

Anchorage Recording District

**AMENDED & RESTATED
DECLARATION OF
ALYESKA EAST CONDOMINIUMS**
- A Mixed-Use Common Interest Community -

AFTER RECORDING RETURN TO:
Alyeska East Condominium Association, Inc.
c/o Girdwood Realty & Property Management, LLC
Attn: Scott Kirk
P.O. Box 376
Girdwood, Alaska 99587

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**AMENDED & RESTATED
DECLARATION OF
ALYESKA EAST CONDOMINIUMS**

ALYESKA EAST CONDOMINIUM ASSOCIATION, INC., an Alaskan nonprofit corporation, whose mailing address is *Girdwood Realty & Property Management, LLC, Attn: Scott Kirk, P.O. Box 376, Girdwood, Alaska 99587*, pursuant to that certain *Amended Declaration Submitting Real Property to the Horizontal Property Regimes Act of the State of Alaska* recorded on March 23, 1970 in Book 185 at Page 425 (Serial No. 1970-006741-0), together with Plat No. 70-68; as amended by Plat No. 70-166; as amended by *Second Amendment to Declaration Submitting Real Property to the Horizontal Property Regimes Act of the State of Alaska for Alyeska East Condominiums* recorded on October 5, 1992 in Book 2325 at Page 766 (Serial No. 1992-044089-0), together with Plat No. 92-92; and as amended by *Third Amendment to Declaration Submitting Real Property to the Horizontal Property Regimes Act of the State of Alaska for Alyeska East Condominiums* recorded on June 6, 1996 in Book 2935 at Page 577 (Serial No. 1996-027560-0), records of the Anchorage Recording District, Third Judicial District, State of Alaska (collectively the "**Original Declaration**"), and *as adopted and approved by at least a seventy percent (70%) vote or agreement of the members of the Association* in accordance with Section 12 of the Original Declaration, do hereby amend and restate the Original Declaration in its entirety as set forth herein. This Amended and Restated Declaration ("**Declaration**") replaces and supersedes the Original Declaration.

RECITALS

- A. BRUCE FICKE executed and recorded the Original Declaration, submitting the real property described therein to the provisions of the Horizontal Property Regimes Act of the State of Alaska for the purpose of creating Alyeska East Condominiums.
- B. The Association desires to amend and restate the Original Declaration in its entirety and submit the real property to the Common Interest Ownership Act, Title 34, Chapter 8, of the Alaska Statutes ("**Act**").

NOW, THEREFORE, the Original Declaration is amended and restated as set forth herein, and this Declaration replaces and supersedes the Original Declaration.

**ARTICLE I
Definitions**

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

Section 1.1 - Act. The Uniform Common Interest Ownership Act, Title 34 Chapter 08 of the Alaska Statutes, as it may be amended from time to time.

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

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

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

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

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

- (a) Expenses of administration, maintenance, repair, or replacement of the Common Elements;
- (b) Expenses declared to be Common Expenses by the Documents or by the Act;
- (c) Expenses agreed upon as Common Expenses by the Association; and
- (d) Such reasonable reserves as may be established by the Association, whether held in trust or by the Association, for repair, replacement, or addition to the Common Elements or any other real or personal property acquired or held by the Association.

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

Section 1.8 - Declaration. This Amended and Restated Declaration of Alyeska East Condominiums, including any amendments.

Section 1.9 - Director. A member of the Executive Board.

Section 1.10 - Documents. The Declaration, Plat and Plans recorded and filed pursuant to the provisions of the Act, the Bylaws, and the Rules, as they may be amended from time to time. Any attachment, schedule, or certification accompanying a Document is a part of that Document.

Section 1.11 - Eligible Insurer. An insurer or guarantor of a first Security Interest in a Unit.

Section 1.12 - Eligible Mortgagee. The holder of a first Security Interest in a Unit.

Section 1.13 - Executive Board. The board of directors of the Association.

Section 1.14 - Improvements. Any construction, structure, fixture, or facilities existing or to be constructed on the land included in the Common Interest Community, including but not limited to, buildings, trees, and shrubbery planted by the Declarant, a Unit Owner or the Association, paving, signage, utility wires, pipes, and light poles.

Section 1.15 - Limited Common Elements. The portion of the Common Elements allocated for the exclusive use of one or more but fewer than all of the Units by the Declaration or by operation of Subsections (2) and (4) of Section 34.08.100 of the Act. The Limited Common Elements in the Common Interest Community are described in **Article V**.

Section 1.16- Majority or Majority of Unit Owners. The owners of more than fifty percent (50%) of the voting interest in the Association.

Section 1.17 - Manager. A Person, firm or corporation employed or engaged to perform management services for the Common Interest Community and the Association.

Section 1.18 - Notice and Comment. The right of a Unit Owner to receive notice of an action proposed to be taken by or on behalf of the Association, and the right to comment thereon. The procedures for Notice and Comment are set forth in **Section 22.1**.

Section 1.19 - Notice and Hearing. The right of a Unit Owner to receive notice of an action proposed to be taken by the Association, and the right to be heard thereon. The procedures for Notice and Hearing are set forth in **Section 22.2**.

Section 1.20 - Person. An individual, corporation, business trust, estate, trust, partnership, association, joint venture, government, government subdivision or agency, or other legal or commercial entity.

Section 1.21 - Plat and Plans. The Plat and Plans filed with the Original Declaration as Plat No. 70-68, as amended by Plat Nos. 70-166 and 92-92, records of the Anchorage Recording District, Third Judicial District, State of Alaska, as they may be amended from time to time.

Section 1.22 - Property. The land, all Improvements, easements, rights and appurtenances, which are included in the Common Interest Community and which have been submitted to the provisions of the Act by the Declaration.

Section 1.23 - Rules. Rules for the use of Units and Common Elements and for the conduct of Persons within the Common Interest Community, which may be adopted by the Executive Board pursuant to the Declaration.

Section 1.24 - Security Interest. An interest in real estate created by contract or conveyance, which secures payment or performance of an obligation. The term includes a lien created by a mortgage, deed of trust, trust deed, security deed, contract for deed, land sales contract, lease intended as security, assignment of lease or rents intended as security, and any other consensual lien or title retention contract intended as security for an obligation.

Section 1.25 - Trustee. The entity which may be designated by the Executive Board as the Trustee for the receipt, administration, and disbursement of funds derived from insured losses, condemnation awards, special assessments for uninsured losses, and other like sources as defined in the Bylaws. If no Trustee has been designated, the Trustee will be the Executive Board from time to time constituted, acting by Majority vote, as executed by the president and attested by the secretary.

Section 1.26 - Unit. A physical portion of the Common Interest Community designated for separate ownership or occupancy, the boundaries of which are described in **Section 4.2.**

Section 1.27 - Unit Owner. A Person who owns a Unit. Unit Owner does not include a Person having an interest in a Unit solely as security for an obligation.

ARTICLE II

Name and Type of Common Interest Community and Association

Section 2.1 - Common Interest Community. The name of the Common Interest Community is ALYESKA EAST CONDOMINIUMS. Alyeska East Condominiums is a mixed-use condominium community.

Section 2.2 - Association. The name of the Association is ALYESKA EAST CONDOMINIUM ASSOCIATION, INC.

ARTICLE III

Description of Land

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

ARTICLE IV

Number of Units; Boundaries

Section 4.1 - Number of Units & Types of Units. The Common Interest Community contains forty-six (46) **Units**. The Common Interest Community contains Units that are used for both residential and commercial purposes.

Section 4.2 - Boundaries. The boundaries of each Unit created by the Declaration are shown on the Plat and Plans and are more particularly described as follows:

- (a) *Upper Boundary.* The horizontal or sloping plane or planes of the unfinished lower surfaces of the ceiling bearing structure surfaces, beams, and rafters extended to an intersection with the vertical perimeter boundaries.
- (b) *Lower Boundary.* The horizontal plane or planes of the undecorated or unfinished upper surfaces of the floors, extended to an intersection with the vertical perimeter boundaries and open horizontal unfinished surfaces of trim, sills, and structural components.
- (c) *Vertical Perimeter Boundaries.* The planes defined by the inner surfaces of the studs and framing of the perimeter walls; the unfinished inner surfaces of poured concrete walls; the unfinished surfaces of the interior trim, and thresholds along perimeter walls and floors; the unfinished exterior surfaces of closed windows and closed perimeter Unit doors; and the innermost unfinished planes of all interior bearing studs and framing of bearing walls, columns, bearing partitions, and partition walls between separate Units.
- (d) *Inclusions.* Each Unit will include the spaces and Improvements lying within the boundaries described in **Sections 4.2(a), 4.2(b), and 4.2(c)** above.
- (e) *Exclusions.* Except when specifically included by other provisions of **Section 4.2**, the following are excluded from each Unit and are part of the Common Elements:
 - i. The spaces and Improvements lying outside of the boundaries described in **Sections 4.2(a), 4.2(b), and 4.2(c)** above;
 - ii. Those spaces, and the Improvements within such spaces, containing any water heating system or hot water storage tank serving one (1) or more Units or the Common Elements, including the structural elements that support such spaces.
 - iii. Any portion of a water heating system or hot water storage tank otherwise located inside the Unit boundaries, including all pipes or other components thereof;
 - iv. All components of the fire suppression and sprinkler system, including but not limited to the riser, pipes, sprinkler head, valves and any portion of the sprinkler system otherwise located inside the Unit boundaries.

- (f) *Inconsistency with Plans.* If the Plat and Plans are inconsistent with this definition, then this definition will control.

ARTICLE V
Common Elements and Limited Common Elements

The Common Elements are each portion of the Common Interest Community other than a Unit and include, but are not limited to, the hallways, lobby, laundry room, storage room, open space shown on the Plat and Plans, those spaces containing any water heating system or hot water storage tank serving one (1) or more Units or the Common Elements, and all components of the fire suppression and sprinkler system, including but not limited to, the riser, pipes, sprinkler head, valves and any portion of the sprinkler system located inside the boundaries of a Unit.

The following portions of the Common Elements are Limited Common Elements assigned to the Units as stated:

- (a) If a chute, flue, pipe, duct, wire, conduit, bearing wall, bearing column, or other fixture lies partially within and partially outside the designated boundaries of a Unit, the portion serving only the Unit is a Limited Common Element, allocated solely to the Unit, the use of which is limited to that Unit, and any portion thereof serving more than one (1) Unit or a portion of the Common Elements is a part of the Common Elements.
- (b) Decks designed to serve one (1) or more Unit(s), located outside the boundaries of the Unit(s), are Limited Common Elements allocated exclusively to the Unit(s) served, and their use is limited to such Unit(s).
- (c) Water heating systems or hot water storage tanks serving one (1) or more Unit, including all pipes and other components thereof, are Limited Common Elements allocated exclusively to the Units served and their use is limited to such Units.
- (d) Fireplaces and all components thereof serving individual Units are Limited Common Elements allocated exclusively to the Unit served and their use is limited to that Unit.
- (e) Windowpanes, window frames, window trim or other window assembly fixtures designed to serve a single Unit are Limited Common Elements allocated exclusively to that Unit and their use is limited to that Unit.
- (f) Address numbers, Unit letters, and lock boxes are Limited Common Elements allocated to the Units served.

ARTICLE VI
Maintenance, Repair, and Replacement

The chart below sets forth some of the maintenance, repair, and replacement obligations of the Unit Owner and of the Association however read **Article VI** carefully for the full designations.

MAINTENANCE CHART	
<p><u>OWNER RESPONSIBILITY</u></p> <ul style="list-style-type: none">➤ Maintenance, repair, and replacement of all portions of the Unit and any Improvements to it, including but not limited to, drywall, lighting fixtures, electrical outlets, interior cabinets, appliances, finishes and fixtures, doors.➤ Maintenance, repair, and replacement of Limited Common Element window-panes, frames, trim, casing, apron and all other window assembly fixtures.➤ Sweeping and removing snow and other debris from Limited Common Element decks.➤ Maintenance, repair and replacement of Limited Common Element water heating systems or hot water storage tanks, and all pipes and other components thereof, designed to serve a single Unit.➤ Maintenance, repair and replacement of Limited Common Element lock boxes and Unit Identifiers➤ Maintenance, repair, and replacement of Limited Common Element fireplaces and all components thereof designed to serve a single Unit (including gas lines, ducts, and vents for the fireplace).	<p><u>ASSOCIATION RESPONSIBILITY</u></p> <ul style="list-style-type: none">➤ Maintenance, repair, and replacement of all Common Elements, including but not limited to, roofs, siding, hallways, stairwells, patios, walkways; but excluding certain Limited Common Elements that Unit Owners are required to maintain.➤ Maintenance, repair, and replacement of Limited Common Element decks.➤ Maintenance, repair and replacement of water heating systems or hot water storage tanks, and all pipes and other components thereof, designed to serve the Common Elements.➤ Maintenance, repair and replacement of the fire suppression and sprinkler system, including but not limited to the riser, pipes, sprinkler head, valves.

Section 6.1 - Common Elements. The Association shall maintain, repair and replace all of the Common Elements, except for certain Limited Common Elements which are required to be maintained by the Unit Owners as set forth in Section 6.1(b) below. Common Expenses associated with the cleaning, maintenance, repair or replacement of Limited Common Elements which are not the specific maintenance responsibility of a Unit Owner or Unit Owners or a maintenance expense of the Association which is to be specifically assessed to the Unit Owner or Unit Owners to whose Unit(s) the Limited Common Element is appurtenant will be assessed against all Units in accordance with their Allocated Interests in the Common Expenses.

- (a) *Maintenance, Repair, and Replacement Obligations of the **Association** with Respect to Certain Limited Common Elements.*
- (i) Decks. The Association shall maintain, repair and replace the Limited Common Element decks.
- (b) *Maintenance, Repair, and Replacement Obligations of **Unit Owners** with Respect to Certain Limited Common Elements.*
- (i) Decks. Each Unit Owner shall be responsible for sweeping, cleaning and removing snow and other debris from the Limited Common Element deck appurtenant to their Unit.
- (ii) Fireplaces. Each Unit Owner shall be responsible for the maintenance, repair and replacement of the Limited Common Element fireplace and all components thereof that are designed to serve the individual Unit.
- (iii) Water Heating Systems. Each Unit Owner shall be responsible for the maintenance, repair and replacement of the Limited Common Element water heating system(s) or hot water storage tank(s) and all components thereof that are designed to serve the individual Unit.
- (iv) Windows. Each Unit Owner shall be responsible for the maintenance, repair and replacement of the Limited Common Element windowpanes, window frames, window trim and other window assembly fixtures designed to serve their Unit.
- (v) Unit Identifiers and lock boxes. Each Unit Owner shall be responsible for the maintenance, repair and replacement of any Limited Common Element Address numbers, Unit letters, and lock boxes allocated to his or her Unit.

Section 6.2 - Units. Each Unit Owner shall maintain, repair, and replace, at his or her own expense, all portions of his or her Unit. Perimeter doors and windows shall be maintained, repaired, and replaced by the Unit Owner in accordance with the standards promulgated and provided to the Unit Owners from time to time by the Executive Board. The Executive Board may adopt rules imposing additional standards concerning the maintenance, repair and replacement of the Units for the purpose of avoiding adverse effects on the condition, use or enjoyment of the other Units or the Common Elements.

Section 6.3 – Failure to Maintain, Repair and Replace.

- (a) If a Unit Owner fails to maintain, repair or replace a Unit or any other portion of the Common Interest Community for which the Unit Owner is responsible after the Unit Owner knew or should have known that such maintenance, repair or replacement was needed, and such failure causes damage to another Unit or to the Common Elements, the Unit Owner shall reimburse the Owner of the damaged Unit, or the Association, as the case may be, for the cost of restoring the damage in excess of an insurance proceeds received by the Association under its insurance policy, whether the portion results from the application of a deductible or otherwise.
- (b) If the Association fails to maintain, repair or replace the Common Elements or any other portion of the Common Interest Community for which it is responsible after the Association knew or should have known that such maintenance, repair or replacement was needed, and such failure causes damage to a Unit:
 - (i) If the damage is covered by the Association's insurance policy, the Association shall restore it in accordance with **Article XXI** of the Declaration (Damage to or Destruction of Property); or
 - (ii) If the damage is not covered by the Association's insurance policy, the Association shall reimburse the Owner of the damaged Unit for the reasonable cost of restoring the damage.

Section 6.4 - Access.

- (a) *Access by Association.* Any Person authorized by the Executive Board shall have the right of access to all portions of the Property for the purpose of correcting any condition threatening a Unit, the Common Elements or the Limited Common Elements, and for the purpose of performing inspections, installations, alterations, or repairs and for the purpose of reading, repairing, replacing utility meters and related pipes, valves, wires, and equipment, provided that requests for entry to a Unit or Limited Common Elements are made in advance and that any such entry is at a time reasonably convenient to the affected Unit Owner. In case of an emergency, no such request or notice is required and such right of entry shall be immediate, whether or not the Unit Owner is present at the time.
- (b) *Access by Unit Owners.* A Unit Owner or a qualified contractor or professional engaged by the Unit Owner shall have the right of access to all portions of the Property for the purpose of carrying out the Unit Owner's obligations to maintain, repair and replace the Unit and the Limited Common Elements for which the Unit Owner is responsible, provided that requests for entry to a Unit or Limited Common Elements shall be made in advance and any such entry shall be at a time reasonably convenient

to the affected Unit Owner or the Association, as the case may be. In case of an emergency, immediate access to other Units may be arranged through the Association, whether or not the Unit Owner of the other Unit is present at the time.

Section 6.5 - Enforcement. In the event that a Unit Owner should fail to perform any obligation required in this Section as may be determined by the Executive Board, then the Executive Board may provide for the performance of any such neglected obligation by whatever reasonable means it may determine in its sole discretion. In case of emergency as determined by the Executive Board, it may act immediately; and in all other cases the Executive Board may act hereunder following thirty (30) days written notice to the Unit Owner. All expenses incurred by the Executive Board or the Association as a result of taking action under this Section shall be chargeable to the Unit Owner as provided for under **Section 17.2** hereof.

ARTICLE VII **Allocated Interests**

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

Section 7.2 - Formulas for the Allocation of Interests. Pursuant to **Section 7.1** above, the Allocated Interests to be allocated to each Unit will be calculated by taking as a basis the value of the Unit in relation to the value of the Property, exclusive of improvements or betterments installed by a Unit Owner:

- (a) *Undivided Interest in the Common Elements.* The percentage of the undivided interest in the Common Elements allocated to each Unit is set forth in **Schedule A-2**.
- (b) *Common Expense Liability for Common Elements and the Association.* Common Expense allocations and percentage share of Common Expenses for each Unit are set forth in **Schedule A-2**. Nothing contained in this Subsection shall prohibit certain Common Expenses from being apportioned to particular Units under **Article XVII**.
- (c) *Votes.* Each Unit in the Common Interest Community shall have the number of votes as set forth in **Schedule A-2**. Any specified percentage, portion or fraction of Unit Owners, unless otherwise stated in the Documents, means the specified percentage, portion, or fraction of all of the votes as allocated in **Schedule A-2**.
- (d) *Multiple Ownership of a Unit.* When more than one (1) Person holds an ownership interest in any Unit, the vote for such Unit shall be exercised as determined among those Unit Owners, but in no event shall any Unit cast more votes than the number of votes allocated to the Unit in **Schedule A-2**. The number of votes allocated to a

Unit may not be divided or split. Any votes cast with regard to any such Unit in violation of this provision shall be null and void.

ARTICLE VIII
Restrictions on Use, Alienation, and Occupancy

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

- (a) *Residential Use.* Except as provided with respect to certain Units listed in **Section 8.1(b)** below, each Unit is restricted to residential use, including home professional pursuits not requiring regular visits from the public or unreasonable levels of mail, shipping, trash, or storage. Residential use is defined as a single housekeeping unit, operating on a non-profit, non-commercial basis between its occupants, cooking and eating with a common kitchen and dining area. The number of permitted occupants in a Unit shall not exceed the requirements contained in the Anchorage Municipal Code.
- (b) *Commercial Use and/or Residential Use.* Unit No's. C-1, C-2, C-3, C-103, C-105, C-107, C-109, C-111 and C-112 may be used for (1) commercial, professional and/or business office uses as approved by the Executive Board; and (2) residential use as set forth in **Subsection (a)** above. Any commercial, professional and/or business office use of these Units, or any material change in such use, must be approved by the Executive Board in advance.
- (c) *Bylaws and Rules.* The use of Units and Common Elements is subject to the Bylaws and the Rules of the Association.
- (d) *Nuisance.* No noxious or offensive activity shall be carried on within the Common Interest Community, nor shall anything be done therein which may become an annoyance or nuisance to the neighborhood.
- (e) *Quiet Time.* Quiet time for all Units shall be between the hours of 10:30p.m. and 9:00a.m, and noise during the day shall be reasonable. The audible volume of televisions, stereos, and/or musical equipment shall be reduced at all times so as not to interfere with the quiet enjoyment of the Common Interest Community.
- (f) *Commercial Unit Hours of Operation.* Units being used for commercial, professional and/or business office uses may operate during the hours of 7:00am and 10:00pm. The audible volume of business operations, guests and clients shall be substantially reduced during quiet time so as not to interfere with the quiet enjoyment of the Common Interest Community.

- (g) *Improper Use.* No improper, offensive, immoral or unlawful use may be made of the Units, and Unit Owners shall comply with and conform to applicable federal and State of Alaska laws and regulations and all ordinances, rules, and regulations of the Municipality of Anchorage. Any violating Unit Owner shall hold the Association and other Unit Owners harmless from fines, penalties, costs, and prosecutions for the violation thereof or non-compliance therewith.
- (h) *Signs.* Except for parking and street signage, no signs whatsoever shall be displayed to the public view except (1) a single sign of not more than five square feet (5 sq. ft.) advertising a Unit for sale or rent by a Unit Owner located on the inside of a window of a Unit; and (2) for Units listed in **Section 8.1(b)** above that are being used for commercial, professional and/or business office uses, a sign identifying the business, the appearance, dimension and location of which shall be approved by the Executive Board prior to placement.
- (i) *Garbage and Refuse Disposal.*
- (i) No accumulation of rubbish, debris or unsightly materials shall be permitted in the Common Elements, or within Units. Unit Owners shall dispose of trash, garbage or other waste within secured trash bags which shall be transported to a dumpster suitable for such waste. Unit Owners shall transport trash and garbage in such manner as to ensure that the Common Elements, including but not limited to, hallways, stairwells and the parking areas, are kept clean and free of trash and litter. Long term storage of rubbish in the Units is prohibited.
- (ii) No portion of the Property shall be used for the storage of building materials, refuse, or any other materials. No outside burning of trash or garbage is permitted.
- (j) *Water and Sewer.* Each Unit Owner has an undivided interest in the Common Interest Community Common Element water lines and sewer service lines. To preserve and minimize potential damage and deterioration to the sewer service lines and water lines, Units Owners shall not pour grease, oils or cooking fat residues into sinks, garbage disposal units or other drains. No diapers, sanitary napkins, newspapers, solid rags or paper towels are to be disposed in toilets. No used oil, oil-based paints, solvents or other chemicals are to be disposed into the Community sewer service lines or elsewhere in the Common Interest Community.
- (k) *Parking.* There is no parking lot or designated parking within the Common Interest Community. Unit Owners shall use the public parking lot located outside of the Common Interest Community. Unit Owners shall observe all terms and conditions

of any parking agreement between the Association and any parking lot owner, as well as any Rules regarding parking as promulgated by the Executive Board.

- (l) *Antenna and Satellite Dishes.* References to "Satellite Dishes" herein shall be deemed to include 'antennas'.
 - (i) Satellite Dishes may not be installed on or within any portion of the Common Elements other than Limited Common Elements allocated solely to the Unit served by the Satellite Dish.
 - (ii) The installation of Satellite Dishes within a Unit is unrestricted provided that no portion of the Satellite Dish extends beyond the boundaries of the Unit or its Limited Common Elements.
 - (iii) The installation of satellite dishes on Limited Common Elements shall be completed in a professional workmanlike manner by a licensed bonded and insured installer, approved by the Association. Wiring shall be installed in a neat, secure and inconspicuous manner so as to minimize exposed wiring. No satellite wiring or equipment shall protrude beyond the Limited Common Element boundaries or otherwise encroach onto the Common Elements. Satellite dish color shall be neutral tones only, and no commercial advertising on the satellite dish is permitted other than the brand name.

- (m) *Pets.* Unit Owners may maintain pets in their Units of the following types: domestic cats; domestic dogs; domestic birds; gerbils, rodents, reptiles; and fish. No livestock, poultry, fowl, rabbits or other animals may be kept in any part of the Common Interest Community.
 - (i) Birds shall be kept in bird cages. Gerbils, rodents, and reptiles shall be kept in terrariums or cages; fish shall be kept in aquariums. All pets shall be kept within a Unit and shall not be boarded on Limited Common Element decks.
 - (ii) No more than two (2) pets are permitted per Unit.
 - (iii) Pets shall not be raised or bred for commercial purposes.
 - (iv) Pets demonstrating behaviors within the classifications defined in Anchorage Municipal Code ("AMC") 17.40.020(A), as it may be amended from time to time, and not falling within any of the exceptions contained AMC 17.40.020(B), as it may be amended from time to time, are prohibited on the Property.

- (v) Unit Owner's shall hold the Association harmless from all claims resulting from the actions of his or her pet.
- (vi) Unit Owners shall be responsible for keeping their Units, Limited Common Elements, and Common Elements free and clear of pet feces. Unit Owners shall immediately remove their pet's animal feces from all areas of the Common Interest Community.
- (vii) The provisions of the leash law (AMC 17.10.010, as it may be amended from time to time) shall be observed and pets shall be leashed and kept under control at all times except for pets within a Unit or Limited Common Element deck. Pets shall be licensed, vaccinated, and maintained in accordance with municipal law.
- (viii) Unit Owners shall contain and control their pets to the extent necessary to prevent their pet creating or becoming a nuisance as defined and described in AMC 17.10.015, as it may be amended from time to time. Pets causing or creating a nuisance or unreasonable disturbance or noise, so as to interfere with the rights, comfort, or convenience of other Unit Owners shall be permanently removed from the Property upon three (3) days' written Notice and Hearing from the Executive Board. If the pet owner fails to honor such request, the Executive Board may remove the offending pet.
- (n) *Window Coverings.* Unit Owners shall install only the following types of window coverings: (1) mini blinds, (2) shades, (3) duettes, and (4) sheers. Window coverings shall be white, neutral, or light in color when viewed from the street and must be installed on all windows and glass doors within three (3) months of closing or occupancy, whichever is sooner. No window shall be covered with garments, sheets, blankets, aluminum foil or similar materials.
- (o) *Holiday Lighting.* Temporary decorative holiday lighting visible to the public view is permitted within Limited Common Element decks and within the inside of a window of a Unit.
- (p) *Recreational Equipment and Personal Property.* Recreational equipment, including but not limited to, skis, snowboards, boots, sleds, bikes etc., shall not be stored within the Limited Common Element decks or within the Common Elements. However, recreational equipment may be stored within the Common Element storage room subject to rules adopted by the Executive Board. No Unit Owner shall place, store or maintain any personal property, furniture, packages or objects of any kind within the Common Element open spaces, halls, lobbies, or stairways or otherwise obstruct transit through such Common Element areas.

- (q) *Outdoor Cooking Devices.* The storage or operation of outdoor grills, barbecues, smokers or any other cooking device (propane, gas, charcoal, wood burning, etc.) is expressly prohibited anywhere within the Common Interest Community, except as may be approved by the Executive Board.
- (r) *Limited Common Element Decks.*
- (i) Plants and personal property on Limited Common Element decks shall not protrude beyond the deck boundary nor be placed on or hung from a deck railing.
 - (ii) Plants on plant shelves are permitted within Limited Common Element deck areas provided they do not exceed the height of the deck rail. Plants may be hung within the boundary of the deck area and must be securely anchored so as not to create a safety hazard. Such visible hanging plants on a deck must not have an offensive appearance and dead plants are not permitted.
 - (iii) Deck furniture, such as a bistro table and chairs, are permitted to be stored on the decks. No other deck storage is permitted, including, but not limited to, bicycles, skis, snowboards, gym equipment, boxes, tires, ladders, cleaning supplies (such as mops), garbage, trash containers, appliances (such as refrigerators), and visible storage cabinets.
 - (iv) No article, such as towels, rugs, or clothing may be hung or shaken from a Limited Common Element deck.
- (s) *Smoking and Vaping.* Smoking or vaping of tobacco, marijuana or any other substance is prohibited anywhere within the Common Interest Community.
- (t) *Alcoholic Beverages.* Drinking or consumption of alcoholic beverages is prohibited within the Common Elements.
- (u) *Overloading.* No machinery, apparatus, appliance or equipment shall be located in any Unit or in a Common Element area which will in any manner structurally overload or damage any portion of a Unit or the Common Elements, or otherwise vibrate or shake any portion of a Unit or the Common Elements in such a manner so as to cause a disturbance to occupants of other Units.

- (v) *Location of Lock Boxes and Unit Identifiers.* Limited Common Element Address numbers, Unit letters, and lock boxes shall be installed only in locations designated and approved by the Executive Board.

Section 8.2 - Restrictions on Alienation. A Unit may not be conveyed pursuant to a time-sharing plan. A Unit may be rented only by written lease, and provided that:

- (a) The lease contains a statement obligating all tenants to abide by the Documents and providing that the lease is subject and subordinate to the same.
- (b) The lease provides that any default arising out of the tenant's failure to abide by the Documents shall be enforceable by the Association as a third-party beneficiary to the lease, and that the Association shall have, in addition to all rights and remedies provided under the Documents, the right to evict the tenant or terminate the lease should any such violation continue for a period of three (3) days following delivery of written notice to the tenant specifying the violation.
- (c) A true and complete copy of the lease, and the name and telephone contact number of the tenant, shall be provided to the Association at least five (5) days prior to occupancy of the Unit by the tenant.
- (d) A copy of the Rules must be conspicuously posted or displayed within the Unit.
- (e) The Unit Owner must either be personally available by telephone or have a designated agent available by telephone at all times during the term of the lease. If a Unit Owner will not be personally available, the name and telephone contact number of the designated agent shall be provided to the Association in writing prior to the first day of the lease term. The Unit Owner or designated agent must be able to promptly contact the tenant in order to address any complaints and/or violations of the Documents.
- (f) Unit Owners who lease their Unit must ensure that their Unit has insurance coverage for damage or injury arising from the lease of their Unit, including coverage for short-term rentals through services such as AirBnB and VRBO. Proof of such insurance shall promptly be provided to the Executive Board annually and at any time upon request.
- (g) Each Unit Owner shall remain liable for compliance with the Documents, and shall be responsible for securing such compliance from the tenants of the Unit.
- (h) Each Unit Owner shall be responsible for the payment of all fines that are assessed by the Association as a result of actions or activities of tenants or their guests.

Section 8.3 - Violations of Use Restrictions. A violation shall be failure by a Unit Owner to comply with a restriction, or failure to cure a prohibited activity within five (5) days after notification of non-compliance. Violations of the use restrictions are disruptive to the Common Interest Community and create additional administrative expense to the Association and accordingly, the Association may assess fines as specified in the rules adopted by the Association. Fines collected from Unit Owners pursuant to this Section shall be collected by and belong to the Association. If a Lot Owner fails to correct a violation after a fine has been assessed against the Lot Owner, the Board may engage an attorney to enforce the provisions of the Documents, and may collect all applicable costs and attorney's fees from the Lot Owner.

ARTICLE IX Easements and Licenses

Easements or licenses to which the Common Interest Community is presently subject are recited in **Schedule A-1** to the Declaration.

ARTICLE X Allocation and Reallocation of Limited Common Elements

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

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

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

ARTICLE XI Additions, Alterations, and Improvements

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

- (a) No Unit Owner shall make any structural addition, structural alteration, or Improvement in or to a Unit that affects the Common Elements without the prior written consent thereto of the Executive Board in accordance with **Subsection 11.1(c)** below.

- (b) Subject to **Subsection 11.1(a)** above, a Unit Owner:
 - (i) May make any other Improvements or alterations to the interior of his or her Unit that do not impair the structural integrity or mechanical systems or lessen the support of any portion of the Common Elements;
 - (ii) May not change the appearance of the Common Elements, or the exterior appearance of a Unit or any other portion of the Common Interest Community, without permission of the Association; and
 - (iii) After acquiring an adjoining Unit or an adjoining part of an adjoining Unit, may remove or alter any intervening partition or create apertures therein, even if the partition in whole or in part is a Common Element, if those acts do not impair the structural integrity or mechanical systems or lessen the support of any portion of the Common Elements. Removal of partitions or creation of apertures under this Subsection is not an alteration of boundaries.
- (c) A Unit Owner may submit a written request to the Executive Board for approval of actions prohibited by **Subsection 11.1(a)** or **11.1(b)**. The Executive Board shall answer any written request for such approval, after Notice and Hearing, within sixty (60) days after the request thereof. Failure to do so within such time shall not constitute a consent by the Executive Board to the proposed action. The Executive Board shall review requests in accordance with the provisions of its rules.
- (d) Any applications to any department or to any governmental authority for a permit to make any addition, alteration or improvement in or to any Unit shall be executed by the Association only. Such execution will not, however, create any liability on the part of the Association or any of its members to any contractor, sub-contractor or material man on account of such addition, alteration, or improvement or to any person having any claim for injury to person or damage to property arising therefrom.
- (e) All additions, alterations, and Improvements to the Units and Common Elements shall not, except pursuant to prior approval by the Executive Board, cause any increase in the premiums of any insurance policies carried by the Association or by the Unit Owners other than those affected by such change.

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

ARTICLE XII
Relocation of Boundaries Between Adjoining Units

Section 12.1 - Application and Amendment. Subject to approval of any structural changes and required permits pursuant to **Article XI**, the boundaries between adjoining Units may be relocated by an amendment to the Declaration upon application to the Association by the owners of the Units affected by the relocation. If the owners of the adjoining Units have specified a reallocation between their Units of their Allocated Interests, the application shall state the proposed reallocations. Unless the Executive Board determines, within thirty (30) days after receipt of the application, that the reallocations are unreasonable, the Association shall consent to the reallocation and prepare an amendment that identifies the Units involved, states the reallocations and indicates the Association's consent. The amendment must be executed by those Unit Owners and contain words of conveyance between them, and the approval of all holders of Security Interests in the affected Units shall be endorsed thereon. On recordation, the amendment shall be indexed in the name of the grantor and the grantee, and in the grantee's index in the name of the Association.

Section 12.2 - Recording Amendments. The Association shall prepare and record Plats or Plans necessary to show the altered boundaries between adjoining Units, and their dimensions and identifying numbers. The applicants will pay for the costs of preparation of the amendment, Plat and Plans recording costs, and the reasonable consultant fees of the Association if it is deemed necessary to employ a consultant by the Executive Board.

ARTICLE XIII
Amendments to Declaration

Section 13.1 - General. Except in cases of amendments that may be executed by the Association under **Article XXV** and Section 34.08.740 of the Act (Eminent Domain), or amendments by certain Unit Owners under **Article XII** of the Declaration (Relocation of Boundaries between adjoining Units) and Section 34.08.260 of the Act (Termination of Common Interest Community), and except as limited by **Section 13.2** of the Declaration (When Unanimous Consent Required) and **Article XVI** of the Declaration (Mortgagee Protection), the Declaration, including the Plat and Plans, may be amended only by vote or agreement of Unit Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated.

Material Amendments or Extraordinary Actions, as defined below, are subject to the notice provisions contained in **Subparagraph (c)** below:

- (a) A **Material Amendment** shall mean an amendment which adds, deletes, or modifies any provision of the Declaration regarding the items set forth in the list below. Material Amendments shall also mean any matter identified as a material amendment by the secondary lending agencies, including the Financing Agencies.

- (i) Assessment basis or assessment liens;
 - (ii) Any method of imposing or determining any charges to be levied against individual Unit Owners;
 - (iii) Reserves for maintenance, repair, or replacement of Common Element Improvements;
 - (iv) Maintenance obligations;
 - (v) Allocation of rights to use Common Elements;
 - (vi) Any scheme of regulation or enforcement of standards for maintenance, architectural design or exterior appearance of Improvements on Units;
 - (vii) Reduction of insurance requirements;
 - (viii) Restoration or repair of Common Element Improvements;
 - (ix) The addition, annexation, or withdrawal of land to or from the project;
 - (x) Voting rights;
 - (xi) Restrictions affecting leasing or sale of a Unit; or
 - (xii) Any provision which is for the express benefit of mortgagees.
- (b) An **Extraordinary Action** shall mean any of the actions set forth in the list below. Extraordinary Actions shall also mean any matter identified as an extraordinary action by the secondary lending agencies, including the Financing Agencies or any other national major secondary financing agency:
- (i) Merging or consolidating the Association (other than with another non-profit entity formed for purposes similar to the subject Association);
 - (ii) Determining not to require professional management if that management has been required by the Association documents, a majority of Eligible Mortgagees or a majority vote of the members;

- (iii) Expanding the Association to include land not previously described as additional land which increases the overall land area of the project or number of Units by more than ten percent (10%);
 - (iv) Abandoning, partitioning, encumbering, mortgaging, conveying, selling or otherwise transferring or relocating the boundaries of Common Elements (except for (i) granting easements which are not inconsistent with or which do not interfere with the intended Common Element use; (ii) dedicating Common Element as required by a public authority; (iii) limited boundary-line adjustments made in accordance with the provisions of the Declaration; or (iv) transferring Common Element pursuant to a merger or consolidation with a non-profit entity formed for purposes similar to the subject Association);
 - (v) Using insurance proceeds for purposes other than construction or repair of the insured Improvements; or
 - (vi) Making capital expenditures (other than for repair or replacement of existing Improvements) during any period of twelve (12) consecutive months costing more than twenty percent (20%) of the annual operating budget.
- (c) Notice of meetings of Unit Owners regarding Material Amendments or Extraordinary Actions shall be in accordance with the terms set forth below:
- (i) at least twenty-five (25) days' advance notice to all members is required (*at least ten (10) days' notice is required in the case of a meeting for other purposes*);
 - (ii) the notice states the purpose of the meeting and contains a summary of any Material Amendments or Extraordinary Actions proposed; and
 - (iii) the notice contains a copy of the proxy that can be cast in lieu of attendance at the meeting.
- (d) Dissolution of the Association, except pursuant to a consolidation or merger, is a Material Amendment and Extraordinary Action that must be approved by Members entitled to cast at least sixty-seven percent (67%) of the total authorized votes of all Members of the Association.

Section 13.2 - When Unanimous Consent Required. Except to the extent expressly permitted or required by other provisions of the Act and the Declaration, an amendment may not increase the number of Units, change the boundaries of a Unit, change the Allocated Interests of a Unit, or change the uses to which a Unit is restricted, in the absence of unanimous consent of the Unit Owners.

Section 13.3 - Limitation of Challenges. An action to challenge the validity of an amendment adopted by the Association pursuant to this Article may not be brought more than one (1) year after the amendment is recorded.

Section 13.4 - Recordation of Amendments. Each amendment to the Declaration must be recorded and the amendment is effective only upon recording. An amendment, except an amendment pursuant to **Article XII** of the Declaration, must be indexed in the grantee's index in the name of the Common Interest Community and the Association and in the name of the parties executing the amendment.

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

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

ARTICLE XIV Amendments to Bylaws

The Bylaws may be amended only by majority vote of the members of the Executive Board, following Notice and Comment to all Unit Owners, at any meeting duly called for such purpose.

ARTICLE XV Termination and Merger

Termination of the Common Interest Community may be accomplished only in accordance with Section 34.08.260 of the Act; provided, however, that termination of the Common Interest Community shall require the agreement of one hundred percent 100% of all Unit Owners. The Common Interest Community may not be merged or consolidated with another common interest community except pursuant to Section 34.08.290 of the Act.

ARTICLE XVI Mortgagee Protection

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

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

Section 16.3 - Notice of Actions. The Association shall give prompt written notice to each Eligible Mortgagee and Eligible Insurer of:

- (a) Any condemnation loss or any casualty loss per the requirements set forth below:
 - (i) With respect to loans issued by the Federal National Mortgage Association (FNMA): timely written notice of any condemnation or casualty loss that affects either a material portion of the project or the unit securing its mortgage shall be provided to the Eligible Mortgagee and guarantor of the mortgage of the unit for FNMA issued loans;
 - (ii) With respect to loans issued by the Veteran's Administration (VA): Eligible Mortgagees shall receive notice of any property loss, condemnation or eminent domain proceeding affecting the Common Elements resulting in losses greater than ten percent (10%) of the annual budget or any Unit insured by the Association in which the mortgagee has an interest for VA issued loans.
 - (iii) With respect to loans issued by the Alaska Housing Finance Corporation (AFHC): Eligible Mortgagees shall receive timely written notice of any condemnation or casualty of ten thousand dollars (\$10,000) or more to the Project or to a Unit securing its mortgage, for AHFC issued loans, or any loss to, or taking of, the Common Elements if such loss or taking exceeds ten thousand dollars (\$10,000).
 - (iv) With respect to loans issued by the Housing and Urban Development (HUD): Eligible Mortgagees shall receive notice as required by existing HUD rules and regulations.
- (b) Any delinquency in the payment of Common Expense assessments owed by a Unit Owner whose Unit is subject to a first Security Interest held, insured, or guaranteed, by such Eligible Mortgagee or Eligible Insurer, which remains uncured for a period of sixty (60) days;

- (c) Any default in the performance by the individual Unit borrower of any obligation under the condominium constituent documents which is not cured within sixty (60) days;
- (d) Any lapse, cancellation, or material modification of any insurance policy or fidelity insurance maintained by the Association;
- (e) Any proposed action which would require the consent of a specified percentage of Eligible Mortgagees as specified in **Section 16.4**; and
- (f) Any judgment rendered against the Association.

Section 16.4 - Consent Required.

- (a) Document Changes. Notwithstanding any lower requirement permitted by the Declaration or the Act, no amendment of any material provision of the Documents by the Association or Unit Owners described in this **Subsection 16.4(a)** may be effective without the vote of at least sixty-seven percent (67%) of the Unit Owners (or any greater Unit Owner vote required in the Declaration or the Act) and until approved in writing by at least fifty-one percent (51%) of the Eligible Mortgagees (or any greater Eligible Mortgagee approval required by the Declaration). Material includes, but is not limited to, any provision affecting:
 - (i) Assessments, assessment liens, or subordination of assessment liens;
 - (ii) Voting rights;
 - (iii) Reserves for maintenance, repair, and replacement of Common Elements;
 - (iv) Responsibility for maintenance and repairs;
 - (v) Reallocation of interests in the Common Elements or Limited Common Elements, including any change in the pro rata interest or obligations of any Unit Owner for the purpose of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, except that when Limited Common Elements are reallocated by agreement between Unit Owners, only those Unit Owners and only the Eligible Mortgagees holding Security Interests in such Units must approve such action;
 - (vi) Rights to use Common Elements and Limited Common Elements;

- (vii) Boundaries of Units except that when boundaries of only adjoining Units are involved, or a Unit is being subdivided, then only those Unit Owners and the Eligible Mortgagees holding Security Interests in such Unit or Units must approve such action;
 - (viii) Convertibility of Units into Common Elements or Common Elements into Units;
 - (ix) Abandonment, partition, subdivision, expansion, or contraction of the Common Interest Community, or the addition, annexation, partition, subdivision, or withdrawal of property to or from the Common Interest Community;
 - (x) Insurance and fidelity insurance, including the use of hazard insurance proceeds for losses to any property in the Common Interest Community for other than the repair, replacement, or reconstruction of such property except as provided by AS 34.08.440(h);
 - (xi) Leasing of Units;
 - (xii) Imposition of restrictions on a Unit Owner's right to sell or transfer his or her Unit;
 - (xiii) Rights of the majority of the Eligible Mortgagees to demand professional management; or establishment of self-management when professional management had been required previously by any Eligible Mortgagee;
 - (xiv) Restoration or repair of the project after a hazard damage or partial condemnation in a manner other than that specified in the Documents;
 - (xv) Termination of the Common Interest Community for reasons other than the substantial destruction or condemnation. In cases of termination for substantial destruction or condemnation, sixty-seven percent (67%) Eligible Mortgagee approval is required; and
 - (xvi) The benefits of mortgage holders, insurers, or guarantors.
- (b) Actions. Notwithstanding any lower requirement permitted by the Declaration or the Act, the Association may not take any of the following actions without the approval of at least fifty-one percent (51%) of the Eligible Mortgagees:
- (i) Convey or encumber the Common Elements or any portion thereof. The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements by the Common

Interest Community will not be deemed a transfer within the meaning of this clause;

- (ii) Change the provisions governing the rights of the majority of the Eligible Mortgagees to demand professional management; or the establishment of self-management when professional management had been required previously by any Eligible Mortgagee;
 - (iii) The restoration or repair of the Property (after a hazard damage or partial condemnation) in a manner other than that specified in the Documents;
 - (iv) The termination of the Common Interest Community for reasons other than the substantial destruction or condemnation. In cases of termination for substantial destruction or condemnation, sixty-seven percent (67%) Eligible Mortgagee approval is required; and
 - (v) The alteration of any partition or creation of any aperture between adjoining Units (when Unit boundaries are not otherwise being affected), in which case only the owners of Units affected and Eligible Mortgagees of those Units need approve the action;
 - (vi) The merger of this Common Interest Community with any other common interest community;
 - (vii) The assignment of the future income of the Association, including its right to receive Common Expense assessments; and
 - (viii) Any action taken not to repair or replace the Property.
- (c) Collection of Common Expenses. The Association may not change the period for collection of regularly budgeted Common Expense assessments to other than monthly without the consent of all Eligible Mortgagees.
- (d) Notice. The failure of an Eligible Mortgagee to respond within sixty (60) days to any written request of the Association for approval of an amendment to the Documents shall constitute an implied approval of the amendment, provided that the notice was delivered by certified or registered mail, with a return receipt requested.

Section 16.5 - Inspection of Books. The Association shall permit any Eligible Mortgagee or Eligible Insurer to inspect the books and records of the Association during normal business hours.

Section 16.6 - Financial Statements. The Association shall provide any Eligible Mortgagee or Eligible Insurer which submits a written request, with a copy of an annual financial statement within ninety (90) days following the end of each fiscal year of the Association. Such financial

statement shall be audited by an independent certified public accountant if any Eligible Mortgagee or Eligible Insurer requests it, in which case the Eligible Mortgagee or Eligible Insurer shall bear the cost of the audit.

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

Section 16.8 - Attendance at Meetings. Any representative of an Eligible Mortgagee or Eligible Insurer may attend any meeting which a Unit Owner may attend.

Section 16.9 - Appointment of Trustee. In the event of damage or destruction under **Article XXI** or condemnation of all or a portion of the Common Interest Community, any Eligible Mortgagee may require that such proceeds be payable to a Trustee as defined pursuant to **Section 1.25**. Such Trustee may be required to be a corporate trustee licensed by the State of Alaska. Proceeds will thereafter be distributed pursuant to **Article XXI** or pursuant to a condemnation award. Unless otherwise required, the members of the Executive Board acting by majority vote through the president may act as Trustee.

ARTICLE XVII

Assessment and Collection of Common Expenses

Section 17.1 - Apportionment of Common Expenses. Except as provided in **Section 17.2**, all Common Expenses shall be assessed against all Units in accordance with their percentage Allocated Interest in the Common Expenses as shown on **Schedule A-2** to the Declaration.

Section 17.2 - Common Expenses Attributable to Fewer Than All Units or Not Based on Allocated Interests.

- (a) Any Common Expense for services provided by the Association to an individual Unit at the request of the Unit Owner shall be assessed against the Unit which benefits from such service.
- (b) Any Common Expense for services provided by the Association to a Limited Common Element at the request of the Unit Owner of the Unit to which the Limited Common Element is assigned shall be assessed against the Unit to which the Limited Common Element is assigned.
- (c) Any Unit that uses a dumpster provided by the Association significantly more than other Units may be assessed a commercially reasonable higher percentage of the cost of such dumpster service.

- (d) Any insurance premium increase attributable to a particular Unit by virtue of activities in or construction of the Unit shall be assessed against that Unit.
- (e) An assessment to pay a judgment against the Association may be made only against the Units in the Common Interest Community at the time the judgment was entered, in proportion to their Common Expense liabilities.
- (f) If any Common Expense is caused by the willful misconduct, failure to comply with a written maintenance standard promulgated by the Association, or gross negligence of any Unit Owner or tenant or a guest or invitee of a Unit Owner or tenant, the Association may, after Notice and Hearing, assess the portion of that Common Expense in excess of any insurance proceeds received by the Association under its insurance policy, whether the portion results from the application of a deductible or otherwise, exclusively against that Unit Owner's Unit.
- (g) Fees, including attorney's fees, charges, late charges, fines, collection costs, and interest charged against a Unit Owner pursuant to the Documents and the Act are enforceable as Common Expense assessments against the Unit Owner.

Section 17.3 - Lien.

- (a) The Association has a lien on a Unit for an assessment levied against the Unit or fines imposed against its Unit Owner from the time the assessment or fine becomes due. Fees, charges, late charges, collection costs, including reasonable attorney's fees, fines and interest charged pursuant to the Act and the Documents are enforceable as assessments under this Section. If an assessment is payable in installments, the full amount of the assessment is a lien from the time the first installment thereof becomes due.
- (b) A lien under this Section is prior to all other liens and encumbrances on a Unit except: (1) a lien and encumbrances recorded before the recordation of the Declaration; (2) a first Security Interest on the Unit recorded before the date on which the assessment sought to be enforced became delinquent; and (3) liens for real estate taxes and other governmental assessments charges against the Unit. A lien under this Section is also prior to all Security Interests described in **Subsection 2** of this **Section 17.3(b)** if the Common Expense assessments based on the periodic budget adopted by the Association pursuant to **Section 17.4** of this Article which would have become due in the absence of acceleration during the six (6) months immediately preceding institution of an action to enforce either the Association's lien or a Security Interest described in **Subsection 2** of this **Section 17.3(b)**. This Subsection does not affect the priority of mechanics' or material men's liens, or the priority of a lien for other assessments made by the Association. A lien under this Section is not subject to the provision of AS 09.38.010.

- (c) Recording of the Declaration constitutes record notice and perfection of the lien. No further recordation of any claim of lien for assessment under this Section is required.
- (d) A lien for an unpaid assessment is extinguished unless proceedings to enforce the lien are instituted within three (3) years after the full amount of the assessment becomes due; provided, that if an Owner of a Unit subject to a lien under this Section files a petition for relief under the United States Bankruptcy Code, the period of time for instituting proceedings to enforce the Association's lien shall be tolled until thirty (30) days after the automatic stay of proceedings under Section 362 of the Bankruptcy Code is lifted.
- (e) This Section does not prohibit an action to recover sums for which **Subsection 17.3(a)** creates a lien or prohibit an Association from taking a deed in lieu of foreclosure.
- (f) A judgment or decree in any action brought under this Section shall include costs and reasonable attorneys' fees for the prevailing party.
- (g) A judgment or decree in an action brought under this Section is enforceable by execution under AS 09.35.010.
- (h) The Association's lien must be foreclosed as a lien is foreclosed under AS 34.35.005.
- (i) In any action by the Association to collect assessments or to foreclose a lien for unpaid assessments, the court may appoint a receiver of the Unit Owner to collect all sums alleged to be due from that Unit Owner prior to or during the pendency of the action. The court may order the receiver to pay any sums held by the receiver to the Association during the pendency of the action to the extent of the Association's Common Expense assessments based on a periodic budget adopted by the Association pursuant to **Section 17.4** of the Declaration.
- (j) If a holder of a first or second Security Interest in a Unit forecloses that Security Interest, the purchaser at the foreclosure sale is not liable for any unpaid assessments against that Unit which became due before the sale, other than the assessments which are prior to that Security Interest under **Section 17.3(b)**. Any unpaid assessments not satisfied from the proceeds of sale become Common Expenses collectible from all the Unit Owners, including the purchaser.

Section 17.4 - Budget Adoption and Ratification. Within thirty (30) days after adoption of a proposed budget for the Common Interest Community, the Executive Board shall provide a summary of the budget to each Unit Owner, and shall set a date for a meeting of the Unit Owners to consider ratification of the budget not less than fourteen (14) nor more than thirty (30) days after mailing of the summary. Unless at that meeting a majority of all Unit Owners reject the budget, the budget is

ratified, whether or not a quorum is present. If the proposed budget is rejected, the periodic budget last ratified by the Unit Owners continues until the Unit Owners ratify a budget proposed by the Executive Board.

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

Section 17.6 - Certificate of Payment of Common Expense Assessments. The Association upon written request shall furnish to a Unit Owner a statement in recordable form setting out the amount of unpaid assessments against the Unit. The statement must be furnished within ten (10) business days after receipt of the request and is binding on the Association, the Executive Board and each Unit Owner.

Section 17.7 - Monthly Payment of Common Expenses. All Common Expenses assessed under **Sections 17.1** and **17.2** shall be due and payable to the Association at such place and at such intervals as the Executive Board shall designate. Unpaid assessments shall bear interest at the maximum rate allowed by Alaska law from the due date until paid. Any payments received by the Association in the discharge of a Unit Owner's obligation may be applied to the oldest balance due, regardless of any contrary payment directives made by a Unit Owner.

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

Section 17.9 - No Waiver of Liability for Common Expenses. No Unit Owner may exempt himself or herself from liability for payment of the Common Expenses by waiver of the use or enjoyment of the Common Elements or by abandonment of the Unit against which the assessments are made.

Section 17.10 - Personal Liability of Unit Owners. The Owner of a Unit at the time a Common Expense assessment or portion thereof is due and payable is personally liable for the assessment. Personal liability for the assessment shall not pass to a successor in title to the Unit unless he or she agrees to assume the obligation.

ARTICLE XVIII
Right to Assign Future Income

The Association may assign its future income, including its right to receive Common Expense assessments, only by the affirmative vote of Unit Owners of Units to which at least fifty-one percent (51%) of the votes in the Association are allocated, at a meeting called for that purpose.

ARTICLE XIX
Persons and Units Subject to Documents

Section 19.1 - Compliance with Documents. All Unit Owners, tenants, mortgagees and occupants of Units shall comply with the Documents. The acceptance of a deed or the exercise of any incident of ownership or the entering into of a lease or the entering into occupancy of a Unit constitutes agreement that the provisions of the Documents are accepted and ratified by such Unit Owner, tenant, mortgagee or occupant, and all such provisions recorded in the records of the Anchorage Recording District of the Third Judicial District are covenants running with the land and shall bind any Persons having at any time any interest or estate in such Unit.

Section 19.2 - Adoption of Rules. The Executive Board may adopt Rules regarding the use and occupancy of Units, Common Elements, and Limited Common Elements and the activities of occupants, subject to Notice and Comment. In addition, the Executive Board may adopt fine policies for any violation of the Declaration, Bylaws or Rules, subject to Notice and Comment.

ARTICLE XX
Insurance

Section 20.1 - Coverage. To the extent reasonably available, the Executive Board shall obtain and maintain insurance coverage as set forth in **Sections 20.2 through 20.6**. If such insurance is not reasonably available, and the Executive Board determines that any insurance described herein will not be maintained, the Executive Board shall cause notice of that fact to be hand-delivered or sent prepaid by United States mail to all Unit Owners and Eligible Mortgagees at their respective last known addresses.

Section 20.2 - Property Insurance.

- (a) *Coverage.* The Association shall obtain property insurance covering:
- (i) The project facilities (which term means all buildings on the Property, including the Units and all permanent fixtures), but excluding Improvements and betterments to a Unit installed by a Unit Owner, and excluding land, excavations, portions of foundations below the undersurfaces of the lowest basement floors or the surface of ground in the

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

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

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

The maximum deductible for insurance policies shall be in an amount that satisfies the requirements of the Financing Agencies as are typically used to finance condominium purchases.

- (c) *Risks Insured Against.* The insurance shall afford a “Special Form” policy for direct physical losses commonly insured against, which may exclude earthquake and flood.
- (d) *Other Provisions.* Insurance policies required by this Section shall provide that:
 - (i) The insurer waives the right to subrogation under the policy against a Unit Owner or member of the household of a Unit Owner.
 - (ii) An act or omission by a Unit Owner, unless acting within the scope of the Unit Owner's authority on behalf of the Association, will not void the policy or be a condition of recovery under the policy.
 - (iii) If, at the time of a loss under the policy, there is other insurance in the name of a Unit Owner covering the same risk covered by the policy, the policy of the Association provides primary insurance.
 - (iv) Loss must be adjusted with the Association.
 - (v) Insurance proceeds shall be paid to any insurance trustee designated in the policy for that purpose, and in the absence of such designation to the Association, in either case to be held in trust for each Unit Owner and such Unit Owner's mortgagee.

- (vi) The insurer may not cancel or refuse to renew the policy until thirty (30) days after notice of the proposed cancellation or non-renewal has been mailed to the Association and each holder of a Security Interest to whom a certificate or memorandum of insurance has been issued, at their respective last known addresses.
- (vii) The name of the insured shall be substantially as follows:

"ALYESKA EAST CONDOMINIUM ASSOCIATION, INC. for the use and benefit of the individual Owners."
- (e) Steam Boiler and Machinery Coverage Endorsement shall be carried if the project has central heating or cooling. This endorsement should provide for the insurer's minimum liability per accident to at least equal the lesser of two million or the insurable value of the building housing the boiler or machinery. In lieu of obtaining this as an endorsement to the commercial package policy, the project may purchase separate standalone boiler and machinery coverage.
- (f) Building Ordinance or Law Insurance coverage shall be maintained, covering the costs attributable to the enforcement of any building, zoning, or land use law resulting in loss or damage, increased cost of repairs or reconstruction, or additional demolition and removal costs. The coverage must provide for contingent liability from the operation of building laws, demolition costs, and increased costs of reconstruction.
- (g) An Inflation Guard Endorsement or policy provision shall be carried, when it can be obtained.

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

- (a) Other Provisions. Insurance policies carried pursuant to this Section shall provide that:
 - (i) Each Unit Owner is an insured person under the policy with respect to liability arising out of interest of the Unit Owner in the Common Elements or membership in the Association.
 - (ii) The insurer waives the right to subrogation under the policy against a Unit Owner or member of the household of a Unit Owner.

- (iii) An act or omission by a Unit Owner, unless acting within the scope of the Unit Owner's authority on behalf of the Association, will not void the policy or be a condition to recovery under the policy.
- (iv) If, at the time of a loss under the policy, there is other insurance in the name of a Unit Owner covering the same risk covered by the policy, the policy of the Association provides primary insurance.
- (v) The insurer issuing the policy may not cancel or refuse to renew it until thirty (30) days after notice of the proposed cancellation or non-renewal has been mailed to the Association and each holder of a Security Interest to whom a certificate or memorandum of insurance has been issued at their last known addresses.

Section 20.4 - Fidelity Insurance. The Association shall obtain a fidelity insurance policy. Such policy shall, at a minimum, satisfy the requirements of such financing sources as are typically used to finance condominium purchases.

Section 20.5 - Workers' Compensation Insurance. The Executive Board shall obtain and maintain Workers' Compensation Insurance to meet the requirements of the laws of the State of Alaska.

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

Section 20.7 - Unit Owner Policies. Each Unit Owner shall obtain and maintain in effect a condominium unit owner's insurance policy covering the Unit Owner's personal liability and covering damage to all of the Unit Owner's personal property, furniture, furnishings, equipment, and related items located within the Owner's Unit. The policy shall also insure any and all interior Improvements and betterments installed by a Unit Owner within the boundaries of the Unit. The policy of insurance shall be on a form published by the Insurance Services Office, Inc. or a substantially equivalent form as approved by the Executive Board. In addition, in accordance with **Section 8.2** of the Declaration, Unit Owners who lease their Unit shall obtain and maintain in effect a sufficient condominium unit owner's rental liability policy or its equivalent.

A Unit Owner may obtain such other additional insurance coverage on the Owner's Unit as the Unit Owner shall deem desirable. Insurance obtained by a Unit Owner shall not affect any insurance coverage obtained by the Association or cause the diminution or termination of the Association's insurance coverage or result in apportionment of insurance proceeds as between policies of insurance of the Association and the Unit Owner. Proof of all insurance required to be carried

under this **Section 20.7** shall be provided to the Executive Board annually and at any time upon request.

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

Section 20.9 - Premiums. Except as set forth in **Section 17.2(d)**, insurance premiums for insurance carried by the Association shall be assessed against all Units in accordance with their percentage Allocated Interest in the Common Expenses as shown on **Schedule A-2** to the Declaration.

Section 20.10 – Deductibles. Except as provided in **Section 6.3** and **Section 17.2**, any deductibles shall be paid by the Association as a Common Expense.

ARTICLE XXI

Damage to or Destruction of Property

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

- (a) The Common Interest Community is terminated;
- (b) Repair or replacement would be illegal under a state statute or municipal ordinance governing health or safety; or
- (c) Eighty percent (80%) of the Unit Owners, including each owner of a Unit or assigned Limited Common Element that will not be rebuilt, vote not to rebuild.

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

Section 21.3 - Plans. The Property must be repaired and restored in accordance with either the original plans and specifications or other plans and specifications which have been approved by the Executive Board, a majority of Unit Owners and fifty-one percent (51%) of Eligible Mortgagees.

Section 21.4 - Replacement of Less Than Entire Property.

- (a) The insurance proceeds attributable to the damaged Common Elements shall be used to restore the damaged area to a condition compatible with the remainder of the Common Interest Community.
- (b) Except to the extent that other persons will be distributes:

- (i) the insurance proceeds attributable to a Unit and Limited Common Elements that is not rebuilt must be distributed to the owner of the Unit and the owner of the Unit to which the Limited Common Elements were allocated, or to lien holders, as their interests may appear; and
 - (ii) the remainder of the proceeds must be distributed to each Unit Owner or lien holder, as their interests may appear, in proportion to the Common Element interests of all the Units.
- (c) If the Unit Owners vote not to rebuild a Unit, the Allocated Interests of the Unit are reallocated upon the vote as if the Unit had been condemned under Subsection 34.08.740(a) of the Act, and the Association promptly shall prepare, execute and record an amendment to the Declaration reflecting the reallocations.

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

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

- (a) Whether or not damaged or destroyed Property is to be repaired or restored;
- (b) The amount or amounts to be paid for repairs or restoration and the names and addresses of the parties to whom such amounts are to be paid.

Section 21.7 - Title Insurance Policies. If payments are to be made to Unit Owners or mortgagees, the Executive Board, and the Trustee, if any, shall obtain and may rely on a title insurance policy based on a search of the records of the Anchorage Recording District of the Third Judicial District from the date of the recording of the original Declaration stating the names of the Unit Owners and the lienholders.

ARTICLE XXII

Rights to Notice and Comment; Notice and Hearing

Section 22.1 - Right to Notice and Comment. Before the Executive Board amends the Bylaws or the Rules, whenever the Documents require that an action be taken after "Notice and Comment",

and at any other time the Executive Board determines, the Unit Owners have the right to receive notice of the proposed action and the right to comment orally or in writing. Notice of the proposed action shall be given to each Unit Owner in writing and **shall be delivered personally or by mail** to all Unit Owners at such address as appears in the records of the Association, or published in a newsletter or similar publication which is routinely circulated to all Unit Owners. The notice shall be given not less than ten (10) days before the proposed action is to be taken. It shall invite comment to the Executive Board orally or in writing before the scheduled time of the meeting. The right to Notice and Comment does not entitle a Unit Owner to be heard at a formally constituted meeting.

Section 22.2 - Right to Notice and Hearing. Whenever the Documents require that an action be taken after "Notice and Hearing", the following procedure shall be observed: The party proposing to take the action (e.g., the Executive Board, a committee, an officer, the manager, etc.) shall give written notice of the proposed action to all Unit Owners or occupants of Units whose interest would be significantly affected by the proposed action. Notice of the proposed action shall be given to each Unit Owner in writing and **shall be delivered personally or by mail** to all Unit Owners at such address as appears in the records of the Association, or published in a newsletter or similar publication which is routinely circulated to all Unit Owners. The notice shall include a general statement of the proposed action and the date, time and place of the hearing. At the hearing, the affected person shall have the right, personally or by a representative, to give testimony orally, in writing or both (as specified in the notice), subject to reasonable rules of procedure established by the party conducting the meeting to assure a prompt and orderly resolution of the issues. Such evidence shall be considered in making the decision but shall not bind the decision makers. The affected person shall be notified of the decision in the same manner in which notice of the meeting was given.

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

Section 22.4 - Mediation and Arbitration

- (a) Mediation Clause. No Unit Owner shall commence an arbitration proceeding under the provisions of **Section 22.4(b)** below unless such Unit Owner shall first give a written notice (a "Dispute Notice") to the Association stating the nature of the dispute. The parties shall attempt in good faith to resolve the dispute by mediation under the Commercial Mediation Rules of the American Arbitration Association in effect on the date of this Agreement. If the dispute has not been resolved by mediation as provided above within sixty (60) days after the delivery of the Dispute Notice, the dispute shall be determined by arbitration in accordance with the provisions of **Section 22.4(b)**.
- (b) Arbitration Clause. Any controversy, claim, or dispute of whatever nature arising between Unit Owners or between Unit Owners and the Association, including but not

limited to those arising out of or relating to the Declaration and associated documents or the construction, interpretation, performance, breach, termination, enforceability or validity of the Declaration, whether such claim existed before or arises on or after the date of the Declaration, including the determination of the scope of the Declaration to arbitrate, that is not settled through mediation as provided in **Section 22.4(a)** above shall be determined by arbitration, by one arbitrator in Anchorage, governed and administered by the American Arbitration Association under its Commercial Arbitration Rules. Judgment upon the arbitration award may be entered in any court having jurisdiction. The arbitrators shall award the prevailing party reasonable expenses and costs including reasonable actual attorneys' fees plus interest on the amount due at the legal rate provided in AS 45.45.010(a). The arbitrator's decision shall be final and binding and judgment may be entered thereon. In the event a party fails to proceed with arbitration, unsuccessfully challenges the arbitrator's award, or fails to comply with arbitrator's award, the other party is entitled reasonable expenses and costs including a reasonable attorney's fee for having to compel arbitration or defend or enforce the award.

ARTICLE XXIII Executive Board

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

Section 23.2 - Powers and Duties. The Executive Board may act in all instances on behalf of the Association, except as provided in the Declaration, the Bylaws, or the Act. The Executive Board shall have, subject to the limitations contained in the Declaration and the Act, the powers and duties necessary for the administration of the affairs of the Association and of the Common Interest Community which shall include, but not be limited to, the following:

- (a) Adopt and amend Bylaws, Rules and regulations;
- (b) Adopt and amend budgets for revenues, expenditures, and reserves;
- (c) Collect assessments for Common Expenses from Unit Owners;
- (d) Hire and discharge managing agents;
- (e) Hire and discharge employees and agents, other than managing agents, and independent contractors;
- (f) Institute, defend or intervene in litigation or administrative proceedings or seek injunctive relief for violation of the Association's Declaration, Bylaws or Rules in the

Association's name on behalf of the Association or two (2) or more Unit Owners on matters affecting the Common Interest Community;

- (g) Make contracts and incur liabilities;
- (h) Regulate the use, maintenance, repair, replacement, and modification of the Common Elements;
- (i) Cause additional Improvements to be made as a part of the Common Elements;
- (j) Acquire, hold, encumber, and convey in this Association's name any right, title or interest to real property or personal property, but Common Elements may be conveyed or subjected to a Security Interest only pursuant to Section 34.08.430 of the Act;
- (k) Impose and receive a payment, fee, or charge for the use, rental, or operation of the Common Elements.
- (l) Impose and receive a payment, fee, or charge for services provided to Unit Owners;
- (m) Impose a reasonable charge for late payment of assessments and, after Notice and Hearing, levy a reasonable fine for violations of the Declaration, Bylaws, Rules and regulations of the Association;
- (n) Impose a reasonable charge for the preparation and recordation of amendments to the Declaration, resale certificates required by Section 34.08.590 of the Act or a statement of unpaid assessments;
- (o) Provide for the indemnification of the Association's officers and Executive Board and maintain Directors' and officers' liability insurance;
- (p) Assign the Association's right to future income, including the right to receive Common Expense assessments;
- (q) Exercise any other powers conferred by the Declaration or the Bylaws;
- (r) Exercise any other power that may be exercised in this state by legal entities of the same type as the Association;
- (s) Exercise any other power necessary and proper for the governance and operation of the Association; and
- (t) By resolution, establish committees of Directors, and Unit Owners, to perform any of the above functions under specifically delegated administrative standards, as

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

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

ARTICLE XXIV Open Meetings

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

Section 24.2 - Notice of Meetings. Notice of meetings shall be provided in accordance with the provisions of the Bylaws.

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

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

ARTICLE XXV Condemnation

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

ARTICLE XXVI
Miscellaneous

Section 26.1 - Captions. The captions contained in the Documents are inserted only as a matter of convenience and for reference, and in no way define, limit, or describe the scope of the Documents nor the intent of any provision thereof.

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

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

Section 26.4 - Invalidity. The invalidity of any provision of the Documents does not impair or affect in any manner the validity, enforceability, or effect of the remainder, and in such event, all of the other provisions of the Documents shall continue in full force and effect.

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

Section 26.6 - Rights of Action. The Association and any aggrieved Unit Owner shall have a right of action against Unit Owners for failure to comply with the provisions of the Documents, or with decisions of the Association which are made pursuant to the Documents. Unit Owners shall also have such rights of action against the Association.

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

Section 26.7 - Association Not a Guarantor of Security. The Association may, but shall not be obligated to, maintain or support certain activities within the Common Interest Community designed to make the Property safer than it otherwise might be.

NEITHER THE ASSOCIATION, THE DECLARANT, NOR ANY SUCCESSOR DECLARANT, SHALL BE CONSIDERED AN INSURER OR GUARANTOR OF SECURITY WITHIN THE COMMON INTEREST COMMUNITY, NOR SHALL THEY BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR OF INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. EACH UNIT OWNER ACKNOWLEDGES, UNDERSTANDS AND COVENANTS TO INFORM ITS TENANTS AND UNIT

THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this _____ day of _____, 20__, before me, the undersigned Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared **BRIAN KRUCHOSKI**, to me known and known to me to be the **PRESIDENT** of **ALYESKA EAST CONDOMINIUM ASSOCIATION, INC.**, and known to me to be the person who signed the foregoing instrument, on behalf of said non-profit corporation, and he acknowledged to me that he signed and sealed the same as a free act and deed of the said non-profit corporation for the uses and purposes therein expressed.

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

Notary Public in and for Alaska
My Commission Expires: _____

ATTEST:

GEORGE DERRICK, as Secretary of ALYESKA EAST CONDOMINIUM ASSOCIATION, INC., does hereby certify that the foregoing has been duly adopted pursuant to Section 12 of the Original Declaration and pursuant to at least a 70% vote or agreement of the members in the Association.

Secretary: _____
George Derrick

SCHEDULE A-1
DESCRIPTION OF COMMON INTEREST COMMUNITY

A parcel of land located within a portion of Lot 3A, Block 1 of Unit No. 1, NORTH ADDITION TO ALYESKA SUBDIVISION, according to the official plat thereof, filed as Plat Number 69-21, Anchorage Recording District, Third Judicial District, State of Alaska, comprising 0.745 acres, more or less, more particularly described as follows:

Beginning at a point located 82.00 feet S82°00'W from the Southeast corner of Lot 3A, Block 1 of Unit 1 of the NORTH ADDITION TO ALYESKA SUBDIVISION in Section 16, Township 10 North, Range 2 East, Seward Meridian, Alaska; thence S82°00'W a distance of 288.56 feet; thence N42°14'30"E a distance of 304.03 feet; thence S47°45' 30"E a distance of 109.90 feet; thence South a distance of 111.04 feet to the point of beginning;

as shown on the Plat and Plans filed with the Original Declaration as Plat No. 70-68, as amended by Plat Nos. 70-166 and 92-92, records of the Anchorage Recording District, Third Judicial District, State of Alaska.

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

Note: Prior to recording this document, a title report will need to be ordered, and any easements or licenses indicated on the title report, will be included in this Section, including the easements noted in the original Declaration.

SCHEDULE A-2
TABLE OF INTERESTS

	Unit No.	Percentage Share of Common Elements & Common Expenses*	Vote in the Affairs of the Association*
	C-1	3.175863%	3.175863
	C-2	3.175863%	3.175863
	C-3	2.381898%	2.381898
	C-103 †	1.786423%	1.786423
	C-105 †	1.786423%	1.786423
	C-107 †	1.945316%	1.945316
	C-109 †	1.786423%	1.786423
	C-111 †	1.786423%	1.786423
	C-112 ‡	1.786423%	1.786423
	Austrian N-1	2.580389%	2.580389
	Austrian N-2	2.580389%	2.580389
	Austrian N-3	2.580389%	2.580389
	Austrian N-4	2.580389%	2.580389
	Austrian N-5	2.580389%	2.580389
	Austrian N-6	2.580389%	2.580389
	Austrian N-7	2.580389%	2.580389
	Austrian N-8	2.580389%	2.580389
	Austrian S-1	2.580389%	2.580389
	Austrian S-2	2.580389%	2.580389

† On Plat No. 70-68, Unit C-103 is labeled as "Canadian N-5", Unit C-105 is labeled as "Canadian N-6", Unit C-107 is labeled as "Bavarian N-3L", Unit C-109 is labeled as "Canadian N-7", and Unit C-111 is labeled as "Canadian N-8". These Units were designated as Units C-103, C-105, C-107, C-109, and C-111, respectively, in the *Third Amendment to Declaration Submitting Real Property to the Horizontal Property Regimes Act of the State of Alaska for Alyeska East Condominiums*.

‡ Unit C-112 is labeled as "Canadian S-8" on Plat No. 70-68. This Unit was designated as Unit C-112 in Plat No. 70-166.

	Austrian S-3	2.580389%	2.580389
	Austrian S-4	2.580389%	2.580389
	Austrian S-5	2.580389%	2.580389
	Austrian S-6	2.580389%	2.580389
	Austrian S-7	2.580389%	2.580389
	Austrian S-8	2.580389%	2.580389
	Bavarian N-1U	1.945216%	1.945216
	Bavarian N-2U	1.945216%	1.945216
	Bavarian N-3U	1.945216%	1.945216
	Bavarian N-1L	1.945216%	1.945216
	Bavarian S-1U	1.945216%	1.945216
	Bavarian S-2U	1.945216%	1.945216
	Bavarian S-3U	1.945216%	1.945216
	Bavarian S-1L	1.945216%	1.945216
	Bavarian S-2L	1.945216%	1.945216
	Bavarian S-3L	1.945216%	1.945216
	Canadian N-1	1.786423%	1.786423
	Canadian N-2	1.786423%	1.786423
	Canadian N-3	1.786423%	1.786423
	Canadian N-4	1.786423%	1.786423
	Canadian S-1	1.786423%	1.786423
	Canadian S-2	1.786423%	1.786423
	Canadian S-3	1.786423%	1.786423
	Canadian S-4	1.786423%	1.786423
	Canadian S-5	1.786423%	1.786423
	Canadian S-6	1.786423%	1.786423
	Canadian S-7	1.786423%	1.786423
TOTALS	46 Units	100.00%	100

* Allocations are subject to rounding to result in one hundred percent (100%)