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*Anchorage Recording District*

**DECLARATION  
OF  
SILVER FOX COMMERCIAL CONDOMINIUMS**  
◆ *a Commercial Common Interest Community* ◆

AFTER RECORDATION RETURN TO:  
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**DECLARATION  
OF  
SILVER FOX COMMERCIAL CONDOMINIUMS**

Declarant, **Terra Firma, LLC**, an Alaskan limited liability company; **TND Enterprises, LLC**, an Alaskan limited liability company; **Edge Real Estate, LLC**, an Alaskan limited liability company; **Nader Creek Properties, LLC**, an Alaskan limited liability company; and **Reta's Properties, LLC**, an Alaskan limited liability company, with a mailing address of *c/o Real Estate Unlimited, 12001 Industry Way, Suite B9, Anchorage, Alaska 99515*, does hereby submit the real property in Anchorage, Alaska, described in **Schedule A-1**, to the provisions of the Common Interest Ownership Act, Title 34, Chapter 8, of the Alaska Statutes, for the purpose of creating **Silver Fox Commercial Condominiums** and making the Improvements shown in the Plat and Plans attached as **Schedule A-3**.

**ARTICLE I  
Definitions**

In the Documents, the following words and phrases shall have the following meanings:

Section 1.1 - Act. The Uniform Common Interest Ownership Act, AS 34.08 of the Alaska Statutes as it may be amended from time to time.

Section 1.2 - Allocated Interests. The undivided interest in the Common Elements, the Common Expense liability, and votes in the Association allocated to Units in the Common Interest Community. The Allocated Interests are described in **Article VII** of the Declaration and shown on **Schedule A-2**.

Section 1.3 - Association. **Silver Fox Commercial Condominiums Owners Association, Inc.** is a non-profit corporation organized under Title 10, Chapter 20 of the statutes of the State of Alaska. It is the Association of Unit Owners pursuant to Section 34.08.310 of the Act.

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

Section 1.5 - Common Elements. Each portion of the Common Interest Community, other than a Unit.

Section 1.6 - Common Expenses. The expenses or financial liabilities for the operation of the Common Interest Community. These include:

- (a) Expenses of administration, maintenance, repair or replacement of the Common Elements;



(b) Expenses declared to be Common Expenses by the Documents or by the Act;

(c) Expenses agreed upon as Common Expenses by the Association; and

(d) Such reasonable reserves as may be established by the Association, whether held in trust or by the Association, for repair, replacement or addition to the Common Elements or any other real or personal property acquired or held by the Association.

Section 1.7 - Common Interest Community. The real property described in **Schedule A-1**, subject to the Declaration of Silver Fox Condominiums.

Section 1.8 - Declarant. **Terra Firma, LLC**, an Alaskan limited liability company; **TND Enterprises, LLC**, an Alaskan limited liability company; **Edge Real Estate, LLC**, an Alaskan limited liability company; **Nader Creek Properties, LLC**, an Alaskan limited liability company; and **Reta's Properties, LLC**, an Alaskan limited liability company, or their successors as defined in Subsection 34.08.990(12) of the Act.

Section 1.9 - Declaration. This document, including any amendments.

Section 1.10 - Director. A member of the Executive Board.

Section 1.11 - Documents. The Declaration, Plat and Plans recorded and filed pursuant to the provisions of the Act, the Bylaws, and any Rules which may be adopted by the board, as they may be amended from time to time. Any attachment, schedule, or certification accompanying a Document is a part of that Document.

Section 1.12 - Eligible Insurer. An insurer or guarantor of a first Security Interest in a Unit which has notified the Association in writing of its name and address and that it has insured or guaranteed a first Security Interest 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 XVI**.

Section 1.13 - Eligible Mortgagee. 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 XVI**.

Section 1.14 - Executive Board. The board of Directors of the Association.

Section 1.15 - Improvements. Any construction, structure, fixture 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, a Unit Owner or the Association, paving, utility wires, pipes, and light poles.



Section 1.16 - Limited Common Elements. 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 operation of Subsections (2) and (4) of Section 34.08.100. The Limited Common Elements in the Common Interest Community are described in **Article V** of the Declaration.

Section 1.17 - Majority or Majority of Unit Owners. The Unit Owners of more than fifty percent (50%) of the votes in the Association.

Section 1.18 - Manager. A Person, firm, or corporation employed or engaged to perform management services for the Common Interest Community and the Association.

Section 1.19 - Notice and Comment. The right of a Unit Owner to receive notice of an action proposed to be taken by or on behalf of the Association, and the right to comment thereon. The procedures for Notice and Comment are set forth in **Section 22.1** of the Declaration.

Section 1.20 - Notice and Hearing. The right of a Unit Owner to receive notice of an action proposed to be taken by the Association, and the right to be heard thereon. The procedures for Notice and Hearing are set forth in **Section 22.2** of the Declaration.

Section 1.21 - Person. An individual, corporation, business trust, estate, trust, partnership, association, joint venture, government, government subdivision or agency, or other legal or commercial entity.

Section 1.22 - Plans. The Plans filed with the Declaration as **Schedule A-3**, as they may be amended from time to time.

Section 1.23 - Plat. The Plat filed with the Declaration as **Schedule A-3**, as it may be amended from time to time.

Section 1.24 - Property. The land, all Improvements, easements, rights and appurtenances, which have been submitted to the provisions of the Act by the Declaration.

Section 1.25 - Public Offering Statement. The current document prepared pursuant to Section 530 of the Act as it may be amended from time to time, and provided to purchasers prior to the time of execution of a purchase agreement.

Section 1.26 - Rules. 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 the Declaration.

Section 1.27 - Security Interest. An interest in real estate or personal property, created by contract or conveyance, which secures payment or performance of an obligation. The term includes a lien created by a mortgage, deed of trust, trust deed, security deed, contract for deed, land sales contract, lease intended as security, assignment of lease or rents intended as security, pledge of an





ownership interest in the Association, and any other consensual lien or title retention contract intended as security for an obligation.

Section 1.28 - Trustee. The entity which may be designated by the Executive Board as the Trustee for the receipt, administration, and disbursement of funds derived from insured losses, condemnation awards, special assessments for uninsured losses, and other like sources as defined in the Bylaws. If no Trustee has been designated, the Trustee will be the Executive Board from time to time constituted, acting by majority vote, as executed by the president and attested by the secretary.

Section 1.29 - Unit. A physical portion of the Common Interest Community designated for separate ownership or occupancy, the boundaries of which are described in **Section 4.2** of the Declaration.

Section 1.30 - Unit Owner. 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. The Declarant is the initial owner of all Units created by the Declaration.

## ARTICLE II

### Name and Type of Common Interest Community and Association

Section 2.1 - Common Interest Community. The name of the Common Interest Community is **Silver Fox Commercial Condominiums**. Silver Fox Commercial Condominiums is a commercial condominium community.

Section 2.2 - Association. The name of the Association is **Silver Fox Commercial Condominiums Owners Association, Inc.**

## ARTICLE III

### Description of Land

The entire Common Interest Community is situated in the Anchorage Recording District, Third Judicial District, State of Alaska and is located on land described in **Schedule A-1**.

## ARTICLE IV

### Number of Units; Boundaries

Section 4.1 - Number of Units. The Common Interest Community upon creation contains **five (5)** Units.

Section 4.2 - Boundaries. Boundaries of each Unit created by the Declaration are shown on the Plat and Plans as lettered Units with their identifying letter and are described as follows:



(a) *Upper Boundary*: The horizontal or sloping plane or planes of the unfinished lower surfaces of the ceiling bearing structure surfaces, beams, and rafters extended to an intersection with the vertical perimeter boundaries.

(b) *Lower Boundary*: The horizontal plane or planes of the undecorated or unfinished upper surfaces of the floors, extended to an intersection with the vertical perimeter boundaries and open horizontal unfinished surfaces of trim, sills, and structural components.

(c) *Vertical Perimeter Boundaries*: The planes defined by the inner surfaces of the studs and framing of the perimeter walls; the unfinished inner surfaces of poured concrete walls; the unfinished surfaces of the interior trim, fireplaces, and thresholds along perimeter walls and floors; the unfinished exterior surfaces of closed windows and closed perimeter doors; and the innermost unfinished planes of all interior bearing studs and framing of bearing walls, columns, bearing partitions, and partition walls between separate Units.

(d) *Inclusions*: Each Unit will include the spaces and Improvements lying within the boundaries described in **Sections 4.2(a), 4.2(b), and 4.2(c)**, above, and will also include the spaces and the Improvements within such spaces containing heating, water heating apparatus, smoke detector systems and electrical switches, wiring, pipes, ducts, conduits, smoke detector system and television, telephone, and electrical receptacles and light fixtures and boxes serving that Unit exclusively, the surface of the foregoing being the boundaries of such Unit, whether or not such spaces are contiguous.

(e) *Exclusions*: Except when specifically included by other provisions of **Section 4.2**, the following are excluded from each Unit: The spaces and Improvements lying outside of the boundaries described in **Sections 4.2(a), 4.2(b), and 4.2(c)**, above; and all chutes, pipes, flues, ducts, wires, conduits, and other facilities running through or within interior walls or partitions for the purpose of furnishing utility and similar services to other Units and Common Elements or both.

(f) *Inconsistency with Plans*: If this definition is inconsistent with the Plans, then this definition will control.

(g) *No Additional Component, Element or Fixture May be Attached Without Consent*. No additional component, fixture or element shall be attached, affixed or fastened to the exterior of a Unit or Limited Common Element without the written consent of the Executive Board.

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**ARTICLE V**  
**Common Elements and Limited Common Elements**

Section 5.1 - Common Elements. The Common Elements in **Silver Fox Commercial Condominiums** include each portion of the Common Interest Community, other than a Unit.

Section 5.2 - Limited Common Elements. The following portions of the Common Elements are Limited Common Elements assigned to the Units as stated:

(a) If a chute, flue, pipe, 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, the use of which is limited to that Unit, and any portion thereof serving more than one (1) Unit or a portion of the Common Elements is a part of the Common Elements.

(b) Assigned parking spaces, the use of which is limited to the Unit Owner.

**ARTICLE VI**  
**Maintenance, Repair and Replacement**

Section 6.1 - Maintenance, Repair, and Replacement of the Common Elements and Limited Common Elements. The Association shall maintain, repair, and replace all of the Common Elements.

Section 6.2 - Units. Each Unit Owner shall maintain, repair, and replace, at his or her own expense, all portions of his or her Unit.

Section 6.3 - 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 conditions threatening a Unit or the Common Elements or Limited Common Elements and to perform installations, alterations or repairs, and for the purpose of reading, repairing, replacing utility meters and related pipes, valves, wires and equipment, provided that requests for entry are made in advance and that such entries are at times reasonably convenient to affected Unit Owners. 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 6.4 - Repairs Resulting from Negligence. Each Unit Owner shall reimburse the Association for damages to a Unit or to the Common Elements or Limited Common Elements caused intentionally or negligently by the Unit Owner or by his or her failure to properly maintain, repair or replace their Unit. The Association will be responsible for damage to Units caused intentionally or negligently by the Association or by its failure to maintain, repair or make replacements to the Common Elements or Limited Common Elements. If such expense is caused by misconduct, it will be assessed following Notice and Hearing.



Section 6.5 - No Additional Component or Element May be Attached Without Consent of the Executive Board. No additional component or element may be attached to a Common Element, or a Limited Common Element without the written consent of the Executive Board. In the event that an additional component or element of a Limited Common Element attached thereto by the Unit Owner becomes deteriorated or unsightly or is inconsistent with conditions of installation, it may be removed or repaired at the Unit Owner's expense as a Limited Common Expense Assessment under this Section, after Notice and Hearing.

## **ARTICLE VII** **Allocated Interests**

Section 7.1 - Allocation of Interests. The table showing Unit letters and their Allocated Interests is attached as **Schedule A-2**. These interests have been allocated in accordance with the formulas set out in this Article. These formulas are to be used in reallocating interests if Units are added to the Common Interest Community.

Section 7.2 - Formulas for the Allocation of Interests. The Interests allocated to each Unit have been calculated on the following formulas:

(a) *Undivided Interest in the Common Elements.* The undivided interest in the Common Elements allocated to each Unit is based on the relative square footage of each Unit as compared to the square footage for all of the Units in the Common Interest Community. Allocations are subject to rounding off to result in one hundred percent (100%) allocation.

(b) *Liability for the Common Expenses.* The percentage of the liability in the Common Expenses allocated to each Unit is based on the relative square footage of each Unit as compared to the square footage for all of the Units in the Common Interest Community. Allocations are subject to rounding off to result in one hundred percent (100%) allocation. Nothing contained in this Subsection shall prohibit certain Common Expenses from being apportioned to particular Units under **Article XVII** of the Declaration.

(c) *Votes.* Unit A shall have two (2) votes. Units C, D, E, and F shall each have one (1) vote. Any specified percentage, portion or fraction of Unit Owners, unless otherwise stated in the Documents, means the specified percentage, portion or fraction of the votes as allocated Units in the Table of Interests attached to the Declaration as **Schedule A-2**.

(d) *Multiple Ownership of a Unit.* When more than one (1) Person holds an ownership interest in any Unit, the vote for such Unit shall be exercised as determined among those Unit Owners, but in no event shall more than one (1) vote be cast with respect to any such Unit. Any votes cast with regard to any such Unit in violation of this provision shall be null and void.



**ARTICLE VIII**  
**Restrictions on Use, Alienation and Occupancy**

Section 8.1 - Use and Occupancy Restrictions. The following use restrictions shall apply to all Units and to the Common Elements.

(a) *Commercial Use.* Each Unit is restricted to professional and business office use. Residential use is not permitted.

(b) *Bylaws and Rules.* The use of Units and Common Elements is subject to the Bylaws and the Rules of the Association.

(c) *Unit Maintenance.* Each Unit Owner shall keep their Unit in a good state of preservation and cleanliness.

(d) *Immoral and Improper Use.* No immoral, improper, offensive, or unlawful use may be made of the Units, and Unit Owners shall comply with and conform to applicable federal and State of Alaska laws and regulations and all ordinances, rules and regulations of the Municipality of Anchorage. The violating Unit Owner shall hold the Association and other Unit Owners harmless from fines, penalties, costs, and prosecutions for the violation thereof or non-compliance therewith.

(e) *Signs.* Parking, and business signage as approved by the Executive Board is permitted. Signs, not more than five square feet (5 sq. ft.) in size advertising a Unit for sale or rent are permitted. No other signs are permitted to be displayed in the Common Interest Community.

(f) *Parking; Vehicles; Storage; and Natural Resource Operations.*

(i) The use of Limited Common Element parking spaces allocated to a Unit is restricted to the Unit Owner to which it is allocated, as shown on the Plat, and that Unit Owner's customers. Limited Common Element parking spaces are restricted to use as a parking space for vehicles only. No boats, trailers, recreational type vehicles, all-terrain vehicles, snowmachines, heavy equipment such as bulldozers and graders are permitted in Limited Common Element parking areas. No vehicle may be parked in a parking space that does not fit within the designated boundaries of the parking space. Customer parking shall not exceed eight (8) hours in a twenty-four (24) hour period.

(ii) Restricted parking areas will be posted with 'No Parking' signage. Vehicles parked in restricted parking areas may be towed by the Association.

(iii) No junk vehicle shall be parked in a Limited Common Element parking space. A junk vehicle is a vehicle which is missing essential parts, such



as, but not limited to, tires, wheels, engine, brakes, windows, lights and lenses, exhaust system, and such other parts that are necessary for the legal operation of a vehicle.

(iv) No vehicle other than a vehicle operated by or for a disabled Person may be parked in any space reserved for disabled Persons.

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

(g) *Natural Resource Operations.* No oil, gas, or natural resource drilling, development operations, refining, quarrying, or mining operations whatsoever shall be permitted on a Unit, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in a Unit. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained, or permitted on a Unit. No surface entry will be permitted and no extraction of minerals will be permitted within a two hundred and fifty foot (250') buffer measured vertically from the surface.

(h) *Mailboxes and Newspaper Tubes.* Unit Owners shall use individual mailboxes located on the outside of each Unit door that are approved by the U.S. Postal Service and provided for the Common Interest Community. Newspaper stands and receptacles are not permitted on the exterior of the cluster mailboxes or Units.

(i) *Water and Sewer.* Each Unit Owner has an undivided interest in the Common Element water and sewer lines. To preserve and minimize potential damage and deterioration to the sewer and water lines, Unit Owners shall not pour grease, oils or cooking fat residues into sinks, garbage disposal units or other drains. No diapers, sanitary napkins, newspapers, solid rags, paper towels, or any non-biodegradable items are to be disposed in toilets. No industrial waste or substances, used oil, oil-based paints, solvents or other chemicals are to be disposed into the sewer lines, storm drains or drainage ditches.

(j) *Leasing.* A Unit may not be conveyed pursuant to a time-sharing plan. No Unit may be leased except by written leases in excess of sixty (60) days. Each lease will be filed with the Association, and written notice given of commencement and termination of possession. Each lease will incorporate the terms and restrictions of the Documents as a personal obligation of the tenant. Each lease will attach to the Association as landlord solely for the purpose of enforcing the restrictions of the Documents following Notice and Hearing to the Unit Owner/landlord, and an opportunity to cure the violation, and then by direct levy, injunction and/or eviction by summary process, against the tenant. The Association will not otherwise assume the responsibilities or obligations of the landlord. The Association will have the right and power to exercise the landlord's rights of summary eviction against any tenant of the Unit Owner who violates the restrictions of the



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

(k) *Garbage and Refuse Disposal.*

(i) Unit Owners shall wrap trash and garbage in a secure package and transport trash to a trash collection dumpster to be located within an area approved by the Executive Board. Unit Owners shall transport trash and garbage in such manner as to ensure the Common Elements such as sidewalks and parking areas are clean and free of trash and litter. No outside burning of trash or garbage is permitted.

(ii) No portion of the Property shall be used for the storage of building materials, refuse, or any other materials.

Section 8.2 - Violations of Use Restrictions. A violation shall be failure by a Unit Owner to comply with a restriction, or cure a prohibited activity within five (5) days after notification of non-compliance. Violations of the use restrictions are disruptive to the Common Interest Community and create additional administrative expense to the Association and accordingly, shall result in the following liquidated damages.

(a) Violations of the following use restrictions shall incur a one hundred fifty dollar (\$150) one (1) time charge upon issuance of written notice of violation, and for each subsequent notice. In addition, a ten dollar (\$10) per diem fee will be incurred for each day the violation continues from date of the notice until cured.

(i) **Section 8.1(k)** regarding garbage and refuse disposal; and

(ii) **Section 8.1(f)** regarding parking, vehicles and storage.

(b) Violations of all other **Article VIII** use restrictions shall incur a five hundred dollar (\$500) one (1) time charge upon issuance of written notice of violation. In addition, a charge of fifteen dollars (\$15) per diem fee will be incurred commencing upon the day written notice of violation is issued until the date of notice to the date the Unit Owner that the violation is cured.

(i) Each violation of the Declaration shall give rise to a separate liquidated damage recovery. These liquidated damage awards shall increase, and not decrease, every five (5) years from the date of the Declaration to match the equivalent increase, if any, in the Consumer Price Index for Urban Wage Earners and Clerical Workers: U.S. City Average, All Items 1967 equal \$100.00, issued



by the Bureau of Labor Statistics for the United States Department of Labor with the index from December 1998 as the price index figure.

Section 8.3 - Enforcement. The Association shall have a right of action against Unit Owner(s) who fail to comply with the use restrictions contained in **Article VIII**. Fines collected from Unit Owners pursuant to this Section shall be collected by and belong to the **Silver Fox Commercial Condominium Owners Association, Inc.**

In an action to enforce the provisions of the Declaration, the prevailing party shall be entitled to recover court costs and actual attorney fees.

## **ARTICLE IX**

### **Easements and Licenses**

Section 9.1 - Easement Benefiting Silver Fox Condominiums & SF Planned Community for Water and Sewer Lines. A private utility easement is reserved for the benefit of SF Planned Community for the construction, ownership, operation, maintenance, use, repair, and replacement of the water and sewer lines serving Silver Fox Condominiums and SF Planned Community.

No disruption of service, or change to the water lines and sewer lines that interferes with the water and sewer service to Silver Fox Condominiums Owners Association, Inc. and SF Planned Community Owners Association, Inc. other than minor disruptions for maintenance and repair, shall be made by the Association without the express approval of Silver Fox Condominiums Owners Association, Inc. and SF Planned Community Owners Association, Inc. Any amendment to this Section shall require approval by the Association, Silver Fox Condominiums Owners Association, Inc. and SF Planned Community Owners Association, Inc.

Section 9.2 - Other Easements or Licenses. All other easements or licenses to which the Common Interest Community is presently subject are recited in **Schedule A-1** to the Declaration.

## **ARTICLE X**

### **Reallocation of Limited Common Elements**

No Limited Common Element depicted on the Plat or Plans may be reallocated by an amendment to the Declaration except pursuant to this Article or as part of a relocation of boundaries of Units pursuant to **Article XII** of the Declaration.

Such amendment shall require the approval of all holders of Security Interests in the affected Units, which approval shall be endorsed thereon. The Person executing the amendment shall provide an executed copy thereof to the Association, which, if the amendment complies with the provisions of the 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 attorneys' fees in connection with the review of the amendment and for the recording costs.

**ARTICLE XI**  
**Additions, Alterations and Improvements**

Section 11.1 - Additions, Alterations and Improvements by Unit Owners.

(a) No Unit Owner shall make structural additions, structural alterations, or structural Improvements in or to the Common Interest Community without obtaining the written consent of the Executive Board in accordance with **Section 11.1(b)** prior to commencement of structural additions, alterations, and Improvements.

(b) Subject to **Section 11.1(a)**, a Unit Owner:

(i) May make other Improvements or alterations to the interior of his or her Unit that do not impair the structural integrity or mechanical systems or lessen the support of any portion of the Common Interest Community;

(ii) May not change the appearance of the Limited Common Elements or the exterior appearance of a Unit or any other portion of the Common Interest Community, without permission of the Association;

(iii) After acquiring an adjoining Unit or an adjoining part of an adjoining Unit, may remove or alter intervening partitions or create apertures therein, even if the partitions in whole or in part are a Common Element, if those acts do not impair the structural integrity or mechanical systems or lessen the support of any portion of the Common Interest Community. Removal of partitions or creation of apertures under this Subsection is not an alteration of boundaries.

(c) A Unit Owner may submit a written request to the Executive Board for approval to do anything that he or she is forbidden to do under **Section 11.1(a)** or **11.1(b)** or **11.1(c)**. The Executive Board shall answer any written request for such approval, after Notice and Hearing, within sixty (60) days after the request thereof. Failure to do so within such time shall not constitute consent by the Executive Board to the proposed action. The Executive Board shall review requests in accordance with the provisions of its Rules.

(d) Any applications to any department or to any governmental authority for a permit to make any addition, alteration or Improvement in or to any Unit shall be executed by the Association only. Such execution will not, however, create any liability on the part of the Association or any of its members to any contractor, sub-contractor or material man on account of such addition, alteration or Improvement or to any Person having any claim for injury to person or damage to property arising therefrom.



(e) All additions, alterations and Improvements to the Units and Common Elements shall not, except pursuant to prior approval by the Executive Board, cause any increase in the premiums of any insurance policies carried by the Association or by the Unit Owners of any Units other than those affected by such change.

Section 11.2 - Additions, Alterations and Improvements by Executive Board. Subject to the limitations of **Sections 17.4** and **17.5**, the Executive Board may make any additions, alterations or Improvements to the Common Elements which, in its judgment, it deems necessary.

## **ARTICLE XII**

### **Relocation of Boundaries Between Adjoining Units**

Section 12.1 - Application and Amendment. Subject to approval of any structural changes and required permits pursuant to **Article XI**, the boundaries between adjoining Units may be relocated by an amendment to the Declaration upon application to the Association by the Unit Owners of the Units affected by the relocation. If the Unit Owners of the adjoining Units have specified a reallocation between their Units of their Allocated Interests, the application shall state the proposed reallocations. Unless the Executive Board determines, within thirty (30) days after receipt of the application, that the reallocations are unreasonable, 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 name of the Association.

Section 12.2 - Recording Amendments. The Association shall prepare and record Plat or Plans necessary to show the altered boundaries between adjoining Units, and their dimensions and identifying numbers.

The applicants shall pay for the costs of preparation of the amendment, Plat and Plans recording costs, and the reasonable consultant fees of the Association if it is deemed necessary to employ a consultant by the Executive Board.

## **ARTICLE XIII**

### **Amendments to Declaration**

Section 13.1 - General. Except in cases of amendments that may be executed by the Association under **Article X** and Section 740 of the Act, or by certain Unit Owners under **Article X** and **Section 12.1** and Section 260 of the Act, and except as limited by **Section 13.4** and **Article XVI**, the Declaration, including the Plat and Plans, may be amended only by vote or agreement of Unit Owners of Units to which at least sixty seven percent (67%) of the votes in the Association are allocated.



Section 13.2 - Limitation of Challenges. An action to challenge the validity of an amendment adopted by the Association pursuant to this Article may not be brought more than one (1) year after the amendment is recorded.

Section 13.3 - Recordation of Amendments. Each amendment to the Declaration must be recorded and the amendment is effective only upon recording. An amendment, except an amendment pursuant to **Article XII**, must be indexed in the grantee's index in the name of the Common Interest Community and the Association and in the name of the parties executing the amendment.

Section 13.4 - When Unanimous Consent Required. Except to the extent expressly permitted or required by other provisions of the Act and the Declaration, an amendment may not change the boundaries of a Unit, change the Allocated Interests of a Unit, or the uses to which a Unit is restricted, in the absence of one hundred percent (100%) consent of the Unit Owners.

Section 13.5 - Execution of Amendments. An amendment to the Declaration required by the Act to be recorded by the Association, which have been adopted in accordance with the Declaration and the Act, must be prepared, executed, recorded and certified on behalf of the Association by an officer of the Association designated for that purpose or, in the absence of designation, by the president of the Association.

Section 13.6 - Consent of Holders of Security Interests. Amendments are subject to the consent requirements of **Article XVI**.

#### **ARTICLE XIV** **Amendments to Bylaws**

The Bylaws may be amended only by vote of two-thirds (2/3) of the members of the Executive Board, following Notice and Comment to all Unit Owners, at any meeting duly called for such purpose.

#### **ARTICLE XV** **Termination**

Termination of the Common Interest Community may be accomplished only in accordance with Section 34.08.260 of the Act.

#### **ARTICLE XVI** **Mortgagee Protection**

Section 16.1 - Introduction. This Article establishes certain standards and covenants which are for the benefit of the holders, insurers and guarantors of certain 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 Mortgagees. Wherever in the 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 written notice to each Eligible Mortgagee and Eligible Insurer of:

- (a) Any condemnation loss or any casualty loss exceeding ten thousand dollars (\$10,000) which affects a 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;
- (b) Any delinquency in the payment of Common Expense assessments owed by a Unit Owner 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 policy maintained by the Association;
- (d) Any proposed action which would require the consent of a specified percentage of Eligible Mortgagees as specified in **Section 16.4**; and
- (e) Any judgment rendered against the Association.

Section 16.4 - Consent Required.

(a) *Document Changes.* Notwithstanding any lower requirement permitted by the Declaration or the Act, no amendment of any material provision of the Documents by the Association or Unit Owners described in this **Section 16.4(a)** may be effective without the vote of at least sixty seven percent (67%) of the Unit Owners (or any greater Unit Owner vote required in the Declaration or the Act) and until approved in writing by at least fifty one percent (51%) of the Eligible Mortgagees (or any greater Eligible Mortgagee approval required by the Declaration). Material includes, but is not limited to, any provision affecting:

- (i) Assessments, assessment liens or subordination of assessment liens;
- (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, Limited Common Elements, including any change in the pro rata interest or obligations of any Unit Owner for the purpose of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, except that when Limited Common Elements are reallocated by agreement between Unit Owners, 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) Boundaries of Units except that when boundaries of only adjoining Units are involved, or a Unit is being subdivided, then 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, Limited Common Elements or Common Elements and Limited Common Elements into Units;
- (ix) Abandonment, partition, subdivision, expansion or contraction of the Common Interest Community, or the addition, annexation, partition, subdivision or withdrawal of property to or from the Common Interest Community;
- (x) Insurance or fidelity insurance, including the use of hazard insurance proceeds for losses to any property in the Common Interest Community for other than the repair, replacement or reconstruction of such property except as provided by AS 34.08.440(h);
- (xi) Leasing of Units;
- (xii) Imposition of restrictions on a Unit Owner's right to sell or transfer his or her Unit;
- (xiii) Establishment of self-management when professional management had been required previously by any Eligible Mortgagee;
- (xiv) Restoration or repair of the project after a hazard damage or partial condemnation in a manner other than that specified in the Documents;
- (xv) Termination of the Common Interest Community for reasons other than the substantial destruction or condemnation, as to which a sixty seven percent (67%) Eligible Mortgagee approval is required; and



(xvi) The benefits of mortgage holders, insurers or guarantors.

(b) *Actions.* Notwithstanding any lower requirement permitted by the Declaration or the Act, the Association may not take any of the following actions without the approval of at least fifty one percent (51%) of the Eligible Mortgagees:

(i) Convey or encumber the Common Elements or Limited Common Elements or any portion thereof (as to which an eighty percent (80%) Eligible Mortgagee approval is required). (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 will not be deemed a transfer 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 a hazard damage or partial condemnation) in a manner other than that specified in the Documents;

(iv) The termination of the Common Interest Community for reasons other than substantial destruction or condemnation, as to which a sixty-seven percent (67%) Eligible Mortgagee approval is required;

(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 Unit 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 or Limited 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 [1] 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 sixty (60) days to any written request of the Association for approval of an amendment to the Documents shall constitute an implied approval of the amendment, provided that the notice was delivered by certified or registered mail, with return receipt requested.

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, in which case the Eligible Mortgagee or Eligible Insurer shall 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 damage or destruction under **Article XX** or **XXI** or condemnation of all or a portion of the Common Interest Community, any Eligible Mortgagee may require that such proceeds be payable to a Trustee established pursuant to **Section 1.28**. Such Trustee may be required to be a corporate trustee licensed by the State of Alaska. Proceeds will thereafter be distributed pursuant to **Article XXI** or pursuant to a condemnation award. 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**, Common Expenses shall be assessed against all Units in accordance **Article VII**.

Section 17.2 - Common Expenses Attributable to Fewer Than All Units.

(a) If the responsibility for the cost of the maintenance, repair, and replacement of a Limited Common Element is assigned to one (1) or more Units, the Common Expenses attributable to the cost of maintenance, repair, and replacement of that Limited Common Element shall be assessed equally among the Units to which it is assigned.



(b) Any Common Expense for services provided by the Association to an individual Unit at the request of the Unit Owner shall be assessed against the Unit which benefits from such service.

(c) Any insurance premium increase attributable to a particular Unit by virtue of activities in or construction of 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 Common Expense is caused by the misconduct of a Unit Owner, 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 an assessment levied against the Unit or fines imposed against its Unit Owner from the time the assessment or fine becomes due. Fees, charges, late charges, fines and interest charged pursuant to the Act and the Documents are enforceable as assessments under this Section. If an assessment is payable in installments, the full amount of the assessment is a lien from the time the first installment thereof becomes due.

(b) A lien under this Section is prior to all other liens and encumbrances on a Unit except: (1) a lien and encumbrances recorded before the recordation of the Declaration; (2) a first Security Interest on the 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 charges against the Unit. A lien under this Section is also prior to all Security Interests described in Subsection (2) of this Section 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 (6) months immediately preceding institution of an action to enforce either the Association's lien or a Security Interest described in Subsection (2) of this Section. This Section does not affect the priority of mechanics' or material men'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 provision of AS 09.38.010.

(c) Recording of the Declaration constitutes record notice and perfection of the lien. No further recordation of any claim of lien for assessment under this Section is required.





(d) A lien for an unpaid assessment is extinguished unless proceedings to enforce the lien are instituted within three (3) years after the full amount of the assessment becomes due; provided, that if a Unit Owner of a Unit subject to a lien under this Section files a petition for relief under the United States Bankruptcy Code, the period of time for instituting proceedings to enforce the Association's lien shall be tolled until thirty (30) days after the automatic stay of proceedings under Section 362 of the Bankruptcy Code is lifted.

(e) This Section does not prohibit an action to recover sums for which **Section 17.3(a)** creates a lien or prohibit an Association from taking a deed in lieu of foreclosure.

(f) A judgment or decree in any action brought under this Section shall include costs and reasonable attorney's fees for the prevailing party.

(g) A judgment or decree in an action brought under this Section is enforceable by execution under AS 09.35.010.

(h) The Association's lien must be foreclosed as a mortgage or deed of trust on real estate is foreclosed, or as a lien is foreclosed under AS 34.35.005.

(i) In any action by the Association to collect assessments or to foreclose a lien for unpaid assessments, the court may appoint a receiver of the Unit Owner to collect all sums alleged to be due from that Unit Owner prior to or during the period of time the action is pending. The court may order the receiver to pay any sums held by the receiver to the Association during the period of time the action is pending to the extent of the Association's Common Expense assessments based on a periodic budget adopted by the Association pursuant to **Section 17.4**. The court may further order the receiver to take any other action consistent with the Declaration or the Act.

(j) If a holder of a first or second 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 sale become Common Expenses collectible from all the Unit Owners, including the purchaser. "Purchaser" for the purposes of this Subsection includes any Security Interest holder that obtains title through foreclosure.

(k) Any payments received by the Association in the discharge of a Unit Owner's obligation may be applied first to interest, late charges, collection costs, fines and fees and then to the oldest balance due from the Unit Owner for Common Expense assessments.

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 Non-budgeted Common Expense Assessments. If the Executive Board votes to levy a Common Expense assessment not included in the current budget, other than one enumerated in **Section 17.2**, in an amount greater than fifteen (15%) percent 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 - Certificate 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. The Common Expenses assessed under **Sections 17.1** and **17.2** shall be due and payable on the first (1<sup>st</sup>) of each month.

Section 17.8 - Acceleration of Common Expense Assessments. In the event of default for a period of ten (10) 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 pertinent fiscal year to be immediately due and payable.

Section 17.9 - Commencement of Common Expense Assessments. Common Expense assessments shall commence on the first (1<sup>st</sup>) day of the month following the month in which conveyance of the Unit to a Unit Owner occurs, except that reasonably reduced assessments may be allocated to any unsold, unoccupied Units, for a period not exceeding sixty (60) days after conveyance of the first Unit in each phase. Said reduction in Declarant assessments for unsold, unoccupied Units include management fees, reserve assessments and any other costs deemed unnecessary for unsold, unoccupied Units.

Section 17.10 - No Waiver of Liability for Common Expenses. No Unit Owner may exempt himself or herself from liability for payment of the Common Expenses by waiver of the use or enjoyment of the Common Elements or Limited Common Elements or by abandonment of the Unit against which the assessments are made.

Section 17.11 - Personal Liability of Unit Owners. The Unit 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 Expense assessments, only by the affirmative vote of Unit Owners of Units to which at least fifty-one (51%) percent 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. 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, and all such provisions recorded in the records of the Anchorage Recording District in the Third Judicial District are covenants running with the land and shall bind any Persons having at any time any interest or estate in such Unit.

Section 19.2 - Adoption of Rules. The Executive Board may adopt Rules regarding the use and occupancy of Units, Common Elements, 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 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 that fact to be hand-delivered or sent prepaid by United States mail to all Unit Owners and Eligible Mortgagees at their respective last known addresses.

Section 20.2 - Property Insurance.

(a) *Property insurance covering:*

(i) The project facilities (which term shall mean all buildings on the Property, including the Units and all fixtures, equipment and any Improvements and betterments whether part of a Unit or a Common Element, and such personal property of Unit Owners as is normally insured under condominium building coverage), but excluding land, excavations, portions of foundations below the undersurfaces of the lowest basement floors or the surface of ground in the



crawlspace if there is no basement, and other items normally excluded from Property policies; and

(ii) All personal property owned by the Association.

(b) *Amounts.*

(i) The project facilities for an amount (after application of any deductions) equal to one hundred percent (100%) of their actual cash value, but not less than their insurable replacement cost, at the time the insurance is purchased and at each renewal date. Personal property owned by the Association for an amount equal to its actual cash value.

(ii) The Executive Board is authorized to obtain appraisals periodically for the purpose of establishing said replacement cost of the project facilities and the actual cash value of the personal property and the cost of such appraisals shall be a Common Expense.

(iii) The maximum deductible for insurance policies shall be the lesser of ten thousand dollars and zero cents (\$10,000.00) or one percent (1%) of the policy face amount.

(iv) The difference between the policy deductible and two hundred fifty dollars and zero cents (\$250.00) shall be paid by the Association as a Common Expense. Of the deductible portion two hundred fifty dollars and zero cents (\$250.00) as per Unit Owner affected shall be paid by each of the Unit Owner(s) suffering the loss.

(c) *Risks Insured Against.* The insurance shall afford a "Special Form" policy for direct physical losses commonly insured against, which may exclude earthquake and flood.

(d) *Other Provisions.* Insurance policies required by this Section shall provide that:

(i) The insurer waives the right to subrogation under the policy against a Unit Owner or occupant of a Unit, which shall include but is not limited to, officers, Directors, shareholders, agents, employees, and members of an entity owning a Unit.

(ii) 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 void the policy or be a condition of recovery under the policy.



(iii) 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.

(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 or refuse to renew the policy until thirty (30) days after notice of the proposed cancellation or non-renewal has been mailed to the Association, 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) The name of the insured shall be substantially as follows:

*"Silver Fox Commercial Condominiums Owners Association, Inc.  
for the use and benefit of the individual Unit Owners".*

Section 20.3 - Liability Insurance. Liability insurance, including medical payments insurance, in an amount determined by the Executive Board but in no event less than one million dollars (\$1,000,000), covering all occurrences commonly insured against for death, bodily injury and property damage arising out of or in connection with the use, ownership or maintenance of the Common Elements, and the activities of the Association.

(a) *Other Provisions.* Insurance policies carried pursuant to this Section shall provide that:

(i) Each Unit Owner is an insured person under the policy with respect to liability arising out of interest of the Unit Owner in the Common Elements or membership in the Association.

(ii) The insurer waives the right to subrogation under the policy against a Unit Owner, which shall include but is not limited to officers, Directors, shareholders, agents, employees, and members of an entity owning a Unit.

(iii) 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 void the policy or be a condition to recovery under the policy.



(iv) 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.

(v) The insurer issuing the policy may not cancel or refuse to renew it until thirty (30) days after notice of the proposed cancellation or non-renewal has been mailed to the Association, each Unit Owner and each holder of a Security Interest to whom a certificate or memorandum of insurance has been issued at their last known addresses.

Section 20.4 - Fidelity Insurance. The Association shall obtain a fidelity insurance policy. Such policy shall, at a minimum, be in an amount equal to or greater than the funds held by the Association or manager at any given time.

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 - Workers' Compensation Insurance. The Executive Board shall obtain and maintain workers' compensation insurance if required under the laws of the State of Alaska.

Section 20.7 - 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 20.8 - Other Insurance. The Association may carry other insurance which the Executive Board considers appropriate to protect the Association or the Unit Owners.

Section 20.9 - Premiums. Insurance premiums shall be a Common Expense. Insurance premiums for liability insurance shall be a Common Element Expense.

## **ARTICLE XXI**

### **Damage To Or Destruction of Property**

Section 21.1 - Duty to Restore. A portion of the Common Interest Community for which insurance is required under Section 34.08.440 of the Act or for which insurance carried by the Association is in effect, whichever is more extensive, that is damaged or destroyed 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 state statute or municipal ordinance governing health or safety; or



(c) Eighty percent (80%) of the Unit Owners including each Unit Owner or allocated Limited Common Element that will not be rebuilt, vote not to rebuild.

Section 21.2 - Cost. The 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 fifty-one percent (51%) 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 is not rebuilt must be distributed to the Unit Owner of the Unit and the Unit 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 interests may appear, in proportion to the Common Element interests of all the Units;

(c) If 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, acting by the president, shall hold the insurance proceeds in trust for the Association, Unit Owners and lien holders as their interests may appear. Subject to the provisions of **Section 22.1(a)** through **Section 22.1(c)**, the proceeds shall be disbursed first for the repair or restoration of the damaged Property, and the Association, Unit Owners and lien holders are not entitled to receive payment of the proceeds unless there is a surplus of proceeds after the Property has been completely repaired or restored, 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 repairs or restoration and the names and addresses of the parties to whom such amounts are to be paid.

Section 21.7 - Title Insurance Policies. If payments 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 policy based on a search of the records of the Anchorage Recording District of the Third Judicial District from the date of the recording of the Declaration stating the names of the Unit Owners and the lienholders.

## **ARTICLE XXII**

### **Rights To Notice And Comment; Notice And 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 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 by mail** to all Unit Owners at such address as appears 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 seven (7) days before the proposed action is to be taken. It shall invite comment to the Executive Board orally or in writing before the scheduled time of the meeting. The right to Notice and Comment does not entitle a Unit Owner to be heard at a formally constituted 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 Manager, 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. Notice of the proposed action shall be given to each Unit Owner in writing and **shall be delivered personally or by mail** to all Unit Owners at such address as appears 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 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 evidence shall be considered in making the decision but shall not bind the decision makers. The affected person shall be notified of the decision in the same manner in which notice of the meeting was given.

Section 22.3 - Appeals. 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 the decision. The Executive Board shall conduct a hearing within thirty (30) days, giving the same notice and observing the same procedures as were required for the original meeting.

**ARTICLE XXIII**  
**Executive Board**

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

Section 23.2 - Powers and Duties. The Executive Board may act on behalf of the Association, except as provided in the Declaration, the Bylaws or the Act. The Executive Board shall have, subject to the limitations contained in the 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, Rules, and regulations;
- (b) Adopt and amend budgets for revenues, expenditures, and reserves;
- (c) Collect assessments for Common Expenses from Unit Owners;
- (d) Hire and discharge managing agents;
- (e) Hire and discharge employees and agents, other than managing agents, and independent contractors;
- (f) Institute, defend, or intervene in litigation or administrative proceedings or seek injunctive relief for violation of the Association's Declaration, Bylaws, or Rules in the Association's name on behalf of the Association or two (2) or more Unit Owners on matters affecting the Common Interest Community;
- (g) Make contracts and incur liabilities;
- (h) Regulate the use, maintenance, repair, replacement, and modification of the Common Elements or Limited Common Elements;
- (i) Cause additional Improvements to be made as a part of the Common Elements or Limited Common Elements;
- (j) Acquire, hold, encumber, and convey in the Association's name all right, title, or interest to real property or personal property, except Common Elements or Limited



Common Elements may be conveyed or subjected to a Security Interest only pursuant to Section 34.08.430 of the Act;

(k) Impose and receive a payment, fee, or charge for services provided to Unit Owners;

(l) Impose a reasonable charge for late payment of assessments and, after Notice and Hearing, levy a reasonable fine for violations of the Declaration, Bylaws, Rules and regulations of the Association;

(m) Impose a reasonable charge for the preparation and recordation of amendments to the Declaration, resale certificates 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) Join the association of lot owners of SF Planned Community which shall own, maintain, repair, and replace the water and sewer lines described in **Article IX**;

(q) Exercise all other powers conferred by the Declaration or the Bylaws;

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

(s) Exercise all powers necessary and proper for the governance and operation of the Association; and

(t) By resolution, establish committees of Directors, and Unit Owners, to perform any of the above functions under specifically delegated administrative standards, as designated in the resolution establishing the committee. Committees must maintain and publish notice of their actions to Unit Owners and the Executive Board. However, actions taken by a committee may be appealed to the Executive Board by a Unit Owner within forty-five (45) days of publication of such notice (unless such Unit Owner has been given notice of the proposed action under the provisions of **Article XXIII**, in which case that Article shall govern appeals), and such committee action must be ratified, modified, or rejected by the Executive Board at its next regular meeting.

Section 23.3 - Executive Board Limitations. The Executive Board may not act on behalf of the Association to amend the 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.

**ARTICLE XXIV**  
**Open Meetings**

Section 24.1 - Access. Meetings of the Executive Board, at which action is to be taken by vote at such meeting will be open to the Unit Owners, except as hereafter provided.

Section 24.2 - Meetings and Notice of Meetings. Regular meetings may be set by a schedule appointed by resolution of the Executive Board and no further notice will be required. Special meetings of the Executive Board may be called by the president or by a majority of the Directors on at least three (3) business days' notice to each member. The notice will be hand-delivered or mailed and will state the time, place and purpose of the meeting.

Section 24.3 - Executive Sessions. Meetings of the Executive Board may be held in executive session, without giving notice and without the requirement that they be open to Unit Owners, in either of the following situations only:

- (a) No action is taken at the executive session requiring the affirmative vote of Directors; or
- (b) The action taken at the executive session involves personnel, pending litigation, contract negotiations, or enforcement actions.

**ARTICLE XXV**  
**Condemnation**

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

**ARTICLE XXVI**  
**Miscellaneous**

Section 26.1 - 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 or the intent of any provision thereof.

Section 26.2 - Gender. The use of the masculine gender refers to the feminine and neutral genders and the use of the singular includes the plural, and vice versa, whenever the context of the Documents so require.



Section 26.3 - Waiver. No provision contained in the Documents is abrogated or waived by reason of failure to enforce the same, irrespective of the number of violations or breaches which may occur.

Section 26.4 - Invalidity. The invalidity of a provision of the Documents does not impair or affect, 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.

Section 26.5 - Conflict. The Documents are intended to comply with the requirements of the Act and Title 10, Chapter 20 of the Alaska Statutes (Non Profit Corporation Law). In the event of a conflict between the Documents and the provisions of the statutes, the provisions of the statutes shall control. In the event of a conflict between the Declaration and any other Document, the Declaration shall control.

Section 26.6 - Right of Action. The Declarant and the Association are granted right of action against Unit Owners who fail to comply with the provisions of the Documents or the decisions of the Association.

In an action to enforce the provisions of the Declaration, the prevailing party shall be entitled to recover court costs, liquidated damages and actual attorney fees.

Section 26.7 - Security. The Association may, but shall not be obligated to, maintain or support certain activities within the Common Interest Community designed to make the Property safer than it otherwise might be. NEITHER THE ASSOCIATION, THE DECLARANT, NOR ANY SUCCESSOR DECLARANT, SHALL BE CONSIDERED INSURERS OR GUARANTORS OF SECURITY WITHIN THE COMMON INTEREST COMMUNITY, NOR SHALL THEY BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR OF INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. EACH UNIT OWNER ACKNOWLEDGES, UNDERSTANDS AND COVENANTS TO INFORM ITS TENANTS THAT THE ASSOCIATION, ITS EXECUTIVE BOARD AND COMMITTEES, DECLARANT AND ANY SUCCESSOR DECLARANT ARE NOT INSURERS AND THAT EACH PERSON USING THE COMMON INTEREST COMMUNITY ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO PERSONS, TO UNITS AND TO THE CONTENTS OF UNITS RESULTING FROM ACTS OF THIRD PARTIES.

Section 26.8 - Changes in the Act. Many provisions of the Declaration and in the Bylaws repeat exactly or substantially the same Rule or outcome in a particular instance as that required by the Act on the date the Declaration was recorded or repeat the same Rule which the Act would impose as a default Rule if the Declaration or Bylaws were silent on that subject.

The Declarant anticipates the possibility that the Act will be amended from time to time to reflect contemporary thinking and experience regarding the structure and governance of common interest communities. The Declarant believes that the interests of the Unit Owners in



Silver Fox Commercial Condominiums will be best served by maintaining the right of Unit Owners and the Executive Board to vary that outcome by adopting a Rule or amendment to the Declaration in the manner provided for such amendments.

Accordingly, this Section directs that from time to time, in all instances where the Declaration or the Bylaws contains language that precisely or substantially tracks the Act on the date that Silver Fox Commercial Condominiums is declared, the Declaration and the Bylaws shall be automatically amended in accordance with the amended cognate language of the Act which may be adopted by the State of Alaska, unless the particular language of the Declaration or Bylaws, either as initially adopted or as subsequently amended by the Association, is substantially at variance with the amended text of the Act.

IN WITNESS WHEREOF, the Declarant has caused the Declaration to be executed this 14<sup>th</sup> day of October, 2015.

*[SIGNATURE & NOTARY ACKNOWLEDGMENTS APPEAR ON THE FOLLOWING PAGES]*



TERRA FIRMA, LLC

By: Jeffrey Mark Wilson  
Its: Manager

STATE OF ALASKA

)

) ss.

THIRD JUDICIAL DISTRICT

)

THIS IS TO CERTIFY that on this 13<sup>th</sup> day of Oct., 2015, before me, the undersigned Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared **JEFFREY MARK WILSON**, to me known and known to me to be the **MANAGER** of **TERRA FIRMA, LLC**, and known to me to be the person who signed the foregoing instrument, on behalf of said limited liability company, and he/she acknowledged to me that he/she signed and sealed the same as a free act and deed of the said limited liability company for the uses and purposes therein expressed.

WITNESS my hand and official seal on the day and year in this certificate first above written.



Notary Public in and for Alaska

My Commission Expires: 7/26/19

[SIGNATURE & NOTARY ACKNOWLEDGMENTS APPEAR ON THE FOLLOWING PAGES]



TND ENTERPRISES, LLC

*Terry J. Preece*

By: Terry J. Preece  
Its: Manager

STATE OF ALASKA

)

) ss.

THIRD JUDICIAL DISTRICT

)

THIS IS TO CERTIFY that on this 13<sup>th</sup> day of OCT., 2015, before me, the undersigned Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared **TERRY J. PREECE**, to me known and known to me to be the **MANAGER** of **TND ENTERPRISES, LLC**, and known to me to be the person who signed the foregoing instrument, on behalf of said limited liability company, and he/she acknowledged to me that he/she signed and sealed the same as a free act and deed of the said limited liability company for the uses and purposes therein expressed.

WITNESS my hand and official seal on the day and year in this certificate first above written.



*[Signature]*

Notary Public in and for Alaska

My Commission Expires: 7/26/19

[SIGNATURE & NOTARY ACKNOWLEDGMENTS APPEAR ON THE FOLLOWING PAGES]



EDGE REAL ESTATE, LLC

*James A. Wilson*

By: James A. Wilson  
Its: Member

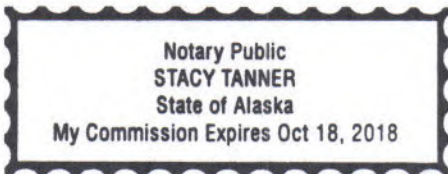
STATE OF ALASKA

)  
) ss.  
)

THIRD JUDICIAL DISTRICT

THIS IS TO CERTIFY that on this 14<sup>th</sup> day of October, 2015, before me, the undersigned Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared **JAMES A. WILSON**, to me known and known to me to be the **MEMBER** of **EDGE REAL ESTATE, LLC**, and known to me to be the person who signed the foregoing instrument, on behalf of said limited liability company, and he/she acknowledged to me that he/she signed and sealed the same as a free act and deed of the said limited liability company for the uses and purposes therein expressed.

WITNESS my hand and official seal on the day and year in this certificate first above written.



*Stacy Tanner*

Notary Public in and for Alaska  
My Commission Expires: Oct 18, 2018

[SIGNATURE & NOTARY ACKNOWLEDGMENTS APPEAR ON THE FOLLOWING PAGES]





NADER CREEK PROPERTIES, LLC

By: Joni Kiser  
Its: Member

STATE OF ALASKA )  
 ) ss.  
THIRD JUDICIAL DISTRICT )

THIS IS TO CERTIFY that on this 13 day of October, 2015, before me, the undersigned Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared **JONI KISER**, to me known and known to me to be the **MEMBER** of **NADER CREEK PROPERTIES, LLC**, and known to me to be the person who signed the foregoing instrument, on behalf of said limited liability company, and he/she acknowledged to me that he/she signed and sealed the same as a free act and deed of the said limited liability company for the uses and purposes therein expressed.

WITNESS my hand and official seal on the day and year in this certificate first above written.

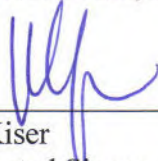


Notary Public in and for Alaska  
My Commission Expires: 7/26/2019

*[SIGNATURE & NOTARY ACKNOWLEDGMENT APPEAR ON THE FOLLOWING PAGE]*



RETA'S PROPERTIES, LLC

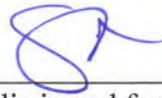


By: Joni Kiser  
Its: Designated Signor

STATE OF ALASKA )  
  ) ss.  
THIRD JUDICIAL DISTRICT )

THIS IS TO CERTIFY that on this 13 day of October, 2015, before me, the undersigned Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared **JONI KISER**, to me known and known to me to be the **DESIGNATED SIGNOR** of **RETA'S PROPERTIES, LLC**, and known to me to be the person who signed the foregoing instrument, on behalf of said limited liability company, and he/she acknowledged to me that he/she signed and sealed the same as a free act and deed of the said limited liability company for the uses and purposes therein expressed.

WITNESS my hand and official seal on the day and year in this certificate first above written.



Notary Public in and for Alaska  
My Commission Expires: 7/26/2019



**SCHEDULE A-1**  
**DESCRIPTION OF COMMON INTEREST COMMUNITY**

Lot 5B, Block 1, THOMAS W. SPERSTAD SUBDIVISION No. 1, according to the official plat thereof, Plat No. 2015-108, records of the Anchorage Recording District, Third Judicial District, State of Alaska.

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**THE RECORDING DATA FOR RECORDED EASEMENTS AND LICENSES**  
**APPURTENANT TO OR INCLUDED IN THE COMMON INTEREST COMMUNITY**

1. Reservations or exceptions in patents or in acts authorizing the issuance thereof.
2. Reservation of an easement for highway purposes as disclosed by Public Land Order No. 601, dated August 10, 1949 and amended by Public Land Order No. 757, dated October 10, 1959; Public Land Order No. 1613, dated April 7, 1958; and Department of the Interior Order No. 2665, dated October 16, 1951, Amendment No. 1, thereto, dated July 17, 1952 and Amendment No. 2, thereto, dated September 15, 1956, filed in the Federal Register.
3. Right of Way Easement, including the terms and provisions thereof, granted to Chugach Electric Association, Inc., and its assigns and/or successor's in interest, to construct, operate and maintain an electric transmission and/or telephone distribution line or system by instrument recorded June 29, 1952 in Book 74 at page 89 (Affects: blanket easement).
4. Covenants, conditions, restrictions and/or easements; but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, family status, or national origin to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes recorded July 25, 1969 in Book 386 at Page 87.
5. Easement, including terms and provisions contained therein in favor of the State of Alaska, Department of Transportation for construction and maintenance of a drainage channel and thaw cables for a culvert recorded January 9, 1981 in Book 560 at Page 86 (Affects: A portion of the common area).
6. Notes, slopes and/or easements on the plat of the subdivision(s) underlying the condominium which affect the common area.
7. The effect of the notes which appear on the plat of said subdivision.
8. Easements as dedicated and shown on the plat of said subdivision.



9. Municipality of Anchorage, covenant to provide access, including terms and provisions thereof recorded September 19, 1985 in Book 1323 at Page 946.
10. Municipality of Anchorage, covenant to provide access, including terms and provisions thereof recorded September 19, 1985 in Book 1323 at Page 951.
11. Right of Way Easement, including the terms and provisions thereof, granted to Chugach Electric Association, Inc., and its assigns and/or successor's in interest, to construct, operate and maintain an electric transmission and/or telephone distribution line or system by instrument recorded March 29, 2006 as Serial Number 2006-019505-0 and Re-Recorded April 17, 2006 as Serial Number 2006-024552-0 (Affects: A portion of the common area).
12. Covenants, conditions, restrictions and/or easements; but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, family status, or national origin to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes recorded May 2, 2006 as Serial Number 2006-028278-0; as amended on June 2, 2006 as Serial Number 2006-036097-0; as amended August 28, 2006 as Serial Number 2006-058247-0; as amended December 22, 2009 as Serial Number 2009-079970-0; and as amended December 22, 2009 as Serial Number 2009-079971-0.
13. Easement, including terms and provisions contained therein in favor of Enstar Natural Gas Company for natural gas pipelines and appurtenances thereto recorded September 8, 2006 as Serial Number 2006-061106-0 (Affects: a portion of the common area).



**SCHEDULE A-2  
TABLE OF INTERESTS**

<u>Unit No.</u>	<u>Unit Square Footage</u>	<u>% Share of Common Expenses &amp; Interest in Common Elements*</u>	<u>Vote in the Affairs of the Association</u>	<u>Limited Common Elements Parking Spaces(P)</u>
A	4,576	33.50%	2	P-A1, P-A2, P-A3, P-A4, P-A5
C	2,285	17.00%	1	P-C1, P-C2
D	2,277	16.50%	1	P-D1, P-D2
E	2,282	16.50%	1	P-E1, P-E2
F	2,259	16.50%	1	P-F1, P-F2, P-F3
<b>TOTALS</b>	<b>5</b>	<b>13,679</b>	<b>100.00%</b>	<b>6</b>

*\*Allocations are subject to rounding off to result in one hundred percent (100%) allocation.*



**SCHEDULE A-3  
PLAT AND PLANS**

*Plat No.* 2015- 110

*Plat Serial No.* 2015- 048300 -0

SILVER FOX COMMERCIAL CONDOMINIUMS

*UNITS A, C, D, E, & F*

ANCHORAGE RECORDING DISTRICT



cc

A  
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**2017 – 024564 – 0**

Recording District 301 Anchorage

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Page 1 of 5



*Anchorage Recording District*

**AMENDMENT NO. 1 TO THE DECLARATION  
OF  
SILVER FOX COMMERCIAL CONDOMINIUMS**

◆ *An Association Amendment, Amending Sections 20.2(a) and (b) of the Declaration* ◆

AFTER RECORDATION RETURN TO:

**Silver Fox Commercial Condominiums  
Owners Association, Inc.**

James A. Wilson, President  
c/o Real Estate Unlimited, LLC  
12001 Industry Way, Suite B-9  
Anchorage, Alaska 99515

AMENDMENT NO. 1 TO DECLARATION  
OF  
SILVER FOX COMMERCIAL CONDOMINIUMS

---

SILVER FOX COMMERCIAL CONDOMINIUMS OWNERS ASSOCIATION, INC., an Alaska non-profit corporation, with a mailing address of *c/o Real Estate Unlimited, 12001 Industry Way, Suite B9, Anchorage, Alaska 99515*, (“**Association**”), pursuant to that certain **DECLARATION OF SILVER FOX COMMERCIAL CONDOMINIUMS** recorded on October 14, 2015 as Serial No. 2015-048301-0, records of the Anchorage Recording District, Third Judicial District, State of Alaska, and in accordance with **Articles XIII** and **XVI** of the Declaration, do hereby amend the Declaration as set forth herein.

**RECITALS**

- A. The Association desires to amend **Sections 20.2(a)** and **(b)** of the Declaration to require that the Association maintains coverage for the Common Elements only.
- B. **Section 13.1** of the Declaration sets forth that the Declaration may be amended only by vote or agreement of the Unit Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated.
- C. This amendment has been approved by unanimous consent of the Unit Owners.
- D. **Section 16.3(d)** of the Declaration requires that the Association shall give prompt written notice to each Eligible Mortgagee and Eligible Insurer of any proposed action which would require the consent of a specified percentage of Eligible Mortgagees.
- E. **Section 16.4(a)(x)** of the Declaration sets forth, in part, that at least fifty-one percent (51%) of the Eligible Mortgagees must approve in writing any changes to the documents affecting, among other things, insurance or fidelity insurance.
- F. The Association has notified all the Eligible Mortgagees. The Association has obtained the approval of at least fifty-one percent (51%) of the Eligible Mortgagees.

**AMENDMENT**

NOW, THEREFORE, The Declaration is hereby amended as follows:

- 1. **Sections 20.2(a)** and **(b)** of the Declaration are hereby amended in their entirety as set forth below. The former **Sections 20.2(a)** and **(b)** of the Declaration are declared null and void and of no further effect.





Section 20.2 - Property Insurance. The Executive Board shall acquire and pay for insurance that complies with the following requirements.

- (a) Such insurance as the Executive Board deems advisable in the operation, and for the protection, of the Common Elements only. The deductible amount for such policy shall be determined by the Executive Board and shall be commercially reasonable for the Common Elements.
- (b) The Association shall not provide any insurance coverages for the Limited Common Elements nor for the Units. Each Owner shall be responsible for obtaining and maintain such insurance as it shall deem necessary with regard to its respective Unit.
- (c) Each Unit Owner and the Executive Board, by and on behalf of itself and the Association, hereby waives and releases any and all claims which he, she or it may have against any other Unit Owner, the Association, the Executive Board and members thereof, officers of the Association, and their respective employees and agents, for damage to the Common Elements and personal property located in or upon the Common Elements, caused by fire or other casualty or any act or omission of any such party to the extent that such damage should have been covered by fire or other form of hazard insurance with "all-risk" coverage in the amount of full replacement costs, excluding footings, foundations and excavation.
- (d) The Executive Board (on behalf of the Association), with regard to the insurance carried by the Association on the Common Elements, shall use their reasonable efforts to see that the insurance carriers agree that such release or waiver does not affect their rights to recover, but the inability to obtain such agreement shall not alter the release or waiver given.
- (e) *Amounts.*
  - (i) The project facilities for an amount (after application of any deductions) not less than their insurable replacement cost, at the time the insurance is purchased and at each renewal date. Personal property owned by the Association for an amount equal to its actual cash value.
  - (ii) The Executive Board shall review and determine the estimated replacement cost of the project facilities and the cost of such determination shall be a Common Expense.



- (iii) The maximum deductible for insurance policies shall be the lesser of ten thousand dollars and zero cents (\$10,000.00) or one percent (1%) of the policy face amount.
- (iv) The difference between the policy deductible and two hundred fifty dollars and zero cents (\$250.00) shall be paid by the Association as a Common Expense. Of the deductible portion two hundred fifty dollars and zero cents (\$250.00) as per Unit Owner affected shall be paid by each of the Unit Owner(s) suffering the loss.

3. All other terms and conditions of the Declaration remain the same.

IN WITNESS WHEREOF, the Association has caused this Amendment No. 1 to the Declaration to be executed this 23 day of JUNE, 2017.

**ASSOCIATION: SILVER FOX COMMERCIAL CONDOMINIUMS OWNERS ASSOCIATION, INC.**

By: James A. Wilson  
 James A. Wilson  
 Its: President

STATE OF ALASKA )  
 ) ss.  
 THIRD JUDICIAL DISTRICT )

THIS IS TO ACKNOWLEDGE that on this 23<sup>RD</sup> day of JUNE, 2017, before me, the undersigned Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared **JAMES A. WILSON**, to me known and known to me to be the **PRESIDENT** of **SILVER FOX COMMERCIAL CONDOMINIUMS OWNERS ASSOCIATION, INC.** and known to me to be the person who signed the foregoing instrument, on behalf of said corporation and he acknowledged to me that he signed and sealed the same as a free act and deed of the said corporation for the uses and purposes therein expressed pursuant to its bylaws or a resolution of its Board of Directors.

WITNESS my hand and official seal on the day and year in this certificate first above written.



Marigal A. Bratcher  
 Notary Public in and for Alaska  
 My Commission Expires: 02/03/2021

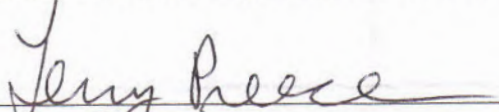
[ATTENTION APPEARS ON THE FOLLOWING PAGE]



**ATTESTATION:**

**TERRY PREECE**, as Secretary of Silver Fox Commercial Condominiums Owners Association, Inc. does hereby certify that the foregoing has been duly adopted pursuant to the Declaration and pursuant to a unanimous vote or agreement of the Unit Owners.

Secretary: \_\_\_\_\_

  
Terry Preece

