

TABLE OF CONTENTS
DECLARATION OF
LAKEWOOD TERRACE TOWNHOUSES ASSOCIATION, INC.

	<u>Page</u>
ARTICLE I, Definitions	1
Section 1. Association	1
Section 2. Owner	2
Section 3. Properties	2
Section 4. Common Area	2
Section 5. Lot	2
Section 6. Declarant	2
ARTICLE II, Property Rights	2
Section 1. Owners Easement of Enjoyment	2
Section 2. Delegation of Use	3
ARTICLE III, Membership and Voting Rights	3
Section 1. Membership	3
Section 2. Class A and B voting Rights	3
ARTICLE IV, Covenant for Maintenance Assessments	4
Section 1. Creation of Lien	4
Section 2. Nature of Assessments	4
Section 3. Maximum Annual Assessment	4
Section 4. Special Assessments	5
Section 5. Notice of Quorum for Action Sections 3&4	5
Section 6. Uniform Rate of Assessment	5
Section 7. Date of Commencement	5
Section 8. Effect of Nonpayment of Assessments	5
Section 9. Subordination of Lien to Mortgages	6
ARTICLE V, Architectural Control	6
Section 1. Restrictions	6
ARTICLE VI, Use Restrictions	6
Section 1. Land Use and Building Type	6
Section 2. Nuisances	7
Section 3. Garbage and Refuse Disposal	7
Section 4. Pets, Livestock and Poultry	7
Section 5. Commercial Vehicles	7
Section 6. Boats, Campers, etc.	7
Section 7. Signs	7
Section 8. Natural Resources Extraction	7

ARTICLE VII, Maintenance	8
Section 1. Maintain Common Areas	8
Section 2. Damage or Destruction	8
Section 3. Negligent or Willful Acts of Owners	8
ARTICLE VIII, General Provisions	8
Section 1. Enforcement	8
Section 2. Severability	8
Section 3. Amendment	8
Section 4. Annexation	9
ARTICLE IX, Party Walls	9
Section 1. General Rules of Law to Apply	9
Section 2. Sharing of Repair and Maintenance	9
Section 3. Destruction by Fire or Other Casualty	9
Section 4. Weatherproofing	10
Section 5. Right to Contribution Runs with the Land	10
Section 6. Arbitration	10
ARTICLE X, Insurance	10
ARTICLE XI, Rights of Mortgagees	10
Section 1. Default	10
Section 2. Right to Inspect Association Records	11
Section 3. Prior Approval	11
Section 4. Condemnation	12
Section 5. Parking Facilities	12
Section 6. Easements	12
Section 7. Notice of Amendment	12
Exhibit A	
Exhibit B	
Exhibit C	
Plat of Properties	
First Amendment changing Section 7 of Article IV	
Amendment adding Blocks 3 and 4 to the Association	
Amendment adding Blocks 5, 8 and 9 to the Association	
Amendment adding Blocks 6, 10, 11, 13 and 14 to Association	
Amendment to Article VI, Section 3, deleting subsections a, b and c; Amendment to Article IV, Section 5; Amendment to Article VIII adding Section 5 and Amendment to Article X, Section 1	

DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS FOR
LAKEWOOD TERRACE TOWNHOUSES

THIS DECLARATION, made on this 5 day of MAY, 1977, by RICHARD VOVES and JOAN VOVES, husband and wife, of Anchorage, ALASKA, and JAMES CAMPBELL and RACHEL CAMPBELL, husband and wife, of Anchorage, Alaska, hereinafter called "Declarant", for itself, its successors, grantees and assigns.

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in the Third Judicial District, Anchorage, Alaska, which is more particularly described as:

See exhibit "A" attached hereto and
Incorporated herein by this reference.

WHEREAS, Declarant desires to subject such property certain covenants, conditions, restrictions and charges for the benefit of such property and its present and subsequent owners as hereinafter specified; and,

WHEREAS, the power to enforce such covenants, conditions, restrictions, and charges is to reside in Lakewood Terrace Townhouses, a nonprofit corporation, organized under the laws of the State of Alaska.

NOW, THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold, and conveyed subject to the following easements, restrictions, covenants and condition, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property contained therein, and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall insure the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to Lakewood Terrace Townhouses, its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of the properties, including contract purchasers.

Section 3. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association, pursuant to the provisions of Article VII, Section 4, relating to annexation.

Section 4. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the owners. The common area to be owned by the Association at the time of the conveyance of the first lot is described as follows:

See Exhibit "B" attached hereto and incorporated herein by this reference.

Section 5. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the properties with the exception of the common area.

Section 6. "Declarant" shall mean and refer to Lakewood Terrace Townhouses, a partnership, its successors and assigns.

ARTICLE II

PROPERTY RIGHTS

Section 1. Owners Easement of Enjoyment. Every owner of a lot within Lakewood Terrace Townhouses shall have the right and easement of enjoyment in and to the common area which shall be appurtenant to ownership and shall pass with the title to every lot contained in the development, subject to the following provisions:

- (a) The right of the Association to charge reasonable admission and other fees for the use of any recreational vehicle storage facility situated on the common area;
- (b) The right of the Association to suspend the voting rights and right to use of the recreational facilities by an owner for any period during which any assessment against his lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of any of its published rules and regulations.

- (c) The right of the Association to dedicate or transfer all or any part of the common area to any public agency, authority, or utility for such public purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be affected unless an instrument be signed by two-thirds of each class of members agreeing to such dedication or transfer has been recorded.

Section 2. Delegation of Use. Any owner of a lot within Lakewood Terrace Townhouses may delegate, in accordance with the Bylaws, its right of enjoyment to the common area and facilities to the members of his family or tenants, who reside on the property.

ARTICE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every owner of a lot subject to assessment shall be a member of Lakewood Terrace Townhouses. Membership shall be appurtenant to and shall not be separated from ownership of a lot subject to assessment. A contract purchaser shall be considered an owner for purposes of voting.

Section 2. Lakewood Terrace Townhouses shall have two classes of voting membership.

Class A. Class A members shall be owners of all lots with the exception of the Declarant, and shall be entitled to one vote for each lot owned. When more than one person holds an interest in any one lot, all such persons shall be members. The vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any one lot.

Class B. Class B members shall be the Declarant, and shall be entitled to three votes for each lot owned. Class B membership shall terminate and be converted to Class A membership upon the occurrence of either of the following events, whichever first occurs.

- (a) When the total votes outstanding in Class A membership equal total votes outstanding in Class B membership, or

(b) On the 1st day of January, 1984.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENT

Section 1. Creation of the Lien and Personal Obligation of Assessments.

The Declarant, for each lot owned within the properties, hereby covenants and each owner of any lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay the Association:

- (1) Annual assessments or charges to, and
- (2) Special assessments for capital improvements, so long as such assessments are established and collected as hereafter provided.

Annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees shall also be the personal obligation of the person who is the owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessment shall not be passed to successors in title, unless expressly assumed by them.

Section 2. Nature of Assessments. Assessments levied by the Association shall be used exclusively to promote recreation, health, safety and welfare of the residents in the properties and for the improvement, maintenance and repair of the common area, and of the home situated upon the properties, including the establishment of adequate reserves for these purposes.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first lot to an owner, the maximum assessment shall be \$_____ per unit.

- (a) From and after January 1 of the year immediately following a conveyance of the first lot to an owner, the maximum annual assessment may be increased each year not more than three percent (3%) above the maximum assessment of the previous year, without vote of the membership.
- (b) From and after January 1 of the year immediately following the conveyance of the first lot to an owner, the maximum annual assessment may be increased above three percent (3%) by a vote of two-thirds of each class of members who are voting in person or by proxy, at a meeting held by Lakewood Terrace Townhouses for such purpose.
- (c) The Board of Directors will fix the annual assessment at an amount not in excess of the maximum assessment in accordance with the Bylaws of the Association.

Section 4. Special Assessments. In addition to the annual assessment authorized above, Lakewood Terrace Townhouses may levy in any assessment year a special assessment over and about the annual assessment, which special assessment shall be applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement on the common areas, including fixtures and personal property related thereto, provided that any such assessment shall have been authorized by two-thirds of the votes of each class of members who are voting in person or by proxy at an authorized Association meeting.

Section 5. Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Notice of any meeting called for the purpose of taking any action authorized under Section 3 and 4 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or proxies entitled to cast sixty percent (60%) of all votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6. Uniform Rate of Assessment. The annual and special assessment must be fixed at a uniform rate for all lots and may be collected on a monthly basis.

Section 7. Date of Commencement. The annual assessment provided for herein shall commence as to all lots on the first day of the month following conveyance of the common area. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each lot at least thirty (30) days in advance of each annual assessment herein. Written notice of the annual assessment shall be sent to every owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand and for reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified lot have been paid.

Section 8. Effect of Nonpayment of Assessments Remedies of the Association. Any assessment not paid within thirty (30) days of the due date shall bear interest from the due date at the rate of six percent (6%) per annum. The Association may bring an action at law against the owner personally obligated to pay the same, or foreclose a lien against the property. No owner may waive or otherwise escape liability for the assessment provided for herein by nonuse of the common area or abandonment of its lot.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any lot shall not affect an assessment lien. However, the sale or transfer of any lot pursuant to mortgage foreclosure of any proceeding in lieu thereof shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such lot for liability for any assessment thereafter becoming due, or for the lien thereof.

ARTICLE V

ARCHITECTURAL CONTROL

Section 1. No building, fence, wall or other structure shall be commenced, erected or maintained upon the properties, nor shall any exterior addition to or change or alteration be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as in harmony with external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives of the Board. No owner of any lot shall change or alter the exterior color of any structure within or forming part of such lot unless written approval has been obtained as provided herein. In the event the Board, or its designated committee, fail to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

ARTICLE VI

USE RESTRICTIONS

Section 1. Land Use and Building Type. No lot shall be used for any purpose other than one or more single family residence. No outhouse of any kind, tent, fence, shed or trailer, or any other temporary dwelling, shall be erected or maintained on any lot or be used for living purposes, nor shall any garage be used for dwelling purposes. Garden sheds or tool sheds or rear-yard fences may be erected however, with the approval of the Architectural Control Committee, as provided in Article V, Section I.

Section 2. Nuisances. No obnoxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may be, or may become, a nuisance, or cause unreasonable embarrassment, disturbances or annoyance to other Owners in the enjoyment of their lots or living Units or in their enjoyment of common properties. No repair or restoration of any motor vehicle, boat, trailer, aircraft or other vehicle shall be permitted on any portion of any Lot or upon Common Area except for emergency repairs thereto, and then only to the extent necessary to enable movement thereof to a proper repair facility.

Section 3. Garbage and Refuse Disposal. No lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage, or other waste shall be kept in sanitary containers. Such material shall not be disposed of by incineration on any lot.

Section 4. Pets, Livestock and Poultry. No animals, livestock or poultry of any kind shall be raised bred or kept on any Lot, other than a reasonable number of dogs, cats or other common household pets which may be kept, provided they are not kept, bred or maintained for commercial purposes and are not permitted to run at large.

Section 5. Commercial Vehicles. No commercial vehicles, or similar commercial or construction equipment shall be parked, placed, erected, or maintained on any Lot for any purpose except during the period of construction.

Section 6. Boats, Campers, etc. The Common Area and/or streets located on the Properties shall not be used for the overnight parking of any vehicle other than private family automobiles. No boat, trailer, house trailer, camper, truck or other similar vehicle or similar object, or any part thereof, shall be stored or permitted to remain on any Lot or Common Areas or any part of the Properties unless the same is stored or placed in a fully-enclosed garage or in an area designated and authorized for such usage by the Association. This Section is for the mutual benefit of all Owners and is necessary for the protection of said Owners.

Section 7. Signs. No sign of any kind shall be displayed to the public on any Lot or Living Unit except one sign of not more than five square feet advertising the property for sale or rent, or signs by a building company to advertise the property during the construction and sales period.

Section 8. Natural Resource Extraction. No natural resource extraction operation of any nature shall be permitted upon or in any Lot, nor shall wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot.

ARTICLE VII
MAINTENANCE

Section 1. The Association will maintain all common areas and shall additionally provide exterior maintenance upon all structures in the development, to include painting, repair, replacement and care of roofs, gutters, exterior building surfaces, trees, shrubs, grass, walks and other exterior improvements. Exterior maintenance shall not include repair or replacement of glass surfaces. All such maintenance shall be funded through the assessment procedure provided for in this Declaration, the Articles, Bylaws and Alaska Statutes.

Section 2. In the event of damage or destruction of all or part of the property contained within the development, the Association may vote to rebuild, repair, restore or sell the property contained within the development where directed to do so by vote of at least sixty percent (60%) of the property owners or other persons authorized to vote under the terms of this Declaration, the Articles, the Bylaws and the Alaska Statutes.

Section 3. In the event that the need for maintenance or repair is caused by the willful act of the owner, the cost of such maintenance and repair shall be added to and become a part of the assessment to which the residential unit is subject.

ARTICLE VIII
GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any owner, shall have the right to enforcement by any proceeding at law or in equity, including injunctive relief, all restrictions, conditions, covenants, reservations, fees and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any owner to enforce any covenant or restriction herein contained shall in no manner be deemed to waive the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no manner affect other provisions which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the Land for a term of twenty (20) years from the date of this Declaration is recorded, after which time it shall be automatically extended for successive

periods of ten (10) years. This Declaration may be amended by an instrument signed by not less than seventy-five percent (75%) of the lot owners. Any amendment must be recorded.

Section 4. Annexations. Additional parcels of real property may be annexed to the properties described herein for the purposes of subjecting such real property to regulation and assessment by the Association and for the mutual enjoyment of common areas. Such annexations may be made as follows:

- (a) Additions by Declarant. At any time prior to January 1, 1984, Declarant shall have the right to bring within the scheme of this Declaration, without the consent of other members, additional real property located within the areas described in Exhibit C, attached hereto and made an integral part hereof. Any such annexation shall be in accord with the general plan of development, but such general plan shall not bind the Declarant to make the proposed addition or to adhere to the plan in any subsequent development of the land shown therein.
- (b) Additions authorized under this section shall be made by recording a supplemental Declaration of Covenants and Restrictions with respect to the annexed property.

ARTICLE IX

PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the townhouses upon the property and placed upon dividing line between the lots shall constitute a party wall, and to extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the owners who make use of the wall in proportion to such use.

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any owner who has used the wall may restore it, and if the other owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to right of any such owner to call

for a larger contribution from the others under any rule of law regarding liability for negligence or willful acts or omissions.

Section 4. Weatherproofing. Notwithstanding any other provisions of this Article, an owner who by his negligence or willful acts causes a party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. Right to Contribution Runs With the Land. The right of any owner to contribution from any other owner under this Article shall be appurtenant to the land and shall pass to such owner's successors in title.

Section 6. Arbitration. In the event of any dispute arising concerning a party wall or other provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators.

ARTICLE X

INSURANCE

Section 1. The Association shall obtain and continue in effect adequate blanket public liability insurance for the common areas, and fire insurance with coverage for the full replacement value of the project. Insurance premiums for any such insurance coverage obtained by the Association and any other insurance deemed necessary by the Association, shall become a common expense to be included in the regular assessments levied by the authority to negotiate loss settlements with the appropriate insurance carriers.

ARTICLE XI

RIGHTS OF MORTGAGEES

Section 1. Default. A breach of any of the provisions of this Declaration, 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 lot owner in good faith and for value upon the interest of a lot owner. A first mortgagee, upon request, is entitled to written notification from the Homeowners Association of any default in the performance by the individual mortgagor of any unit under this Declaration or Bylaws which default is not cured within sixty (60) days. First mortgagees of the lots, may jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any common property and may pay overdue premiums on hazard insurance policies, or secure

new hazard insurance coverage on the lapse of the policy, and the first mortgagees making such payments shall be owed immediate reimbursement therefore from the Association. This provision shall constitute an agreement between the Association and all first mortgagees of lots in the project reflecting this covenant.

Section 2. Right to Inspect Association Records and Notice. The holder of the first mortgage of record shall have the right to inspect the Association's books of account and other financial records, and shall be able to require the Association to provide to it such additional financial data as may be reasonably requested to protect its interest, including an annual audited financial statement of the Association within ninety (90) days following the end of the fiscal or calendar year. Written notice of all Association meetings shall be sent to first mortgagees of record and the designated agent to attend such meetings.

The holder of the first mortgage of record shall have the right to inspect the Association's books of account and other financial records, and shall be able to require the Association to provide to it such additional financial data as may be reasonably requested to protect its interest, including an annual audited financial statement of the Association within ninety (90) days following the end of the fiscal or calendar year. Written notice of all Association meetings shall be sent to first mortgagees of record and the designated agent to attend such meetings.

Section 3. Prior Approval. Unless at least seventy-five percent (75%) of the first mortgagees or owners have given their prior written approval, the Association shall not be entitled to:

- (1) By act or omission seek to abandon, partition, subdivide, encumber, sell or transfer real estate or improvements thereon which are owned, directly or indirectly by such Association.
- (2) Change the method of determining the obligations, assessments, dues or other charges which may be levied against a lot owner.
- (3) By act or omission change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of units, exterior maintenance of units, the maintenance of party walls, or common fences and driveways, or the upkeep of lawns and plantings in the project.
- (4) Use hazard insurance proceeds for losses to any common property, for other than the repair, replacement, or reconstruction of such improvements. In the event of substantial damage or destruction to any lot or any part of the common areas, timely written notice shall be given to the institutional holder of any first mortgage on the damaged property.

Section 4. Condemnation. In the event of any condemnation or eminent domain proceedings, the Association shall give prompt notice thereof to all first mortgagees. Any first mortgagee shall have a prior claim to the proceeds of such condemnation or eminent domain proceedings.

Section 5. Parking Facilities. So long as the Federal National Mortgage Association is the holder of any first mortgage on the property, the Association shall provide sufficient parking space to accommodate at least one automobile for each lot.

Section 6. Easements. Any right of the Association to grant easements for utilities in similar related purposes, or to transfer, release or hypothecate any of the common areas requires the approval of all holders of first mortgage liens. The Declarant also reserves an easement for encroachment upon the common areas and facilities as a result of the construction, reconstruction, repair, shifting, settlement or movement of any portion of the project.

Section 7. Notice of Amendment. The Association shall give notice to first mortgage holders of any proposed action to materially amend the Declaration and Association Bylaws, or to terminate any professional management of the project. Any contract for professional management must conform to the guidelines of the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation at such time as those entities are holders of a first mortgage on any lot or common area.

EXHIBIT A

Lots One (1) through Five (5), Block One (1); Lots One (1) through (3), Block Two (2); Lots One (1) through Three (3), Block Seven (7); and Lots One (1) through Three (3), Block Twelve (12), a portion of the resubdivision of Lot Four "A" (4-A), of the H. J. McGill SUBDIVISION, located in the Northeast One-quarter (NE ¼), Section 3, Township 12 North, Range 4 West, Seward Meridian, Anchorage Recording District, Third Judicial District, State of Alaska.

EXHIBIT B

Tract "A"; Block One (1) (exclusive of Lots One (1) through Five (5) located thereon); Block Two (2) (exclusive of Lots One (1) through Three (3) located thereon); Block Seven (7) (exclusive of Lots One (1) through Three (3) located thereon); Block Twelve (12) (exclusive of Lots One (1) through Three (3) located thereon), a portion of the resubdivision of Lot Four "A" (4-A), H.J. MCGILL SUBDIVISION, located in the Northeast One-quarter (NE $\frac{1}{4}$), Section 3, Township 12 North, Range 4 West, Seward Meridian, Anchorage Recording District, Third Judicial District, State of Alaska.

EXHIBIT C

Block Three (3), Four (4), Five (5), Six (6), Eight (8), Nine (9), Ten (10), Eleven (11), Thirteen (13) and Fourteen (14), a portion of the resubdivision of Lot Four "A", H.J. MCGILL SUBDIVISION, located in the Northeast One-quarter (NE ¼), Section 3, Township 12 North, Range 4 West, Seward Meridian, Anchorage Recording District, Third Judicial District, State of Alaska.

AMENDMENT TO DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF
LAKEWOOD TERRACE TOWNHOUSES
A PLANNED UNIT DEVELOPMENT

This amendment made on the date hereinafter set fourth by the Designs In Wood, LTD, hereinafter referred to as the "Declarant", as successor in interest to Richard Voves and Joan Voves, husband and wife, and James Campbell and Rachel Campbell, husband and wife, is an amendment to that certain Declaration of Covenants, Conditions and Restrictions of Lakewood Terrace Townhouses, a Planned Unit Development, recorded in the Anchorage Recording District, on May 5, 1977, in Book 188, at pages 981 to 955, Records of Anchorage Recording District, Third Judicial District, State of Alaska, hereinafter referred to as "Declaration".

The purpose of this Amendment is to reflect the annexation of additional property into the Planned Unit Development so that all of the properties herein described and described in the above Declaration shall be held, sold and conveyed subject to the easements, restrictions, covenants and conditions set forth in the above Declaration, all of which shall run with the real property and be binding on all parties having any right, title or interest in the described properties, or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

Declarant hereby declares that all of the below described property owned by it shall by this instrument be made part of the Lakewood Terrace Townhouses, a Planned Unit Development, and subject to all provisions of the Declaration above referred to:

Blocks Five (5) Eight (8) and Nine (9), Lakewood Terrace Townhouses, according to Plat No. 81-182 a portion of the resubdivided of Lot Four (4) "A" (4-A), H.J. McGill Subdivision, located in the Northwest One Quarter (NW ¼), Section 3, Township 12 North, Range 4 West, Seward Meridian, Anchorage Recording District, State of Alaska.

This amendment is executed and recorded pursuant to Article VIII, Section 4 (a) of the Declaration. Except herein expressly provided, no other modifications of the above Declaration are intended except such as may be required to give sense to the addition of the above described real property to the Lakewood Terrace Townhouses, A Planned Unit Development.

AMENDMENT TO DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF
LAKEWOOD TERRACE TOWNHOUSES
A PLANNED UNIT DEVELOPMENT

THIS AMENDMENT made on the date hereinafter set forth by RICHARD VOVES and JOAN VOVES, husband and wife, of Anchorage, Alaska, and JAMES CAMPBELL and RACHEL CAMPBELL, husband and wife, of Anchorage, Alaska, hereinafter referred to as the "Declarant" is and amendment to that certain Declaration of Covenants, Conditions and Restrictions of Lakewood Terrace Townhouses, a Planned Unit Development, recorded in this Anchorage Recording District on May 5, 1977, in Book 188, at pages 981-955, Records of Anchorage Recording District, Third Judicial District, State of Alaska, hereinafter referred to as "Declaration".

The purpose of this Amendment is to reflect the annexation of additional property into the Planned Unit Development so that all of the properties herein described and described in the above Declaration shall be held, sold and conveyed subject to the easements, restrictions, covenants and conditions set forth in the above Declaration, all of which shall run with the real property and be binding on all parties having any right, title or interest in the described properties, or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

Declarant hereby declares that all of the below described property owned by it shall by this instrument be made a part of the Lakewood Terrace Townhouses, A Planned Unit Development, and subject to all provisions of the Declaration above referred to:

Block Six (6), Ten (10), Eleven (11),
Thirteen (13), and Fourteen (14), according
to Plat No. 77-245, a portion of the
resubdivision of Lot Four "A" (4-A), H.J.
McGILL SUBDIVISION, located in the
Northeast One-quarter (NE ¼),
Section 3, Township 12 North, Range 4 West,
Seward Meridian, Anchorage Recording District, Third Judicial District,
State of Alaska.

This Amendment is executed and recorded pursuant to Article VIII, Section 4(a) of the above Declaration. Except as herein expressly provided, no other modifications of the above Declaration are intended except such as may be required to give sense to the addition of the above described real property to the Lakewood Terrace Townhouses, A Planned Unit Development.

AMENDMENT TO
DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS FOR
LAKEWOOD TERRACE TOWNHOUSES

The undersigned, representing at least seventy-five percent (75%) of the lot owners of Lakewood Terrace Townhouses, hereby amend the Declaration of Covenants, Conditions and Restrictions for Lakewood Terrace Townhouses, recorded on May 5, 1977, in Book 188, at page 981, and as amended and recorded on July 25, 1977, in Book 213 at Page 360, in the Anchorage Recording District, in the following manner:

Article IV, Section 3, is hereby amended to read as follows:

“Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first lot to an owner, the maximum assessment shall be \$940.20 per unit. Thereafter, the Board of Directors of the Association shall fix the assessment on an annual basis as set forth in Section 7 of this Article.”

Subsections (a), (b), and (c) are deleted in their entirety.

Article IV, Section 5, is hereby amended to read as follows:

“Section 5. Notice and Quorum for Any Action Authorized Under Section 4. Notice of any meeting called for the purpose of taking any action authorized under Section 4 shall be sent to all members not less than fifteen (15) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.”

Article VIII shall have the following Section added:

“Section 5. Indemnification. No member of the Board or of any committee of the Association, shall be personally liable to any owner, or to any other party, including the Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error or negligence of the Association, the Board, or any representative or employee of the Association, or the Architectural Control Committee, or any other committee, or any officer of the Association, provided that such person has, upon the basis of such information as may be possessed by him, acted in good faith, and without willful or

intentional misconduct. In the event any such action is brought against any such person or entity, the Association shall indemnify such person or entity for all reasonable costs, including attorney's fees, incurred in the defense of such action, including any settlement thereof when such action arises out of the willful misconduct of such person. In the event the Association is required to pay any such costs, the Association shall be entitled to assess all owners for the amount so expended, but such assessment need not be first approved by fifty-one percent (51%) if the owners or any proportion of said owners."

Article X, Section 1, is hereby amended to read as follows:

"Section 1. The Association shall obtain and continue in effect adequate blanket public liability insurance for the common areas, and fire insurance with coverage for the full replacement value of the project. Insurance premiums for any such insurance coverage obtained by the Association, and any other insurance deemed necessary by the Association, shall become a common expense to be collected by the Association. The Association is hereby granted authority to negotiate loss settlements with the appropriate insurance carriers."

DATED this 10th day of May, 1978.

AMENDMENT TO DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF
LAKEWOOD TERRACE TOWNHOUSES
A PLANNED UNIT DEVELOPMENT

THIS AMENDMENT made on the date hereinafter set forth by RICHARD VOVES and JOAN VOVES, husband and wife, of Anchorage, Alaska, and JAMES CAMPBELL and RACHEL CAMPBELL, husband and wife, of Anchorage, Alaska, hereinafter referred to as the "Declarant" is an amendment to that certain Declaration of Covenants, Conditions and Restrictions of Lakewood Terrace Townhouses, a Planned Unit Development, recorded in the Anchorage Recording District, on May 5, 1977, in Book 188, at pages 981 to 955, Records of the Anchorage Recording District, Third Judicial District, State of Alaska, hereinafter referred to as "Declaration".

The purpose of this Amendment is to reflect the annexation of additional property into the Planned Unit Development so that all of the properties herein described and described in the above Declaration shall be held, sold and conveyed to the easements, restrictions, covenants and conditions set forth in the above Declaration, all of which shall run with the real property and be binding on all parties having any right, title or interest in the described properties, or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

Declarant hereby declares that all of the below described property owned by it shall by this instrument be made a part of the Lakewood Terrace Townhouses, a Planned Unit Development, and subject to all provisions of the Declaration above referred to:

Blocks Three (3) and Four (4), according to
Plat No. 77-245, a portion of the
resubdivision of Lot Four "A" (4-A), H.J.
McGILL SUBDIVISION, located in the
Northwest One-quarter (NW ¼), Section 3,
Township 12 North, Range 4 West, Seward
Meridian, Anchorage Recording District,
State of Alaska.

This Amendment is executed and recorded pursuant to Article VIII, Section 4(a) of the above Declaration. Except as herein expressly provided, no other modifications of the above Declaration are intended except such as may be required to give sense to the addition of the above-described real property to the Lakewood Terrace Townhouses, A Planned Unit Development.

DATED at Anchorage, Alaska this 19th day of July, 1978.