

Independence FK

FREEDOM SQUARE

DECLARATION OF CONDIVISION OWNERSHIP

(A Residential Neighborhood Within Independence Park)

The following covenants, conditions, restrictions, and reservation of easements contained herein and filed of record for Freedom Square, a residential neighborhood within Independence Park, are hereby adopted.

This declaration made and entered into this 10th day of June, 1983, by DENALI FUEL CO. and HAROLD G. BROWN, hereinafter called "Declarant".

ARTICLE IOWNERSHIP AND PURPOSE

1. Declarant is the owner in fee of certain property located in Anchorage, Alaska (the "Property"), more particularly described in Exhibit "A" attached hereto and for all purposes made a part hereof.

2. Declarant desires to create on the Property (together with such additions as provided in Article XI as may hereafter be made thereto) an exclusive residential neighborhood which is designed to maximize the use of available land by providing a plan for the type and location of housing units on individually owned lots along with open spaces, private drives, parking areas and walkways, created for the benefit of said neighborhood through the granting of specific rights, privileges and easements of enjoyment which may be shared and enjoyed by all the residents thereof and as a part of the Community of Independence Park, and to enjoy the use of the Community Common Areas throughout the Community.

3. Although a portion of the Properties within the Independence Park Master Plan Area (hereinafter "PUD Portion") have been submitted to the requirements of the "Independence Park Planned Unit Development" approved by the Anchorage Municipal Planning and Zoning Commission, Resolution No. 22-81A, this Association is not a part of, nor subject to, such PUD.

4. Declarant desires to assure the attractiveness of the overall neighborhood, individual lots and Common Areas within the Property; to prevent any future impairment thereof; to prevent nuisances; to preserve, protect and enhance the values and amenities of the Property; and to provide for the maintenance of said open spaces, private drives, parking areas, trails and walkways. In order to achieve these objectives, the Declarant is desirous of subjecting the Property to the covenants, conditions, restrictions, easements, charges and liens set forth herein, each and all of which is and are for the benefit of the Property and each Owner thereof.

5. In order to preserve, protect and enhance the values and amenities of the Property, and to assure the residents' enjoyment of the rights, privileges and easements granted herein and by the Independence Park Community Association, the Declarant has deemed it desirable to create an organization, which shall be a member of the Independence Park Community Association, and which shall be delegated and assigned the powers of controlling and administering the Property, and also administering and enforcing the covenants and restrictions herein set forth, together with collecting, dispersing and accounting for the assessments and charges herein contemplated. To this end, the Declarant has caused to be incorporated under the laws of the State of Alaska, a non-profit corporation, Freedom Square Owners Association, for the purpose of exercising the aforesaid functions (and holding title to the Special Common Areas, as hereinafter defined, and described in Exhibit "B").

Now, therefore, the Declarant declares that the Property, and such additions thereto as may hereafter be made pursuant to Article XI hereof, is and shall be held, transferred, sold, conveyed, hypothecated, encumbered, leased, rented, used, occupied, and improved subject to the covenants, conditions, restrictions, easements, limitations, charges, liens and rights (sometimes referred to as "Covenants and Restrictions"), herein-after set forth, all of which shall run with the land and shall be binding upon and for the benefit of all the property and all the parties having or acquiring any right, title or interest.

ARTICLE II

Definitions

For the purpose of brevity and clarity, certain words and terms used in this Declaration are defined as follows:

1. Community. Community shall mean and refer to all the properties which are subject to the Independence Park Community Declaration.

2. Property. Property means the land, the building, all its improvements and structures, and all easements, rights, and appurtenances belonging to it (none of which shall be considered a security or security interest) and all articles of personalty intended for use in connection with it which have been or are intended for the mutual use, benefit, or enjoyment of the property owners, which are subject to this Declaration. The Property includes all Units, Limited Common Areas, and Special Common Areas.

3. Condivision Unit (hereinafter sometimes "Unit" or "Lot"). Condivision Unit shall mean and refer to any plot of land, shown on a recorded subdivision map or approved Planned Unit Development, on which there is a single completed, attached or detached, living unit, and subject to this Association.

4. Owner. Owner shall mean and refer to the record owner, in fee simple estate, whether one or more persons or entities, of any lot which is a part of the property.

5. Common Areas. The Community may contain several types of common areas, including, but not necessarily limited to, the following:

(a) "Community Common Areas" shall mean and refer to all land, improvements and other properties heretofore or hereafter owned or under the direct control of the Independence Park Community Association.

(b) "Special Common Areas" shall mean and include all the property owned by the Association for the common use and enjoyment of the Owners.

(c) "Limited Common Areas" shall mean and include all portions of the Special Common Areas for which exclusive easements, if any, are reserved for the benefit of certain owners.

6. Association. Association, as used herein, shall mean the Freedom Square Owners Association. The Association is a member of the Independence Park Community Association ("Community Association") and as such is sometimes referred to as a "Neighborhood Association".

7. Declaration. Declaration, as used herein, shall mean and refer to this document and any amendments thereto. It is also referred to as a "Member Declaration" as it relates to the "Community Declaration" of Independence Park.

8. Assembly of Delegates. Assembly of Delegates and Executive Committee shall refer to the governing bodies of the Community Association.

9. Board of Directors. Board of Directors shall mean the Board of Directors of this Association.

10. Common Expenses. Common expenses shall mean the actual or estimated costs of maintenance, management, operation, repair and replacement of the Special Common Areas and Limited Common Areas (to the extent not paid by the lot owner when responsible for payment), including unpaid Special Reconstruction and Capital Improvement Assessments; costs of management and administration of the Association, including but not limited to, compensation paid by the Association to managers, accountants, attorneys and/or other employees; the costs of utilities, gardening and other services benefiting the Special Common Areas; the costs of fire, casualty, liability, Directors and Officers, Workmen's Compensation, and other insurance covering the property; the costs of bonding of the members of the management body; taxes paid by the Association; amounts paid by the Association for discharge of any lien or encumbrance levied against the entire property or portions thereof; and the costs of any other item or items designated by, or in accordance with the provisions of this Declaration and Bylaws incurred by the Association.

11. Common Assessment. Common assessment shall mean a charge against each owner and his lot representing a portion of the cost to the Association for maintaining, improving and repairing the property, managing the Association, and all other common expenses, including assessments by the Community Association and reserves for future repairs and replacement.

12. Special Assessments. All further assessments provided by this Declaration which are not Common Assessments shall be deemed Special Assessments. Special Assessments shall include but not be limited to the following:

(a) "Capital Improvement Assessment" shall mean a charge against each owner and his lot representing a portion of the cost to the Association for installation or construction of any capital improvements on any of the Special Common Areas which the Association may from time to time authorize.

(b) "Reconstruction Assessment" shall mean a charge against each owner and his lot, representing a portion of the cost to the Association for reconstruction of any portion or portions of the project pursuant to this Declaration.

(c) "Individual Assessment" shall mean a charge against a particular owner and his lot, directly attributable to the owner, equal to the cost incurred or levied by the Association for late charges, fines, interest charges, corrective actions, or other items pursuant to the provisions of this Declaration.

(d) "Other Special Assessment" shall mean a charge against each Unit Owner and his lot, representing a portion of the cost to the Association for other authorized expenses not included in the above.

13. Mortgage, Mortgagee, Mortgagor. Reference in this Declaration to a mortgage shall be deemed to include a deed of trust; reference to a mortgagor shall be deemed to include the trustor of a deed of trust. Reference to a mortgagee shall be deemed to include the Beneficiary of a deed of trust.

ARTICLE IIIThe Association1. Formation and Membership.

The Association shall be incorporated under the name of Freedom Square Owners Association, as a corporation not for profit under the laws of the State of Alaska.

(a) Every owner shall automatically, upon becoming an owner of property covered by this Declaration, be a member of the Association, and shall remain a member thereof, until such time as his ownership ceases for any reason, at which time his membership in the Association shall automatically cease. A person shall be deemed an owner only upon recordation of a conveyance to him, and the membership shall be appurtenant to the lot conveyed.

(b) The Association shall be a member of the Independence Park Community Association.

(c) Declarant shall be required to transfer control of the Homeowners Association to the unit owners no later than the earlier of the following events:

(1) One hundred twenty (120) days after transfer of title to seventy-five percent (75%) of the units in the applicable phase; or

(2) Two years following conveyance of the first unit in the applicable phase.

2. Duties and Powers. The duties and powers of the Association are those set forth in this Declaration, the Articles of Incorporation and the Bylaws, together with those reasonably implied to effect the purposes of the Association and this Declaration, as well as those set forth in the Community Declaration, Articles of Incorporation and Bylaws of the Independence Park Community Association.

(a) General Powers of the Association. The Association shall have all of the powers set forth in its Articles of Incorporation, together with its general powers as a nonprofit corporation, generally to do any and all things that a corporation organized under the laws of the State of Alaska may lawfully do in operating for the benefit of its members, subject only to the limitations upon the exercise of such powers as are expressly set forth in these documents, and to do any and all acts which may be necessary or proper for, or incidental to the exercise of any of the express powers of the Association or for the health, safety and general welfare of the owners.

(b) Special Powers of Association. Without in any way limiting the generality of the foregoing, in the event that the Association determines that an improvement made by an owner is in need of repair, restoration or painting, or that an improvement is in existence without proper approval of the Board, or that there is a violation of any provision of this Declaration, the Community Declaration or an action of the Community Association, then this Association shall give written notice to the responsible owner of the condition or violation complained of, and unless the Board has approved in writing corrective plans proposed by the owner to remedy the condition complained of within such period of time, after it has given written notice as may be determined reasonable by the Association, and such corrective work so approved is not completed thereafter within the time allotted by the Association, the Association shall undertake to remedy such condition or violation complained of and the cost thereof shall be charged to the owner and the Lot that is the subject matter of the corrective work, and such cost shall be deemed to be an Individual Assessment to such owner, and his lot, and subject to levy, enforcement and collection by the

Association in accordance with the assessment lien procedure provided for in this Declaration. In addition, the Association shall be entitled to maintain any action for damages or injunctive relief, or both, against any owner who fails to abide by any of the terms and conditions of this Declaration, the Bylaws of the Association, or the rules and regulations of the Association.

(c) Duty to Submit to Arbitration. This Association shall have the duty to submit to arbitration any dispute of any nature with another Member Association, Apartment Complex Owner or Commercial Unit Owner, by the Independence Park Community Association, and to accept its decision as final and binding.

(d) Miscellaneous Duties and Powers. The Association shall have the right to install and construct capital improvements on any of the Special Common or Limited Common Areas. The Association may at any time and from time to time reconstruct, replace or refinish any improvement or portion thereof upon the Special Common or Limited Common Areas in accordance with the original design, finish or standard of construction of such improvement; replace destroyed trees or other vegetation and plant trees, shrubs and ground cover upon any portion of the Special Common or Limited Common Areas. The Association may delegate any or all of the powers contained in the Declaration to any management agent as described in Article XV, Paragraph 6, and the Association may employ personnel necessary for the effective operation and maintenance of the Special Common or Limited Common Areas of any type described herein, and retain legal, accounting and other counseling services as they deem necessary.

(e) Additional Powers in Bylaws. In addition to those powers as listed in this Declaration, the Board of Directors shall adopt Bylaws of the Association within thirty (30) days after the formation of the Association. The Bylaws may be amended by a majority of the Board of Directors. The Bylaws may provide the rules and regulations for the use, occupancy and management of the property not inconsistent with this Declaration or the Community Declaration.

3. Rights of Entry. The Association shall have a limited right of entry in and upon all of the Property for the purpose of taking whatever action is deemed necessary or proper by the Association. Nothing in this Article shall in any manner limit the right of the owner to exclusive control over his property; provided, however, that an owner shall permit a right of entry to the Association, or any other person authorized by the Association, in case of any emergency originating in or threatening his property, whether the owner is present or not. An owner shall permit the Association or its representatives to enter his property for the purpose of performing installation, alterations or repair of the mechanical or electrical services to a residence, Special Common or Limited Common Area, provided that requests for entry are made in advance and that such entry is at a time convenient to the owner whose property is to be entered. Any person who enters a residence for the purpose of performing installation, alterations or repair of the mechanical or electrical services to a residence shall be liable for any damage incurred to such residence. In case of an emergency such right of entry shall be immediate.

4. Use of Agent. This Association may contract with a management company as agent for the performance of maintenance and repair and for conducting other activities on behalf of the Association.

5. Fidelity Bonds. Any person or entity authorized to in any way control, disburse, deposit, receive or pay funds of the Association, including all employees, professional managers, and employees of professional managers of the Association, shall be required to obtain appropriate bond coverage in the amounts as set forth by the Board of Directors. Premiums for such coverage shall be paid by the Community Association.

6. Shares and Voting. At any meeting of the Association, each owner including Declarant as to those lots not sold, shall be entitled to one vote, subject to the right of the Association to suspend the voting rights of any owner as provided in the Bylaws of the Association. Where there is more than one record owner of a lot, any or all of such persons may attend any meeting of the Association, but it shall be necessary for those owners present to act unanimously in order to cast the vote to which the lot is entitled. All agreements and determinations lawfully made by the Association in accordance with the voting percentages established herein, shall be deemed to be binding on all owners, their successors and assigns.

ARTICLE IV

Property Rights and Regulations

1. Use of Lots. Each lot shall be used exclusively by the lot owner and the lot owner's family or household, for residential purposes only, except as provided herein. The use of any lot shall not violate the terms of this Declaration, the Community Declaration, or the Bylaws or rules and regulations of the Association.

2. Common Areas. The Association and every owner within the Property shall have an easement of enjoyment in and right to use the Common Areas of the Community and they shall have the right to extend such privileges to each member of their family or household who resides with them within the Property, their permitted tenants, and to such other persons who may be permitted by the controlling Association, subject to the following provisions:

(a) Community Common Areas. All Community Common Areas designated as such in the Community Declaration subject to the terms and conditions of the Community Declaration, Bylaws and Articles of Incorporation, except those areas designated as Special Club Facilities;

(b) Special Club Facilities. Any Special Club Facility of the Community designated as such by the Community Association, subject to eligibility requirements for membership in accordance with provisions for Special Club Facilities as set forth in the Community Declaration.

(c) Special Common Areas. The Special Common Areas owned or controlled by this Association (described in Exhibit B) are reserved for the use of the owners within this Association, their family members, guests, invitees and permitted tenants. Owners shall be responsible to this Association for the actions of all those to whom they extend their right of use. There shall be no obstruction, storage, construction, alteration, or removal of property from or within the Special Common Areas, except as provided herein. Use of the Special Common Areas is further subject to:

(1) The right of the Association to dedicate and transfer all or part of the common area to any public agency, authority, utility for such public purposes and subject to such conditions as may be agreed to by the members.

(2) The right of the Association to designate additional Limited Common Areas.

(3) The right of the Association to charge reasonable admission and other fees for the use of a recreational vehicle storage facility, if any, situated on the Special Common Area.

(4) The right of the Association to suspend the rights to use the Special Common Areas or Special Club Facilities under its control, of any owner for any period during which any

assessment against such Owner remains in default, or for a period not to exceed sixty (60) days for any other violation of the provisions of the Association.

3. Nuisances. No noxious or offensive activities (including but not limited to the repair of automobiles) shall be carried on upon the Property. No horns, whistles, bells or other sound devices audible outside a lot, except security devices used exclusively to protect the security of a residence and its contents, shall be placed or used in any such residence. No loud noises shall be permitted on the property, and the Board of Directors of the Association shall have the right to determine if any noise or activity producing noise constitutes a nuisance. No owner shall permit or cause anything to be done or kept upon the property which will increase the rate of insurance thereon or which will obstruct or interfere with the rights of other owners, nor will he commit or permit any nuisance on the premises, or commit any illegal act thereon. Each owner shall comply with all of the requirements of the local or state health authorities and with all other governmental authorities with respect to the occupancy and use of a residence.

4. Signs. No signs, posters, displays or other advertising devices of any character shall be erected or maintained on or shown or displayed from a lot without prior written approval having been obtained from the Board of Directors of the Association; provided, however, that the restrictions of this paragraph shall not apply to any sign or notice of customary and reasonable dimension, as determined by the Board of Directors, which states that the premises are for rent or sale. Address, identification signs and mailboxes shall be maintained by the Association. The Association may, at any time, place and maintain upon the Special Common Areas such signs as the Association may deem necessary for the identification, regulation use of the Special Common Areas for the health, safety and general welfare of the owners. The Board of Directors may summarily cause all unauthorized signs to be removed and destroyed. This section shall not apply to any signs used by Declarant or its agents in connection with the original construction and sale of the Condominium Units.

5. Hold Harmless and Indemnification. Each owner shall be liable to the Association for any damage to the Special Common Areas or any equipment thereon which may be sustained by the reason of the negligence of said owner or of his guests or invitees, to the extent that any such damage shall not be covered by insurance. Each owner does further, by the acceptance of his deed, agree to indemnify each and every other owner, and to hold him or her harmless, from any claim of any person for personal injuries or property damage occurring within the lot of the owner, unless said injury or damage shall occur by reason of the negligence of any other owner, and each owner further agrees to defend, at his expense, any and all remaining owners who may be sued by any person for a claim for personal injury or property damage alleged to have been sustained within the lot of that owner.

6. Outside Installation. No outside radio pole or clothesline shall be constructed, erected or maintained on the Property. No outside television antenna, wiring or installation or air conditioning or other machines shall be installed on the exterior of a building or be allowed to protrude through the walls or roof of the building, and no basketball backboards or fixed sports apparatus shall be allowed on the Property without the prior written approval of the Board of Directors.

7. View Obstruction. No vegetation or other obstruction shall be planted or maintained in a location or of such height as to unreasonably obstruct the view from any unit in the vicinity thereof. In the event of a dispute between owners as to the obstruction of a view from a unit, such dispute shall be submitted to the Board of Directors, whose decision in such

matters shall be binding. Any such obstruction shall, upon request of the Board, be removed or otherwise altered to the satisfaction of the Board by the owner obstructing such view.

8. Business or Commercial Activity. Except as provided herein, no business or commercial activity shall be maintained or conducted within any lot, except that professional and administrative occupations, in accordance with ordinances of the Municipality of Anchorage, may be carried on within the lots so long as there exists no external evidence thereof. The Association or a person designated as agent of the Association for purposes of managing the property may maintain management offices and facilities in a unit.

9. Temporary Structure. No temporary structure, boat, truck, trailer, camper or recreation vehicle of any kind shall be used as a living area while located on the Property.

10. Rubbish Removal. Trash, garbage, or other waste shall be disposed of only by depositing same, wrapped in a secure package, into trash facilities as designated by the Board of Directors. There shall be no exterior fires whatsoever except barbeque fires contained within receptacles therefor, as regulated by the Board of Directors.

11. Lease of Units. Owners may lease their property to third parties for a period equal to or greater than one (1) month. The lease agreements must be in writing and shall provide that the failure to comply in all respects with the provisions of the Declaration, the Association Bylaws and the Rules and Regulations of the Association shall be a default under the terms of the lease. All owners shall notify the management agent or the Board of Directors of the name, address and phone number of each tenant, number of persons allowed to occupy each unit, the length of the lease term, and provide a copy of the lease to the Management Agent.

12. Notice to Association. An owner shall promptly notify the management agent or the Association of any sale, transfer, lease, mortgage, or security agreement, in any way affecting the Owner's lot.

13. Pet Regulations. No animals, livestock or poultry shall be kept on any lot, except customary household pets may be kept within the Property, provided that they are not kept, bred or raised therein for commercial purposes. The Association shall have the right to prohibit maintenance of any pet which constitutes, in the opinion of the Board of Directors, a nuisance to any other owner. Within three (3) days of receipt of written notice from the Board of Directors or Management Agent, all such pets shall be promptly removed from the property.

Pets belonging to an owner, members of his family, guests, licensees, or invitees must be either kept within their lot or on a leash being held by a person capable of controlling the animal, or otherwise under the direct control of such a person. Should any pet belonging to a owner or otherwise be found unattended or not being controlled as stated above, such pet may be removed by the Board of Directors or any person designated by them to a pound under the jurisdiction of the local municipality. Furthermore, any owner shall be absolutely liable to each and all remaining owners, their families, guests and invitees, for any damage to person or property caused by any pets brought or kept upon the Property by an owner, members of his family, guests, licensees, or invitees. Each owner of a pet shall be responsible for clean-up and removal from the Property of their pet's excrement. The failure to comply with this section shall subject a owner to a fine in an amount determined by the Board of Directors.

14. Vehicle Parking and Storage. No wrecked, inoperative, vandalized, or otherwise derelict appearing automobiles (as

determined by the Board of Directors), and no trucks, trailers, mobile homes, truck campers, detached camper units, boats and commercial vehicles or other recreational vehicles shall be kept, placed, stored or maintained upon any Limited Common Area, street or Special Common Area, except within an enclosed garage or in designated recreational vehicle storage areas, if any, unless specifically authorized by the Board of Directors. All allocation of parking spaces for recreational vehicles shall be made by the Board of Directors of the Association whose decision shall be final. Commercial vehicles engaged in the delivery or pick-up of goods or services shall be exempted from the provisions of this paragraph providing that they do not remain within the property in excess of the reasonable period of time required to perform such commercial function. In the event any owner, owner's invitee, guest or tenant shall in any respect violate any of the terms and conditions of vehicle parking contained herein, the Association may, subject to applicable Municipal Ordinances and State Statutes, upon twenty-four (24) hours posted notice upon said vehicle, cause said vehicle to be impounded or removed, either commercially or by the Association, at the owner's expense. If the Association itself should undertake such impoundment or removal, the chargeable cost of same may include reasonable impoundment, towing, and storage fees. All such impoundment, towing, and storage fees, including the cost to the Association to enforce same, and reasonable costs and attorney fees, shall be declared as a storage lien against said vehicle. Thereafter, the Association shall give notice to the affected Owner, if any, and shall exercise reasonable diligence to give notice to the owner of said vehicle (if a different person and if such owner may be located) that in the event the owner of said vehicle shall fail to pay said charges, that said vehicle shall be sold to recover such fees pursuant to the laws of the State of Alaska.

15. Visible Objects. All exterior storage, equipment, garbage and trash containers, woodpiles, or other unsightly property shall at all times be kept screened by adequate planting or fencing so as to conceal them from public view or removed. All silver foil, other sun screening material, or temporary window coverings utilized on exterior windows of a building shall be subject to prior approval by the Board of Directors. Garage doors shall be kept closed at all times when not in use.

16. Free-Standing Mailboxes. No free-standing mailbox or newspaper box shall be erected upon any Lot unless approved by the Design Review Committee.

17. Planting. Except in any individual fenced yard or patio areas appurtenant to the Residences, if any, no planting or gardening shall be done, and no fences, hedges, or walls shall be erected, planted, or maintained upon any Special Common Area, Side Yard Fence, Common Fence or upon the lots, except such as are erected, planted, or installed in accordance with the initial construction of the Units or in the development of the Property or as otherwise may be approved by the Board or Design Review Committee.

18. Garage Conversion Prohibited. Garages shall be used only for the purposes authorized herein and shall not be converted to provide additional living area.

ARTICLE V

Assessments

1. Levy and Payment. Each owner shall pay all Common Assessments and all applicable Special Assessments imposed against his lot by the Association. Such assessments, together with late charges, interest, costs, and reasonable attorney's fees, shall be the personal obligation of the person who was the owner of such property at the time when the assessment fell

due. This personal obligation cannot be avoided by abandonment of the property or by an offer to waive use of the Common Areas. The assessments levied by the Association shall be used exclusively to promote the health, safety and general welfare of the Owners and residents of the Property and for the improvement, operation, replacement and maintenance of the Property.

The Board of Directors shall estimate the total Common Expenses for the ensuing year, calculate the charges to be assessed against each owner, and send, not later than sixty (60) days prior to the beginning of each fiscal year, written notice of the annual assessments to every owner subject thereto. Each owner shall thereafter pay to the Association his assessment in installments as established by the Board of Directors. In the event the Board of Directors shall subsequently determine that the total assessed charges for the then current year are, or will become, inadequate to meet all Common Expenses for any reason, it shall immediately determine the approximate amount of such inadequacy and issue a supplemental estimate of the total Common Expenses for the year and the additional charges to be assessed against each Owner.

The initial owner of each Lot (not the Declarant) shall pay to the Association a sum equal to two (2) months projected Common Assessments for that Lot which shall be used by the Association as an operating reserve fund. No funds of the Association shall be individually refunded to the owners unless the Association is dissolved, or the project is totally destroyed.

Until the Association makes the initial Common Assessment the Declarant shall pay all of the Common Expenses of the Association. Once the Association has levied Common Assessments, the Declarant shall pay as any other owner, however, any Common Expenses benefitting fewer than all of the lots shall be assessed exclusively against the lots benefitted, whether owned by the Declarant or otherwise.

2. Delinquencies. Any payment of any nature whatsoever due the Association by a member shall be deemed to be delinquent if not received by the Association fifteen (15) days after said payment is due. There shall accrue with each delinquent assessment, a late charge in accordance with a schedule of late charge fees as determined by the Board of Directors. Any payment not received thirty (30) days after said payment is due shall be in default and entitle the Association to take any legal remedy which it may have available against the owner as set forth in the Bylaws, this Declaration or by Alaska law.

The Association may cause to be recorded in the Office of the Recorder for the Anchorage Recording District, a notice of any sums in default due the Association from any owner in default. Such notice shall state the amount of such sums due and other authorized charges and interest, collection expenses in connection with the sums due, reasonable attorneys' fees, a sufficient description of the lot against which the same has been assessed, the name and address of the record owner thereof, and the Association. Such notice shall be signed by an authorized representative of the Association. Upon payment to the Association of all then currently due sums and charges in connection therewith, or other satisfaction thereof, the Association shall cause to be recorded a further notice stating the satisfaction and release of such claim. The Association may demand and receive the cost of recordation of such release before recording the same. Any purchaser or encumbrancer, acting in good faith and for value may rely upon such notice of satisfaction and release as conclusive evidence of the full satisfaction of the sums stated in the notice of the delinquent sums.

In the event of default by any owner in the payment of any assessment, the Association shall notify all known persons and firms holding a mortgage or deed of trust by any owner on any lot within the Property.

3. Liens, Enforcement. All sums assessed in accordance with the provisions of this Declaration shall constitute a lien on the respective lot prior and superior to all other liens except (1) all taxes, bonds, assessments, and other liens which, by law, would be superior thereto, and (2) the lien or charge of any first mortgage of record (meaning any recorded mortgage or deed of trust, with first priority or seniority over other mortgages or deeds of trust) made in good faith and for value and recorded prior to the date on which the lien became effective. This lien may be foreclosed by private sale as provided herein as an alternative means of relief afforded by this Declaration. Such lien, when in default, may be enforced by sale by the Association, its attorney or other person authorized to make the sale, after failure of the owner to pay an assessment in accordance with its terms, such sale to be conducted in accordance with the provisions of the Alaska Statutes applicable to the exercise of powers of sale in mortgages and deeds of trust, or in any manner permitted by law. In any foreclosure, the owner shall be required to pay the reasonable rental value to the Association. The Association may acquire, hold, lease, mortgage and convey the property. Suit to recover a money judgment for unpaid assessments shall be maintainable without foreclosing or waiving the lien securing the same, and this provision or any institution of suit to recover a money judgment shall not constitute an election of remedies. Any recovery resulting from a suit in law or equity initiated pursuant to this section may include reasonable attorneys' fees as fixed by the court.

ARTICLE VI

Insurance

1. Types. The Association shall obtain and continue in effect adequate blanket public liability insurance for the Special Common Areas, if any. Such insurance shall be maintained by the Association for the benefit of the Association, unit owners, the encumbrancers upon the property or any part thereof as their interests may appear. The Association may purchase such other insurance as it may deem necessary, including but not limited to, fidelity bonds and workmen's compensation. The Association shall provide, upon request, a copy of any policy to any owner or encumbrancer. Each owner may provide insurance on his lot and personal property, as required by his encumbrancer. Nothing herein shall preclude any individual owner from carrying any public liability or other insurance as they may deem advisable to cover their individual liability for damages to person or property occurring on their lot or elsewhere upon the Property.

2. Premiums and Proceeds. Insurance premiums for any such insurance coverage obtained by the Association shall become a common expense to be included in the common assessments levied by the Association. The Association is hereby granted the authority to negotiate loss settlements with the appropriate insurance carriers for any insurance obtained by the Association. Any two Directors of the Association may sign a loss claim form and release form in connection with the settlement of a loss claim, and such signatures shall be binding on all owners.

ARTICLE VII

Repair and Maintenance

1. Repair and Maintenance Duties of Association. The Association shall maintain, repair, and make necessary improvements to, and pay for out of the Association's funds:

- (a) all Special Common Areas and Limited Common Areas;

(b) all work within a lot referred to in 2(a) below if not timely performed by the lot owner, as determined by the Board of Directors.

2. Repair and Maintenance Duties of Owner.

(a) Every owner shall from time to time and at all times well and substantially repair, maintain, amend and keep their lot and exterior improvements thereon with all necessary reparations and amendments whatsoever in good order and condition, except as otherwise provided by law or the Declaration, and without limitation shall perform promptly all such work within their lot the omission of which would affect any Common Areas or other lots and shall be responsible for all loss and damage caused by his failure to do so.

(b) All repairs of underground or internal installations within each lot such as water, light, gas, power, sewage, telephones, and all other interior items shall be at the owner's expense. Whenever such repair benefits more than one owner due to shared use of the repaired facility, the cost of such repair shall be shared ratably.

(c) Every owner shall reimburse the Association for any expenditures incurred in repairing or replacing any Special Common Areas, Community Common Areas or furniture, furnishings and equipment thereof, damaged or lost through the fault of such owner or any person using the Property through him and shall give prompt notice to the Board of Directors or managing agent of any such damage, loss or other defects when discovered.

ARTICLE VIII

Architectural Provisions

1. Community Aesthetics. In order to maintain the architectural aesthetics and continuity of the Property and community, no replacement, addition, or alteration of a building (excepting the interior of units), structure, fence, drainage facility, Common or Limited Common Area (landscaping or planting, optional) shall be effected on the property other than by Declarant until the plans, specifications and/or plot plan, as appropriate, showing the location and nature of such replacement, addition, alteration or removal have been submitted to and approved in writing by the Board of Directors; nor shall any exterior painting or decorative alteration be commenced until the Board has approved the plans therefor, including the proposed color schemes, design thereof and the quality of materials to be used. Plans and submittals thereof shall be approved or disapproved within sixty (60) days. The Board shall not arbitrarily or unreasonably withhold its approval of such plans and specifications. Failure of the Board to respond to a submittal or resubmittal of plans within such period shall be deemed to be approval of the plans as submitted or resubmitted. If, after such plans and specifications have been approved, the improvements are altered, erected or maintained upon the residence otherwise than as approved, such alteration, erection and maintenance shall be deemed to have been undertaken without approval having been obtained as required by this Declaration. However, after the expiration of one (1) year from the date of completion of any improvement, said improvement shall, in favor of purchasers and encumbrancers, in good faith and for value, be deemed to comply with all of the provisions hereof, unless a notice of such noncompliance or noncompletion, executed by the Board, shall appear of record in the Office of the Recorder, Anchorage Recording District, or legal proceedings shall have been instituted to enforce compliance with these provisions.

2. Appeal to Design Review Committee. Any owner affected by a decision of the Board of Directors under this Article may appeal such decision to the Design Review Committee of the

Community Association, the composition, duties, and procedures of which are set forth in Article VIII of the Community Declaration.

3. Standards for Approval. Approval shall be based upon the Design Criteria as approved by and as from time to time amended by the Design Review Committee and, among other things, on conformity and harmony with neighboring structures, of exterior design, colors and materials, relation of the proposed improvements to the natural topography, grade and finished ground elevation of the structure to that of neighboring structures and natural features of the Property, and conformity of the plans and specifications to the purpose and general plan and intent of these restrictions.

4. Non-Liability. No member of the Board shall be liable to any person for his decision or failure to act in making decisions as a member of said Board.

ARTICLE IX

Destruction of Improvements

Destruction of Improvements

1. Partial Destruction. Except as otherwise provided in this Declaration, in the event of partial destruction of a unit, it shall be the duty of each owner to restore and repair the same to its former condition, as promptly as practical. The proceeds of any insurance maintained pursuant to Article VI hereof shall be used for such purpose subject to the prior rights of beneficiaries of deeds of trust whose interest may be protected by said policies. In the event that the amount available from the proceeds of such insurance policies for such restoration and repair shall be at least eighty-five percent (85%) of the estimated cost of restoration and repair, the owner shall rebuild. In the event that the amount available from the proceeds of such insurance policies for such restoration and repair shall be less than eighty-five (85%) of the estimated cost of restoration and repair, the owner shall proceed as set forth in paragraph 2 below as if there were total destruction.

2. Total Destruction. In the event of the total destruction of a unit, the unit owner must make a determination within sixty (60) days from the date of any such destruction and record a Certificate declaring such reconstruction intention with the District Recorder. In the event of a failure to record such Certificate within said period, it shall be conclusively presumed that the owner has determined not to rebuild said improvements.

In the event of a decision to rebuild, the owner shall have prepared the necessary plans, specifications and maps, and execute the necessary documents to effect such reconstruction as promptly as practical. The unit shall be reconstructed or rebuilt in accordance with the original plans of construction unless changes shall have been approved in writing by the unit owner, by the holders of record of encumbrances upon their unit, by the Board of Directors, by the Design Review Committee of the Community Association, and if within the PUD, by the Municipal Planning and Zoning Commission.

In the event of a determination not to rebuild, the lot shall remain subject to the conditions above unless the Association shall decide to have prepared and to file as promptly as practical, an Amendment of Withdrawal of Property. If the lot is within the PUD, the determination not to rebuild must also be approved by the Municipal Planning and Zoning Commission.

3. Notice to Mortgagee. Any institutional holder of a first mortgage on any unit shall be given written notice of any substantial damage or destruction as set forth herein.

4. Reorganization. In the event of a decision not to rebuild a portion of the property destroyed pursuant to the paragraph above, the subsequent Owner(s) of said portion of the property, if withdrawn, shall cease to be a member of the Association. Thereafter, the Association shall continue to function without change except for the reduction of member(s), if any.

ARTICLE X

Condemnation

1. Consequences of Condemnation. If at any time or times during the continuance of this Declaration, all or any part of the Special Common Areas of the Property shall be taken or condemned by any public authority or sold or otherwise disposed of in lieu of or in avoidance thereof, the provisions of this Article shall apply.

2. Proceeds. All compensation, damages, or other proceeds therefrom, the sum of which is hereinafter called the "condemnation award", shall be payable to the Association.

3. Complete Taking. In the event that all of the Special Common Areas of the property are taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the condemnation award shall be shared in an equal amount to each lot, provided that if a standard different from the value of the Special Common Areas as a whole is employed to measure the condemnation award in negotiation, judicial decree or otherwise, then in determining such shares the same standard shall be employed to the extent it is relevant and applicable.

On the basis of principle set forth in the last preceding paragraph, the Association shall as soon as practicable determine the share of the condemnation award to which each owner is entitled and make payment by check made payable jointly to the respective owners and their respective mortgagees.

4. Partial Taking. In the event that less than all of the Special Common Areas of the property are taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the ownership hereunder shall not terminate. Each owner shall be entitled to a share of the condemnation award to be determined in the following manner:

(a) The Association shall, reasonably and in good faith, allocate the condemnation award between compensation damages and other proceeds, and shall apportion the amounts so allocated to:

(1) The taking of, or injury to, the common areas shall be shared in an equal amount to each lot;

(2) Consequential damages and any other takings or injuries shall be shared as the Association determines to be equitable in the circumstances.

(b) If an allocation of the condemnation award is already established in negotiation, judicial decree, or otherwise, then in allocating the condemnation award the Association shall employ such allocation to the extent it is relevant and applicable. Distribution of apportioned proceeds shall be made by check payable jointly to the respective owners and their respective mortgagees.

5. Reorganization. In the event a partial taking results in the taking of a complete lot(s), the owner thereof automatically shall cease to be a member of the Association, which shall continue to function without change except for the reduction of the member(s).

6. Notice to Mortgagee. The institutional holder of a first mortgage on any unit shall be given written notice of any condemnation proceeding described herein.

ARTICLE XI

Addition or Withdrawal of Property

1. Additions to the Property by Declarant. Notwithstanding any language to the contrary contained in this Declaration, Declarant shall have the right at its sole option, for a period of seven years from the date of execution of this Declaration to amend this Declaration pursuant to the terms of this paragraph.

a. Proposed Phases. Declarant may amend this Declaration by adding additional property from time to time, thereby creating additional Lots and/or Common Areas as follows (described in Exhibit C):

Phase II

Phase III

Should any such Phase be established, it shall be expressly subject to this Declaration as well as the Bylaws of the Association, as from time to time amended.

b. No Obligation to Complete Phases. Declarant expects to establish all three phases, but is not required to establish Phases II and III. If the land described as Phases II and III is not used to establish a Phase, then it may be used for any other lawful purpose at the discretion of the Declarant, its successors or assigns. Access over and across the Property described in this Declaration and any other phase subsequently established is reserved to Declarant or Declarant's successors or assigns over the easement, roadways and utility lines specified or in any way established in and for such Phases and the right to construct to each and all of them is also reserved. Such reservations are for the purpose either of completing and establishing subsequent Phases or of otherwise developing portions of the land not utilized in completing a Phase or for the development of contiguous or other lands belonging to the Declarant, its successors or assigns for other purposes. If the land described for Phases II and III is used to establish a Phase, then all lands described in this Declaration and any other phase subsequently established shall constitute the Property and shall be administered together as one fully operational Association.

c. Amendment of this Declaration. In altering the project to create the additional Lots and/or Common Areas, the Declarant may, without the joinder or consent of any persons having an interest in the existing units, amend this Declaration to:

(i) Create additional Lots and/or Common Areas.

(ii) Add, withdraw, realign and grant utility easements over, under, across and upon the Common Areas, including but not limited to easements and/or rights-of-way for electric, gas or telephone services, water, sewer and storm pipe lines, refuse disposal, driveways, parking areas and roadways, provided that such easements or rights-of-way do not materially impair the use of any existing Lot or its appurtenant interest in the common areas.

(iii) Rearrange or add additional parking spaces, and/or other Limited Common Areas, appurtenant to existing or newly created Lots. Such amendments shall not require the alteration or demolition of any existing units. Existing buildings or improvements on the Common Areas shall not be demolished or diminished.

Such amended Declaration may contain such complementary additions and modifications of the covenants and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added properties and as are not inconsistent with the scheme of this Declaration. It is contemplated that the future buildings and improvements shall be of comparable style, quality and size as those established in this Declaration. Nevertheless, the Declarant reserves the right to change the style, quality and size of additional units, at Declarant's option.

d. Effective Amendments. The amendments and additions authorized under this paragraph shall be made effective by filing of record an Additional Property Amendment which shall extend the Covenants and Restrictions of this Declaration as so amended to the additional property and the owners thereof. Such additional property shall be subject to the then existing Bylaws of the Association as they are from time to time amended.

e. Prohibition of Amendment Without Declarant's Permission. No amendment to this paragraph 12 shall affect the rights of Declarant unless Declarant joins in the execution thereof.

2. Additions to the Property by Others. The Owner of any property, other than the Developer or Declarant, who desires to add it to the scheme of this Declaration and to subject it to the jurisdiction of the Independence Park Community Association, may file of record a Member Declaration of covenants and restrictions as described herein only upon approval in writing of the Independence Park Community Association pursuant to a 75% vote of the votes eligible to the cast. Thereafter, the appropriate officers of the Independence Park Community Association shall also execute such Member Declaration evidencing that it has approved the inclusion of such property.

3. Withdrawal of Property. The Declarant, or the Board of Directors, as the case may be, shall have the right, but shall be under no obligation, except as hereinafter provided, to withdraw property submitted to this Declaration. Such withdrawal must be approved by a 75% vote of the Owners. Right to withdrawal may only be exercised upon the occurrence of any of the following circumstances:

(a) In the event any portion of the Special Common Area shall be disposed of due to dedication, condemnation, or sale;

(b) In the event of a reorganization due to partial destruction or condemnation;

(c) A voluntary withdrawal based upon the appropriate rules, articles and bylaws of both this Association and the Community Associations.

4. Special Power of Attorney. Each individual owner of a unit subject to this Declaration hereby grants a Special Power of Attorney to the Declarant to amend this Declaration for the specific purpose of adding or withdrawing property subject to this Declaration. Such additions or withdrawals shall in all respects be accomplished by the execution of an "Additional Property Amendment" or a "Withdrawal of Property Amendment" which shall incorporate all covenants, terms and conditions of this Declaration and shall not change any of the covenants, terms or conditions of this Declaration except the Exhibits to this Declaration which define and describe the Property. The Power of Attorney granted herein shall be a Special Power of Attorney coupled with an interest and shall be irrevocable and shall survive the transfer of any unit. A subsequent purchaser of the unit shall be subject to such grant. Upon request, any Owner shall be required to execute any and all documents necessary to effectuate said amendments, including but not limited to the

personal execution of a Special Power of Attorney form as shown in Exhibit E. When such an amendment as set forth herein is filed of record, any subsequent purchaser shall be entitled to rely upon the legal effect of said amendment.

ARTICLE XII

Rights of Declarant

Notwithstanding any provisions contained in this Declaration to the contrary, so long as Declarant remains an owner of any lot subject to this Declaration, unless otherwise provided herein, it shall enjoy certain benefits and rights as set forth in this Declaration including but not limited to the following:

1. Construction and Sale. Notwithstanding any provisions contained in this Declaration to the contrary, it shall be expressly permissible and proper for Declarant and Declarant's employees, agents, independent contractors, successors, and assigns involved in the construction or development of the Property, to maintain during such period of construction and development and upon such portion of the Property as Declarant deems necessary, such facilities as in the sole opinion of Declarant may be reasonably required, convenient, necessary, or incidental to the construction and sale of units and to the development of the Property, specifically including without limiting the generality of the foregoing, business offices, storage areas, construction yards, temporary living facilities, signs, model units, and sales offices. It is expressly understood and agreed that Declarant and Declarant's employees, agents, independent contractors, successors, and assigns involved in the construction or development of the Property, shall have the right to use all Special Common Areas and the facilities of the Association for sales and business office purposes and that Declarant may conduct business activities within the Property in connection with its construction and development. Prospective purchasers and Declarant shall have the right to use all Special Common Areas and Limited Common Areas for access to the sales facilities of Declarant.

2. Rental or Lease. The Declarant, its agents, assignees or survivor of Declarant, hereby reserves the right to rent or lease any of the units owned by Declarant upon any terms and conditions acceptable to Declarant until the respective units are initially conveyed. Nevertheless, the tenants of said unit must still agree to be bound by all rules and regulations of the Association, and the Declarant shall not be relieved of responsibility as Declarant or owner because of said renting.

3. Enforcement. The provisions of this Declaration and the Articles and Bylaws of the Association may be enforced as provided hereinafter by Declarant acting for itself. Each Owner by acquiring an interest in the Property appoints irrevocably the Declarant as his attorney-in-fact for such purposes; provided, however, that if an Owner notifies Declarant in writing of a claimed violation and Declarant fails to act within ten (10) days after receipt of such notification, then, and in that event only, an Owner may separately, at his own cost and expense, enforce the provisions of such documents as therein provided. Violation of any provision of such documents shall give to the Declarant the right to enter upon the portion of the Property wherein said violation or breach exists and to summarily abate and remove, at the expense of the violative Owner, any structure, thing or condition that may be or exist thereon contrary to the intent and meaning of the provisions hereof, or to prosecute a proceeding at law or in equity against the person or persons who have violated or are attempting to violate any such provisions, to enjoin or prevent them from doing so, to cause said violation to be remedied or to recover damages for said violation.

The Declarant shall in no event be held liable for failure, under this article, to enforce any provision of such documents, and shall in no event be deemed to have waived the right to do so for subsequent violations or the right to enforce any other provision.

4. Alteration of Plans. Declarant expressly reserves to itself, its successors and assigns the right to amend any Plan or design for the Property or any additional Property which is hereafter annexed in accordance with the provisions hereof: so long as:

(a) Such amendment does not alter the lot lines of any Lot which has already been conveyed to another Owner; and

(b) Such amendment does not materially reduce the relative amount of Special Common Area within the Property available to an Owner for such Owner's use and enjoyment.

(c) In the event the property is within the Municipal PUD as it is or as amended, plans must also be approved by the Municipal Planning and Zoning Commission.

5. Easements and Rights of Way. The Declarant shall have the right to grant within the Special Common Areas such easements and rights of way to itself, utility companies, and public or private agencies or authorities as it shall deem necessary for the proper developments, servicing and maintenance of the Property. No approval whatever need be obtained from any Owner. The Declarant shall also have the right to grant rights-of-way over and across the Special Common Areas to Owners in the event that it is necessary or desirable to adjust or relocate private access.

6. Assignment of Declarant's Rights. Any portion or all of the rights, powers and reservations of Declarant herein contained may be assigned by Declarant. Upon the Assignee's evidencing its consent in writing to accept such assignment, said Assignee to the extent of such assignment, shall assume Declarant's duties hereunder, have the same rights and powers and be subject to the same obligations and duties as are given to and assumed by Declarant hereunder. Upon such assignment, and to the extent thereof, Declarant shall thereafter be relieved from all liabilities, obligations and duties hereunder.

7. Declarant's Rights Not Changed. Any provision or article of this Declaration affecting the Declarant's rights contained herein shall not be amended without the consent of the Declarant, its agents, assigns, or survivors of Declarant so long as they own any lot.

ARTICLE XIII

Rights of Mortgagee

1. Priority. Where the mortgagee of a first mortgage of record which is recorded prior to the date on which an assessment lien became effective, obtains title as a result of foreclosure of any such first mortgage, the acquirer of title, his successor and assigns, shall not be liable for the share of the Common Expenses or Assessments by the Association chargeable to such lot which became due prior to such acquisition of title, but shall be subject to any future assessments which become due subsequent to his acquisition of title. Such unpaid share of Common Expenses or Assessments shall be deemed to be Common Expenses collectible from all of the owners including such acquirer, his successors and assigns.

2. Default. A breach of any of the provisions, covenants, restrictions or limitations hereof, or the recordation of any lien or assessment hereunder, or the pursuit of any remedy

hereunder, shall not defeat or render invalid the lien of any mortgage made by a owner in good faith and for value upon the interest of a owner. All of the provisions herein shall be binding upon and effective against any owner whose title to said property is hereafter acquired through foreclosure or trustee's sale.

3. Right to Inspect Association Records and Notice. The holder of a first mortgage of record, its successors or assigns, shall have the right to inspect the Association's books of account and other financial records, and shall also be able to require the Association to provide to it such additional financial data as may be reasonably requested to protect its interests, including annual audited financial statements within ninety (90) days after the expiration of the fiscal year. Upon request, written notice of all meetings of the Owners Association shall be sent to first mortgagees of record, who may designate an agent to attend such meetings.

4. Abandonment. The condivision status of the project by virtue of the submission of all lots and lot owners to this Declaration, shall not be abandoned without first obtaining the prior written approval of all first mortgage holders of record.

5. Notice of Default. Anything to the contrary herein notwithstanding, the Association shall give the holders of all first mortgages written notice of any default of any owner's obligation of any kind created by the Declaration, Articles of Incorporation, the Bylaws, or the rules and regulations of the Association, which default has not been cured within thirty days from the date of said default.

ARTICLE XIV

Duration and Amendment

1. Duration. This Declaration shall be perpetual, unless a Declaration of Termination or Withdrawal is recorded in the public records of the Anchorage Recording District, State of Alaska, meeting the requirements of an amendment to this Declaration as set forth in paragraph 2 of this Article. There shall be no severance by sale, conveyance, encumbrance or hypothecation of an interest in any lot from the concomitant membership in the Association as long as this Declaration shall continue in full force and effect.

2. Amendment. Notice of the subject matter of a proposed amendment to this Declaration in reasonably detailed form shall be included in the notice of any meeting of the Association at which a proposed amendment initiated by the Board of Directors is to be considered. A resolution to adopt a proposed amendment may be initiated by any owner at a meeting of the Association, provided said resolution is submitted in writing. The proposed amendment shall be adopted by approval of owners owning in the aggregate not less than sixty-six and two-thirds percent (66-2/3%) of the owners' vote. A copy of each amendment shall be certified by the President and Secretary of the Association and the amendment shall be effective when recorded in the public records, Anchorage Recording District, State of Alaska; provided that any of the following amendments to be effective must be approved in writing by the record holders of all encumbrances on any lots at the time of such amendment:

(a) Any amendment which affects or purports to affect the validity or priority of encumbrances or the rights or protection granted to encumbrancers as provided herein,

(b) Any amendment which would necessitate an encumbrancer after it has acquired a lot through foreclosure to pay more than its proportionate share of any unpaid assessment or assessments accruing prior to such foreclosure,

(c) Any amendment which would or could result in an encumbrance being cancelled by forfeiture, or in the individual lots not being separately assessed for tax purposes,

(d) Any amendment relating to the insurance provisions as set out in Article VI hereof, or to the application of insurance proceeds as set out in Article X hereof, or to the disposition of any money received in any taking under condemnation proceedings.

A certificate, signed and sworn to by the President and Secretary of the Association certifying that the record owners of sixty-six and two-thirds percent (66-2/3%) of the owners' vote have either voted for or consented in writing to any amendment adopted as provided herein, when recorded, shall be conclusive evidence of such fact. The Association shall maintain in its files the record of all votes or written consents for a period of at least four (4) years. Any amendment which requires the written consent of all the record holders of encumbrances shall be signed and sworn to by all such encumbrancers.

3. Amendment by Declarant. Notwithstanding the foregoing, the Declarant shall have the right to terminate or modify this Declaration by recordation of a supplement thereto setting forth such termination or modification, until the first close of any escrow for the sale of a lot or subsequently with the consent of one hundred percent (100%) of all other then-closed owners; however, the Declarant shall have the right to modify this Declaration with any provision that is commercially reasonable to satisfy the requirements of a financial institution.

ARTICLE XV

General Provisions

1. Legal Proceedings. Failure to comply with any of the terms of this Declaration and regulations adopted pursuant thereto shall be grounds for relief which may include, without limiting same, an action to recover sums due for damages, injunctive relief, foreclosure of lien, or any combination thereof, which relief may be sought by the Association. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of the Property, and any violation of this Declaration shall be deemed to be a nuisance. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce said provision, or any other provision hereof. Any unit owner not at the time in default hereunder, or the Declarant, shall be entitled to bring an action for damages against any defaulting unit owner, and in addition may enjoin any violation of this Declaration. Any judgment rendered in any action or proceeding pursuant hereto shall include a sum for attorneys' fees in such amount as the court may deem reasonable, in favor of the prevailing party. Each remedy provided for in this Declaration shall be cumulative and not exclusive or exhaustive.

2. Severability. The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or enforceability of any one provision or portion hereof shall not affect the validity or enforceability of any other provisions hereof.

3. Easements. Declarant may expressly reserve for the benefit of owners reciprocal easements of access, ingress and egress over all of the Special Common Areas. Such designated easements may be used by Declarant, its successors, purchasers and all unit owners, their guests, tenants and invitees, residing or temporarily visiting the property, for pedestrian walkways, vehicular access and such other purposes reasonably necessary for the use and enjoyment of a unit₂₀ in the project. Such easements

shall be appurtenant to and shall pass with the title to every lot conveyed.

4. Responsibility to Develop Budget. After formation, the Board of Directors shall have the sole responsibility for adopting or modifying the proposed budget initially established by the Declarant.

5. Managing Agent. If required by the Alaska Housing Finance Corporation (AHFC), the Federal National Mortgage Association (FNMA) or the Federal Home Loan Mortgage Corporation (FHLMC), the Board of Directors of the Association shall employ a professional manager selected by the Board, to perform such duties and services as the Board shall authorize and delegate. The professional management required hereunder shall not be terminated and such management assumed by the Board without first obtaining the prior consent of all institutional mortgagees holding first mortgages on the units. This contract shall conform to the guidelines established by AHFC or FNMA regarding the term and termination of that agreement during such periods of time as AHFC or FNMA is a mortgagee on a lot or is the owner of such a unit, but in any event said contract cannot exceed three (3) years and must be terminable upon thirty (30) days' written notice by the Association to the professional manager.

6. Priorities and Inconsistencies. If there are conflicts or inconsistencies between this Declaration and either the Articles of Incorporation or the Bylaws, the terms and provisions of this Declaration shall prevail.

7. Partition. Without the written consent of the Board of Directors and holders of all mortgage liens on the lots and approval by all of the affected owners, there shall be no partitioning, subdividing, or combining of any lot or lots, Special Common Areas, or Limited Common Areas. No owner shall have the right to the partition of his interest except that in the event a Certificate of Resolution to rebuild or restore has not been recorded as provided in Article IX, Paragraph 2, within six (6) months from the date of any partial or total destruction, or if restoration is not actually commenced within said period. Nothing herein shall be deemed to prevent partition of a cotenancy in any lot.

8. Notices. Any notice required to be sent to the Declarant or to any Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postage prepaid, to the last known address of their respective agent for service as shown on records of the Association at the time of such mailing.

9. Service of Process. The name and address of the person to receive service of process is:

Carolyn C. Abney
9145 Vanguard Drive
Anchorage, Alaska 99507

Declarants:

DENALI FUEL COMPANY

By: [Signature]
Its President

STATE OF ALASKA)
)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this 10th day of June, 1983, before me the undersigned Notary Public in and for the State of Alaska, duly commissioned and sworn as such, personally appeared Frances B. Mlakar, to me known to be the President of DENALI FUEL COMPANY, and acknowledged that she signed the same freely and voluntarily for the uses and purposes of said corporation and being authorized to do so.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

Caroline C. G.
Notary Public in and for Alaska.
My commission expires: 10/22/84



STATE OF ALASKA)
)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the 10th day of June, 1983, before me, a Notary Public in and for the State of Alaska, duly commissioned and sworn as such, personally appeared HAROLD G. BROWN, to me known to be the person who executed the foregoing instrument and acknowledged said instrument to be his free and voluntary act and deed for the uses and purposes therein mentioned.

IN WITNESS whereof, I have hereunto set my hand and seal the day and year first above written.

Caroline C. G.
Notary Public in and for Alaska.
My commission expires: 10/22/84



EXHIBIT A

Lots One (1) through Eighteen (18), Block Fourteen (14), Independence Park Subdivision, according to Plat No. 83-108, records of the Anchorage Recording District, Third Judicial District, State of Alaska.

NONE

EXHIBIT B

PAGE 0274

BOOK 909

EXHIBIT C

Phase II Tract A-2B, according to Plat No. 83-108, records of the Anchorage Recording District, Third Judicial District, State of Alaska.

Phase III Tract A-2A, according to Plat No. 83-108, records of the Anchorage Recording District, Third Judicial District, State of Alaska.

EXHIBIT D

SPECIAL POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned person(s) denominated "Buyer(s)" for themselves, their successors, assigns or personal representatives hereby grant to KBEI, INC. the DEVELOPER of INDEPENDENCE PARK SUBDIVISION of Anchorage, Alaska, the following Special Power of Attorney relating to the following described real property or portions thereof which power is acknowledged to be coupled with an interest and is irrevocable:

lots One (1) through Eighteen (18), Block Fourteen (14), Tract A-2A and Tract A-2B, according to Plat No. 83-108, records of the Anchorage Recording District, Third Judicial District, State of Alaska.

Authority Granted

In executing this power, the attorney-in-fact by these presents hereby appointed is authorized to amend the Declaration for FREEDOM SQUARE OWNERS ASSOCIATION to add additional phases to the association and to file an amendment to the above referenced Declaration under the sole signature of the Declarant or such parties as it elects to have sign the same containing amendments to the Exhibits of the Declaration as referred to above. My attorney-in-fact is further empowered to make any changes in the document of the association as may be required by FNMA and/or AHFC financing.

This power is expressly limited, however, to authority to take such action in the Buyer's name, place and stead only in such manner as will conform to the above-described Declaration and so long as this requirement is met, the power of authority of attorney is extended for the signing for the Buyer and all subsequent documents required to carry on the plans stated in the Declaration for the creation of an association and subsequent phases.

IN WITNESS WHEREOF, we have hereunto signed our names this _____ day of _____, 19____.

Buyer: _____

Buyer: _____

STATE OF ALASKA)
) ss
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the _____ day of _____, 19____, before me, the undersigned Notary Public in and for the

State of Alaska, duly commissioned and sworn as such, personally came _____, to me known to be the person(s) who executed the foregoing document and acknowledged that he signed the same freely and voluntarily for the use and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

Notary Public in and for Alaska
My commission expires: _____

RETURN TO:

Quadrant Development Co.
9145 Vanguard Drive
Anchorage, AK 99507

83-042000
86-

RECORDED-FILED
ANCHORAGE REC.
DISTRICT

JUN 13 11 29 AM '83
REQUESTED BY LAWYERS
ADDRESS _____