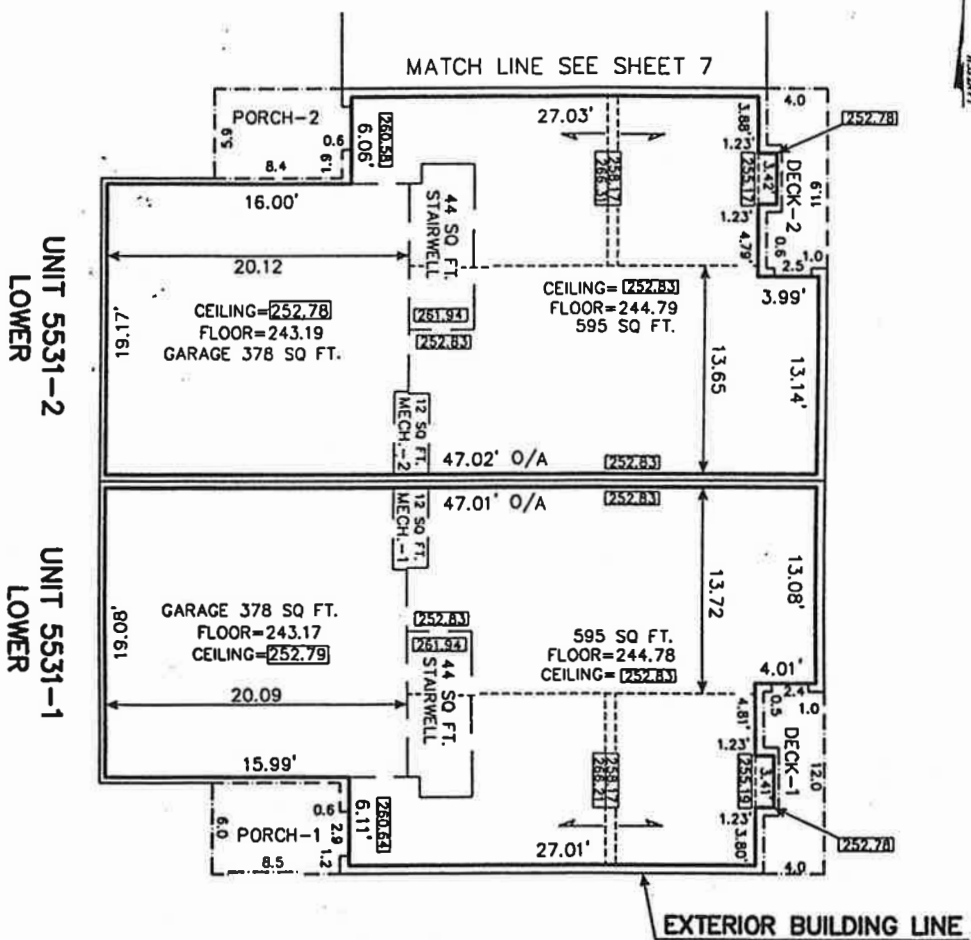
LAND & CONSTRUCTION SURVEYORS-PLANNERS-ENGINEERS			
440 WEST BENSON BLVD. # 103			
ANCHORAGE, ALASKA 99503		(907) 562-5291	
WORK ORDER NUMBER: 97L238C_3	DATE: JAN 9, 1998	SCALE: 1" = 40'	(fax) 561-6626
DRAWN BY: TAE	CHECKED BY: KEN	LOG NUMBER: 1738	BOOK/PAGE: 395/34-36

AS-BUILT OF: LEGAL DESCRIPTION:

LOTS 3 AND 4,
CHUGACH TERR. SUBD. NO. 2

SQUARE FOOTAGE TABLE								
UNIT	LOWER LEVEL					UPPER LEVEL		TOTAL
	MAIN	GARAGE	STAIRWELL	MECHANICAL	F.P.	MAIN	STAIRWELL	
1	595	378	44	12	4	764	39	1836
2	595	378	44	12	4	764	39	1836

SQUARE FOOTAGES ARE APPROXIMATE AND INCLUDE INTERIOR WALL AREA.



- LEGEND**
- FLOOR= ELEVATION OF FLOOR
 - CEILING= ELEVATION OF CEILING
 - or CEILING= ELEVATION OF CEILING
 - SQ. FT.= SQUARE FEET
 - GRADE BREAK IN ELEVATION
 - CEILING SLOPE (ARROW POINTS DOWNHILL)
 - DIVIDING LINE FOR AREA CALCULATIONS
 - UNIT BOUNDARY
 - LIMITED COMMON ELEMENT
 - DIMENSION LINE
 - O/A= OVERALL

ASBUILT FLOOR PLANS OF:
UNITS 5531-1 AND 5531-2
CHUGACH TOWNHOUSE CONDOMINIUMS

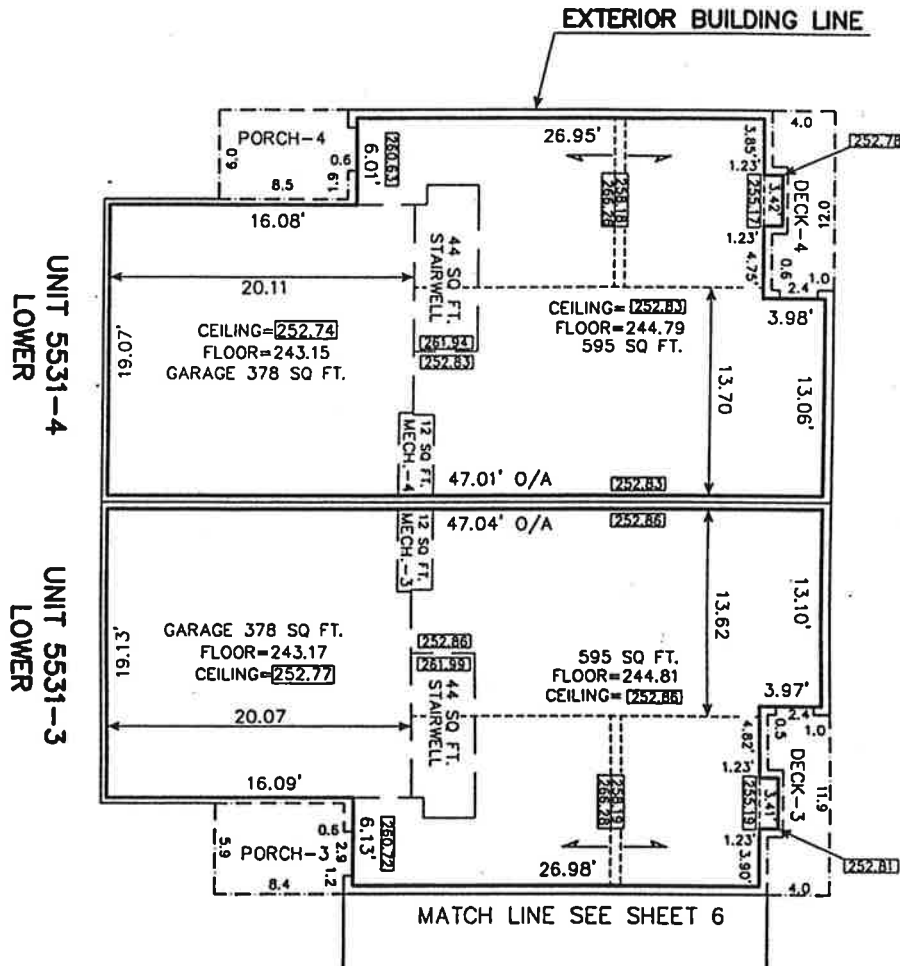
LOT 4, CHUGACH TERRACE SUBD. NO. 2

Lantech
 LAND & CONSTRUCTION SURVEYORS-AUTOCAD
 440 W BENSON BLVD, SUITE 103
 ANCHORAGE, ALASKA 99503
 562-5291 (FAX 561-6626)
 PLANNERS
 ENGINEERS

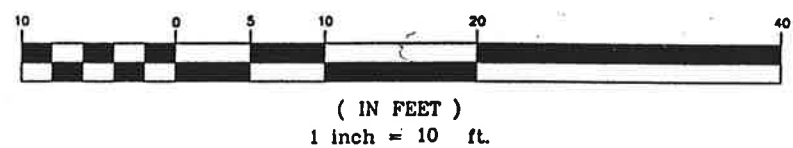
GRID 1738	SCALE: 1"=10'	DATE: 12/9/97
DRAWN BY KLD	FILE #	W.O.# 97L238
CHK'D BY KEN	97L238C_4	

SQUARE FOOTAGE TABLE								
UNIT	LOWER LEVEL					UPPER LEVEL		TOTAL
	MAIN	GARAGE	STAIRWELL	MECHANICAL	F.P.	MAIN	STAIRWELL	
3	595	378	44	12	4	764	39	1836
4	595	378	44	12	4	764	39	1836

SQUARE FOOTAGES ARE APPROXIMATE AND INCLUDE INTERIOR WALL AREA.



GRAPHIC SCALE



LEGEND

- FLOOR= ELEVATION OF FLOOR
- CEILING= ELEVATION OF CEILING
- SQ. FT.= SQUARE FEET
- GRADE BREAK IN ELEVATION
- CEILING SLOPE (ARROW POINTS DOWNHILL)
- DIVIDING LINE FOR AREA CALCULATIONS
- UNIT BOUNDARY
- LIMITED COMMON ELEMENT
- DIMENSION LINE
- O/A= OVERALL

ASBUILT FLOOR PLANS OF:
UNITS 5531-3 AND 5531-4
CHUGACH TOWNHOUSE CONDOMINIUMS

LOT 4, CHUGACH TERRACE SUBD. NO. 2



LAND & CONSTRUCTION SURVEYORS-AUTOCAD
 440 W BENSON BLVD. SUITE 103
 ANCHORAGE, ALASKA 99503
 562-5291 (FAX 561-6626)

PLANNERS
 ENGINEERS

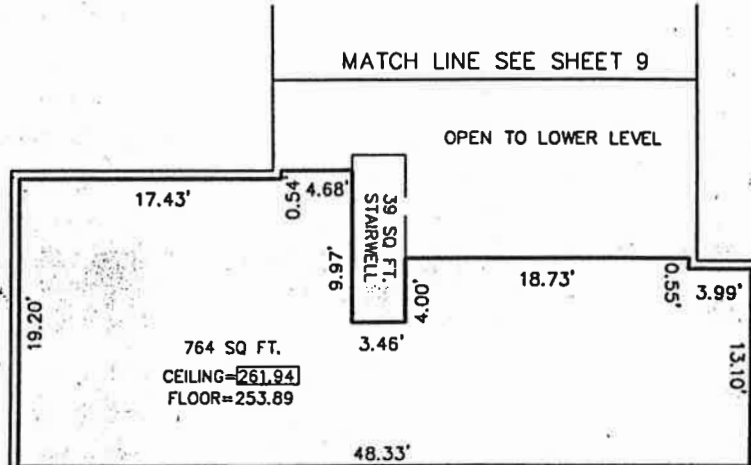
GRID 1738	SCALE: 1"=10'	DATE: 12/9/97
DRAWN BY KLD	FILE #	W.O.# 97L238
CHK'D BY KEN	97L238C_4	

SQUARE FOOTAGE TABLE								
UNIT	LOWER LEVEL					UPPER LEVEL		TOTAL
	MAIN	GARAGE	STAIRWELL	MECHANICAL	F.P.	MAIN	STAIRWELL	
1	595	378	44	12	4	764	39	1836
2	595	378	44	12	4	764	39	1836

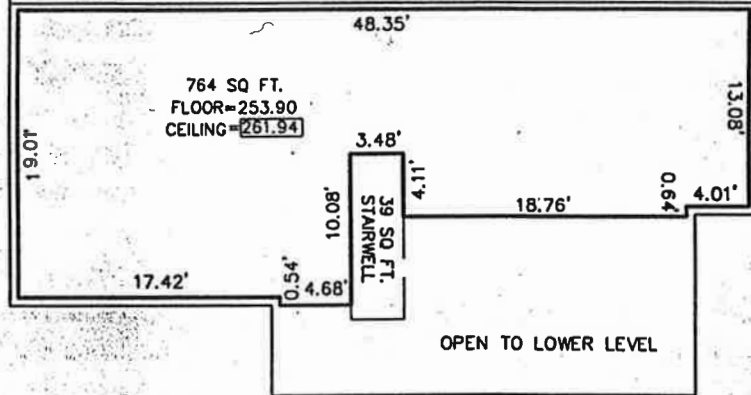
SQUARE FOOTAGES ARE APPROXIMATE AND INCLUDE INTERIOR WALL AREA.



UNIT 5531-2
UPPER



UNIT 5531-1
UPPER



GRAPHIC SCALE



(IN FEET)
1 inch = 10 ft.

LEGEND

- FLOOR = ELEVATION OF FLOOR
- CEILING = ELEVATION OF CEILING
- SQ. FT. = SQUARE FEET
- GRADE BREAK IN ELEVATION
- > CEILING SLOPE (ARROW POINTS DOWNHILL)
- DIVIDING LINE FOR AREA CALCULATIONS
- UNIT BOUNDARY
- LIMITED COMMON ELEMENT
- DIMENSION LINE
- O/A = OVERALL

ASBUILT FLOOR PLANS OF:

UNITS 5531-1 AND 5531-2
CHUGACH TOWNHOUSE CONDOMINIUMS

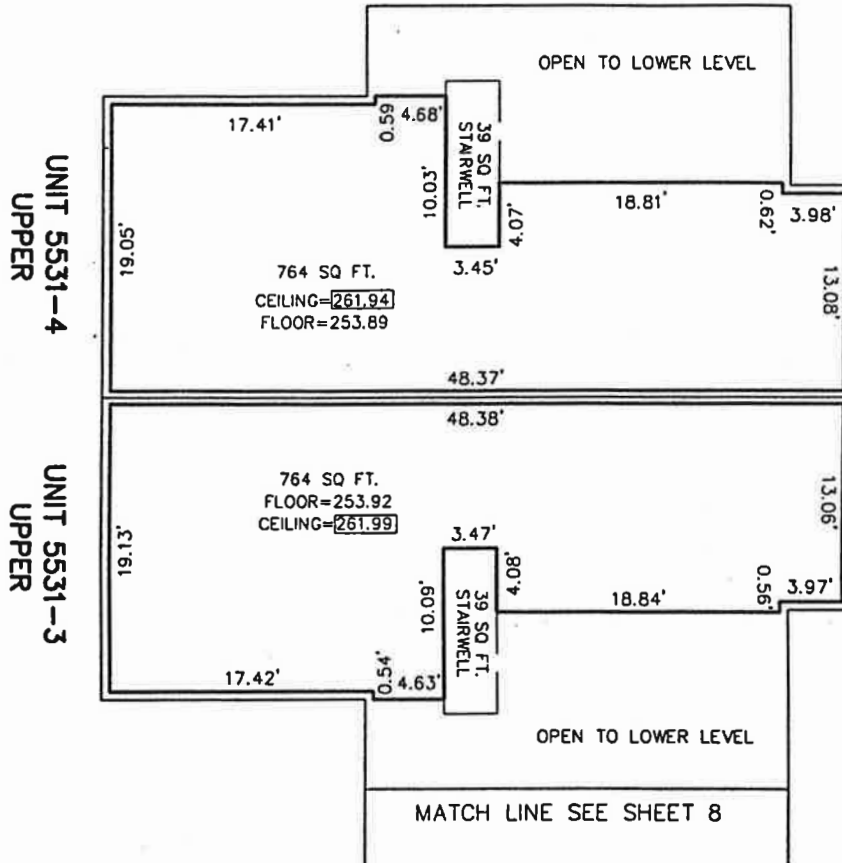
LOT 4, CHUGACH TERRACE SUBD. NO. 2

Lantech
LAND & CONSTRUCTION SURVEYORS*AUTOCAD
440 W BENSON BLVD. SUITE 103
ANCHORAGE, ALASKA 99503
562-5291 (FAX 561-6626)
PLANNERS
ENGINEERS

GRID 1738	SCALE: 1"=10'	DATE: 12/9/97
DRAWN BY KLD.	FILE #	W.O.# 97L238
CHK'D BY KEN	97L238C_4	

SQUARE FOOTAGE TABLE								
UNIT	LOWER LEVEL					UPPER LEVEL		TOTAL
	MAIN	GARAGE	STAIRWELL	MECHANICAL	F.P.	MAIN	STAIRWELL	
3	595	378	44	12	4	764	39	1836
4	595	378	44	12	4	764	39	1836

SQUARE FOOTAGES ARE APPROXIMATE AND INCLUDE INTERIOR WALL AREA.



GRAPHIC SCALE



(IN FEET)
1 inch = 10 ft.

LEGEND

- FLOOR= ELEVATION OF FLOOR
- 252.83, or CEILING= ELEVATION OF CEILING
- SQ. FT.= SQUARE FEET
- GRADE BREAK IN ELEVATION
- CEILING SLOPE (ARROW POINTS DOWNHILL)
- DIVIDING LINE FOR AREA CALCULATIONS
- UNIT BOUNDARY
- - - LIMITED COMMON ELEMENT
- DIMENSION LINE
- O/A= OVERALL

ASBUILT FLOOR PLANS OF:

UNITS 5531-3 AND 5531-4
CHUGACH TOWNHOUSE CONDOMINIUMS

LOT 4, CHUGACH TERRACE SUBD. NO. 2



LAND & CONSTRUCTION SURVEYORS-AUTOCAD
440 W BENSON BLVD. SUITE 103
ANCHORAGE, ALASKA 99503
562-5291 (FAX 561-6626)

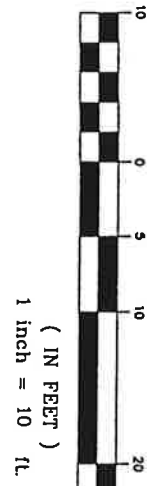
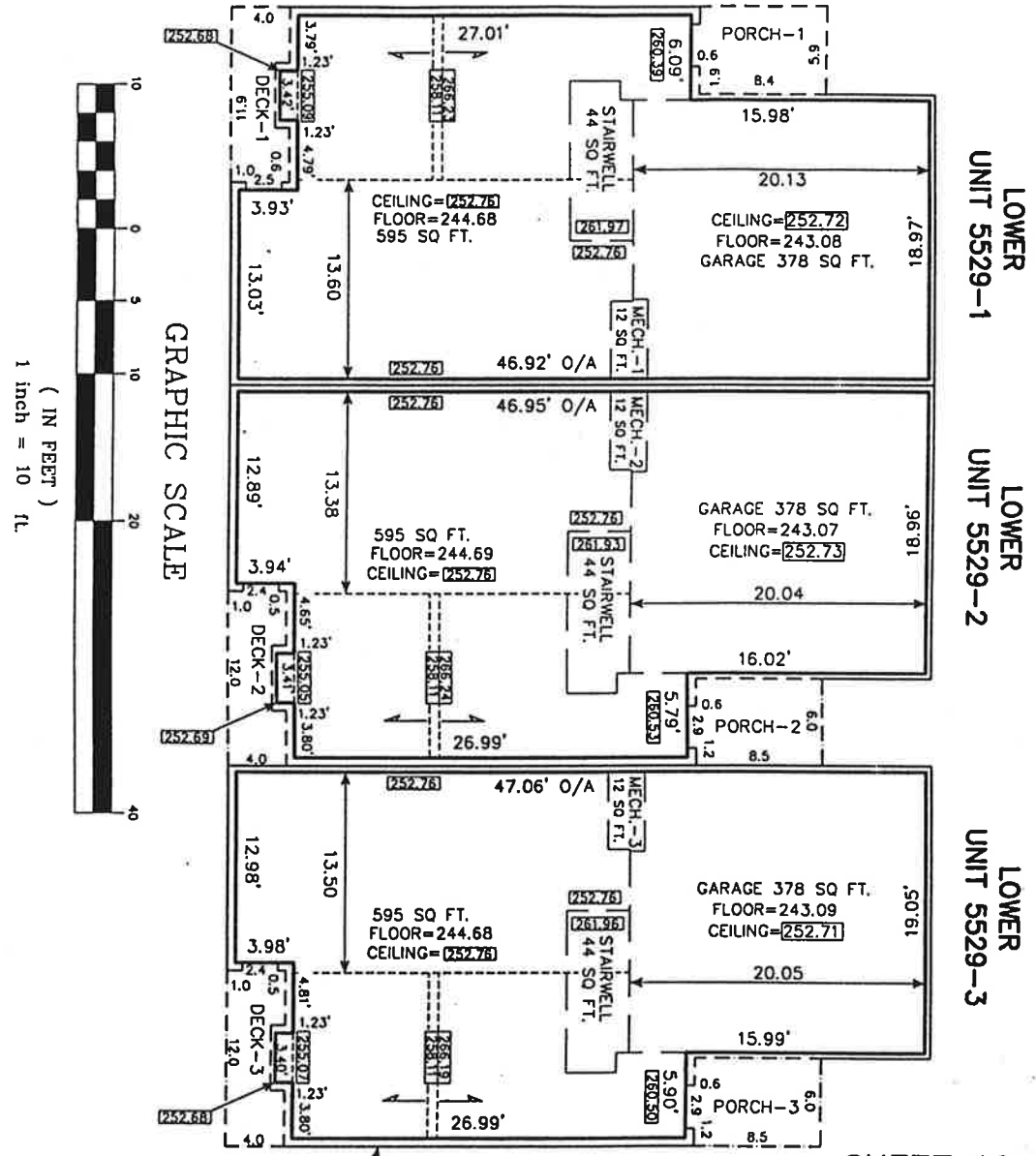
PLANNERS
ENGINEERS

GRID 1738	SCALE: 1"=10'	DATE: 12/9/97
DRAWN BY KLD	FILE #	W.O.# 97L238
CHK'D BY KEN	97L238C_4	

SQUARE FOOTAGE TABLE

UNIT	LOWER LEVEL					UPPER LEVEL		TOTAL
	MAIN	GARAGE	STAIRWELL	MECHANICAL	F.P.	MAIN	STAIRWELL	
1	595	378	44	12	4	764	39	1836
2	595	378	44	12	4	764	39	1836
3	595	378	44	12	4	764	39	1836

SQUARE FOOTAGES ARE APPROXIMATE AND INCLUDE INTERIOR WALL AREA.



GRAPHIC SCALE

LOWER UNIT 5529-1
LOWER UNIT 5529-2
LOWER UNIT 5529-3

SHEET 10 OF 11

EXTERIOR BUILDING LINE

LEGEND

- FLOOR= ELEVATION OF FLOOR
- [252.63], or CEILING= ELEVATION OF CEILING
- SO. FT.= SQUARE FEET
- - - - GRADE BREAK IN ELEVATION
- ↘ CEILING SLOPE (ARROW POINTS DOWNHILL)
- - - - DIVIDING LINE FOR AREA CALCULATIONS
- UNIT BOUNDARY
- - - - LIMITED COMMON ELEMENT
- DIMENSION LINE
- O/A= OVERALL

ASBUILT FLOOR PLANS OF:
UNITS 5529-1, 5529-2, AND 5529-3
CHUGACH TOWNHOUSE CONDOMINIUMS

LOT 3, CHUGACH TERRACE SUBD. NO. 2

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562-5291 (FAX 561-6626)
PLANNERS
ENGINEERS

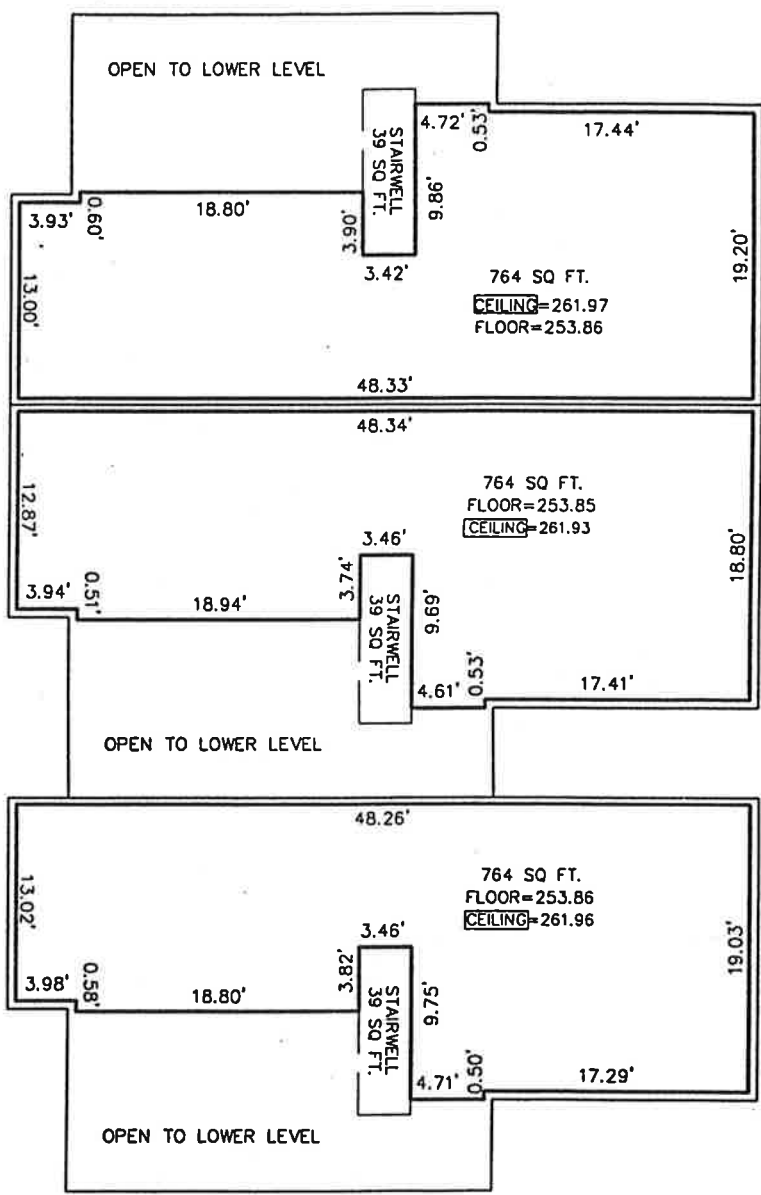
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SQUARE FOOTAGE TABLE								
UNIT	LOWER LEVEL					UPPER LEVEL		TOTAL
	MAIN	GARAGE	STAIRWELL	MECHANICAL	F.P.	MAIN	STAIRWELL	
1	595	378	44	12	4	764	39	1836
2	595	378	44	12	4	764	39	1836
3	595	378	44	12	4	764	39	1836

SQUARE FOOTAGES ARE APPROXIMATE AND INCLUDE INTERIOR WALL AREA.



GRAPHIC SCALE



UPPER
UNIT 5529-1

UPPER
UNIT 5529-2

UPPER
UNIT 5529-3

SHEET 11 OF 11

LEGEND

- FLOOR= ELEVATION OF FLOOR
- CEILING= ELEVATION OF CEILING
- SQ. FT.= SQUARE FEET
- GRADE BREAK IN ELEVATION
- CEILING SLOPE (ARROW POINTS DOWNHILL)
- DIVIDING LINE FOR AREA CALCULATIONS
- UNIT BOUNDARY
- LIMITED COMMON ELEMENT
- DIMENSION LINE
- O/A= OVERALL

ASBUILT FLOOR PLANS OF:
UNITS 5529-1, 5529-2, AND 5529-3
CHUGACH TOWNHOUSE CONDOMINIUMS
 LOT 3, CHUGACH TERRACE SUBD. NO. 2

Lantech
 LAND & CONSTRUCTION SURVEYORS*AUTOCAD
 440 W BENSON BLVD, SUITE 103
 ANCHORAGE, ALASKA 99503
 562-5291 (FAX 561-6626)
PLANNERS ENGINEERS

GRID 1738	SCALE: 1"=10'	DATE: 12/22/97
DRAWN BY KLD	FILE #	W.O.# 97L238
CHK'D BY KEN	97L273C_4	

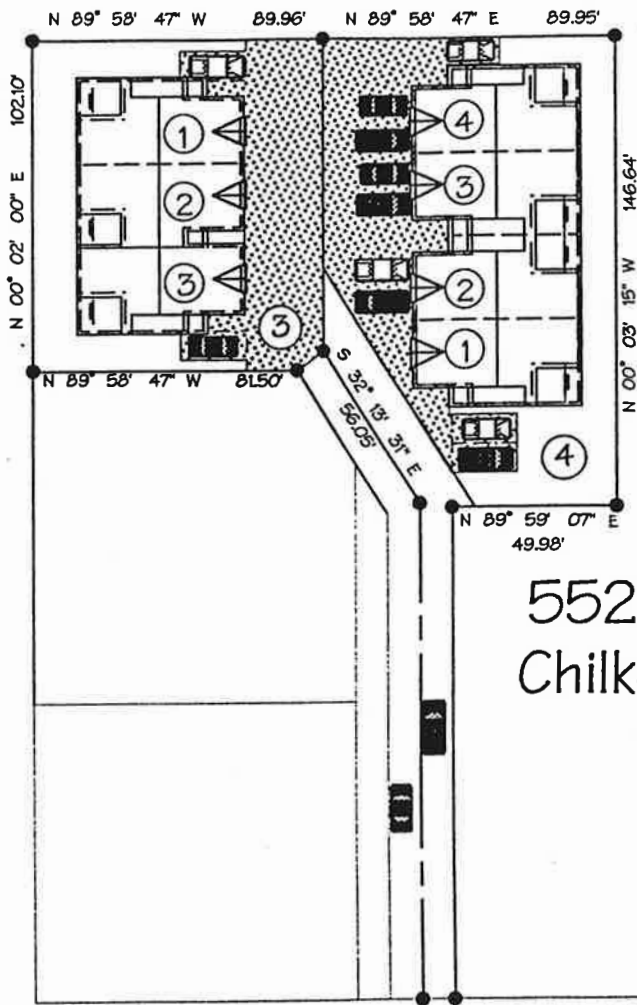
EXHIBIT B

TABLE OF ALLOCATED INTEREST

<u>Unit No.</u>	<u>Percentage of Interest</u>	<u>Votes in Association</u>
5529-1	14.28%	1
5529-2	14.28%	1
5529-3	14.28%	1
5531-1	14.28%	1
5531-2	14.28%	1
5531-3	14.28%	1
5531-4	14.28%	1
TOTAL	100.00%	7

EXHIBIT C

Boniface Parkway



5529 & 5531
Chilkoot Court



Chilkoot Court

Proposed Parking Plan

Scale: 1" = 60'

David Seymour

3820 Lake Otis Parkway
Suite 200
Anchorage, Alaska 99508
Telephone: (907) 563-3371



EXHIBIT D

EASEMENTS AND LICENSES

LOT 3, CHUGACH TERRACE NO.2:

1. Reservation and exceptions as contained in the U.S. Patent.
2. Right of Way Easement, including the terms and provisions thereof, granted to CHUGACH ELECTRIC ASSOCIATION, INC., and its assigns and/or successors in interest, to construct, operate and maintain an electric transmission and/or telephone distribution line or system by instrument recorded February 21, 1950, Book 73 Page 349. (Blanket Easement)
3. Right of Way Easement, including the terms and provisions thereof, granted to CITY OF ANCHORAGE, and its assigns and/or successors in interest, to construct, operate and maintain an electric transmission and/or telephone distribution line or system by instrument recorded April 14, 1956, Book 134 Pages 135, 153 and 155. (Blanket Easement)
4. Covenants, conditions and restrictions, including the terms and provisions thereof, but deleting any covenant, condition or restriction indicating a preference limitation or discrimination based on race, color, religion, sex, handicap, familial status, or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c), as contained on Plat No. P-434.

Amended by an instrument recorded January 8, 1985, Book 1211 Page 892.

5. Right of Way Easement, including the terms and provisions thereof, granted to CHUGACH ELECTRIC ASSOCIATION, INC., and its assigns and/or successors in interest, to construct, operate and maintain an electric transmission and/or telephone distribution line or system by instrument recorded December 14, 1984, Book 1201 Page 986. (Affects the North 20 feet)

Amended by RELEASE OF RIGHT-OF-WAY WITH RESERVATIONS OF SPECIFIC EASEMENT, recorded January 14, 1998, Book 3181 Pages 285-86, to exclude areas in which buildings, foundations, decks and overhead eaves encroach.

6. The effect of the notes which appear on the plat of said subdivision.
7. Slope easements as dedicated and reserved on the plat of said subdivision, as follows:

"There shall be reserved adjacent to the dedicated streets hereon a slope reservation easement sufficient to contain cut and fill slopes of 1.5 feet horizontal for each foot vertical

(1.5 to 1) of cut or fill for the purpose of providing and maintaining the lateral support of the constructed streets. There is reserved to the grantors, their successors and assigns, the right to use such areas at any time upon providing and maintaining other adequate lateral support, as approved by the Municipality."

8. Easements as dedicated and shown on the plat of said subdivision, filed under Plat Number 84-498.
9. Consent to Easement, including the terms and provisions thereof, recorded August 19, 1988, Book 1773 Page 863.
10. Easement for electrical facilities and appurtenances thereto granted to STATE OF ALASKA, DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES, recorded August 19, 1988, Book 1773 Page 866. (Affects the West 20 feet of the North 10 feet)

LOT 4, CHUGACH TERRACE No.2:

1. Reservation and exceptions as contained in the U.S. Patent.
2. Right of Way Easement, including the terms and provisions thereof, granted to CHUGACH ELECTRIC ASSOCIATION, INC., and its assigns and/or successors in interest, to construct, operate and maintain an electric transmission and/or telephone distribution line or system by instrument recorded February 21, 1950, Book 73 Page 349. (Blanket Easement)
3. Right of Way Easement, including the terms and provisions thereof, granted to CITY OF ANCHORAGE, and its assigns and/or successors in interest, to construct, operate and maintain an electric transmission and/or telephone distribution line or system by instrument recorded April 14, 1956, Book 134 Pages 135, 153 and 155. (Blanket Easement)
4. Covenants, conditions and restrictions, including the terms and provisions thereof, but deleting any covenant, condition or restriction indicating a preference limitation or discrimination based on race, color, religion, sex, handicap, familial status, or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c), as contained on Plat No. P-434.

Amended by an instrument recorded January 8, 1985, Book 1211 Page 892.

5. Right of Way Easement, including the terms and provisions thereof, granted to CHUGACH ELECTRIC ASSOCIATION, INC., and its assigns and/or successors in interest, to construct, operate and maintain an electric transmission and/or telephone distribution line or system by instrument recorded December 14, 1984, Book 1201 Page 986. (Affects the North 20 feet)

Amended by RELEASE OF RIGHT-OF-WAY WITH RESERVATIONS OF SPECIFIC EASEMENT, recorded January 14, 1998, Book 3181 Pages 285-86, to exclude areas in which buildings, foundations, decks and overhead eaves encroach.

6. The effect of the notes which appear on the plat of said subdivision, filed under Plat Number 84-498.

7. Slope easements as dedicated and reserved on the plat of said subdivision, as follows:

"There shall be reserved adjacent to the dedicated streets hereon a slope reservation easement sufficient to contain cut and fill slopes of 1.5 feet horizontal for each foot vertical (1.5 to 1) of cut or fill for the purpose of providing and maintaining the lateral support of the constructed streets. There is reserved to the grantors, their successors and assigns, the right to use such areas at any time upon providing and maintaining other adequate lateral support, as approved by the Municipality."

8. Easements as dedicated and shown on the plat of said subdivision.

EXHIBIT 4

Chugach Townhouse Condominiums
Projected Budget

(5529 Chilkoot Court, Units 1, 2 and 3 and 5531 Chilkoot Court, Units 1, 2, 3 & 4)

Expenses	Unit/month	Unit/Year	Budget
Maintenance/Repairs	8.33	100.00	\$700
Landscaping	12.50	150.00	\$1,050
Snowplowing	12.50	150.00	\$1,050
Insurance	26.67	320.00	\$2,240
Insurance Deductible	8.33	100.00	\$700
Management Fee	16.50	198.00	\$1,386
Utilities	32.00	384.00	\$2,688
Legal/Prof Fees	2.08	25.00	\$175
Audit/Tax Prep	6.25	75.00	\$525
Taxes/Licenses	1.20	14.40	\$101
Misc. Expenses	2.08	25.00	\$175
Total Expenses	128.45	1,541.40	\$10,790

Reserves		Estimated Life			
Description	Unit Monthly	In Years	Total Cost	Annual Cost	Monthly
Roofs	7.50	20.00	\$12,600	630.00	52.50
Asphalt	7.22	15.00	\$9,100	606.67	50.56
Paint	23.33	5.00	\$9,800	1,960.00	163.33
Fence	3.13	12.00	\$3,150	262.50	21.88
Total Reserves	41.18		\$34,650	3,459.17	288.26

Income			
	Unit Per Month	Unit Per Year	1998 Budget
Assessments	169.63	2,035.60	\$14,249

This Budget is for a fiscal year beginning on the first day of the first month following the first conveyance of a unit in this project.

The reserve analysis is based on actual cost of construction for the components designated in the analysis. It is assumed that the earnings on investments will offset inflation for the reserve costs. Also, it is assumed that the reserves will be reevaluated periodically, and adjusted as necessary to keep pace with inflation.

This Budget was prepared by Art Clark of Prudential Vista Property Management with information supplied by Rick Hagen of Hagen Investments, LLC.


Arthur L. Clark, GRI