

DECLARATION

ABBOTT WOOD TOWNHOMES

Declarant, James Dittrich & Cravens, d/b/a CD Properties, with an office at 2449 Brooke Drive, Anchorage, Alaska 99517, hereby submits **Lot 10A, Block 3, of Plat 82 - 383 recorded in the Anchorage Recording District, Third Judicial District, State of Alaska**, as described in more detail in Schedule A-1, to the provisions of the Common Interest Ownership Act, Title 34, Chapter 8, of the Alaska Statutes, for the purpose of creating **Abbott Wood Townhomes, a condominium development**.

ARTICLE I

Definitions

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

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

Section 1.2 - Allocated Interests. The undivided interest in the Common Elements, the Common Expense liability, and votes in the Association allocated to units in the common Interest Community. The Allocated Interests are described in Article VIII of this Declaration and shown on schedule A-2.

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

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

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

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

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

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

Section 1.8 - Declarant. James Dittrich and David Cravens, d/b/a CD Properties as defined in section 34.08.990(12) of the Act.

Section 1.9 - Declaration. This document, including its attachments and any amendments.

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

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

Section 1.12 - Eligible Insurer. An insurer or guarantor of a first Security Interest in a Unit which has notified the Association in writing of its name and address and that it has insured or guaranteed a first Security Interest in a Unit. Such notice shall be deemed to include a request that the eligible insurer be given the notices and other rights described in Article XVII.

Section 1.13 - Eligible Mortgagee. The holder of a first Security Interest in a Unit which has notified the Association, in writing, of its name and address, and that it holds a first Security Interest in a Unit. Such notice shall be deemed to include a request that the Eligible Mortgagee be given the notices and other rights described in Article XVII.

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

Section 1.15 - Improvements. Any structure, fixture or facilities existing on the Common Interest Community land, including but not limited to, buildings, trees and shrubbery planted by the Declarant, a Unit Owner or the Association, paving, utility wires, pipes, and light poles.

Section 1.16 - Limited Common Elements. The portion of the Common Elements allocated for the exclusive use of one or more but fewer than all of the Units by the Declaration or by operation of Subsections (2) and (4) of Section 34.08.100. The Limited Common Elements in the common Interest community are described in Article V of this Declaration.

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

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

Section 1.19 - Notice and Comment. The right of a Unit Owner to receive notice of an action proposed to be taken by or on behalf of the Association, and the right to comment thereon. The procedures for Notice and Comment are set forth in Section 23.2 of this Declaration.

Section 1.20 - Notice and Hearing. The right of a Unit Owner to receive notice of an action proposed to be taken by the Association, and the right to be heard thereon. The procedures for Notice and Hearing are set forth in Section 23.2 of this Declaration.

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

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

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

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

Section 1.25 - Public Offering Statement. The current document prepared pursuant to 34.08.530 of the Act as it may be amended from time to time, and provided to purchasers.

Section 1.26 - Rules. Rules for the use of Units and Common Elements, and for the conduct of persons within the Common Interest Community adopted by the Executive Board pursuant to this Declaration.

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

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

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

Section 1.30 - Unit Owner. The Declarant or other Person who owns a Unit. Unit Owner does not include a Person having an interest in a Unit solely as security for an obligation. The Declarant is the initial owner of any Unit created by this Declaration.

ARTICLE II

Name and Type of Common Interest Community and Association AS 34.08.130(a)(1)

Section 2.1 - Common Interest Community. The name of the Common Interest Community is “Abbott Wood Townhomes.” Abbott Wood Townhomes are condominiums.

Section 2.2 - Association. The name of the Association is Abbott Wood Townhomes Owners Association, Inc.

ARTICLE III (AS 34.08.130(a)(2) & (3))

Description of Land

The entire Common Interest Community is situated in the Anchorage Recording District, Third Judicial District, State of Alaska and is located on lot 10A, Block 3, as shown on Plat 82-383 and described further in Schedule A-1.

ARTICLE IV
(AS 34.08.130(a)(4) & (a)(5))

Maximum Number of Units; Boundaries

Section 4.1 - Maximum Number of Units. The Abbott Wood Townhomes shall contain four (4) Units. All four Units have been constructed.

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

- _____ (a) Upper Boundary: The horizontal or sloping plane or planes of the unfinished lower surfaces of the ceiling bearing structure surfaces, beams and rafters extended to an intersection with the vertical perimeter boundaries.
- _____ (b) Lower Boundary: The horizontal plane or planes of the undecorated or unfinished upper surfaces of the floors, extended to an intersection with the vertical perimeter boundaries and open horizontal unfinished surfaces of trim sills, and structural components.
- _____ (c) Vertical Perimeter Boundaries: The planes defined by the inner surfaces of the studs and framing of the perimeter walls; the unfinished inner surfaces of poured concrete walls; the unfinished surfaces of the interior trim, and thresholds along perimeter walls and floors; the unfinished exterior surfaces of closed windows and closed perimeter doors; and the innermost unfinished planes of all interior load bearing studs and framing of load bearing walls, columns, bearing partitions, and partition walls between separate Units.
- _____ (d) Inclusions: Each Unit will include the spaces and Improvements lying within the boundaries described in Sections 4.2(a), 4.2(b), and 4.2(c) above, and will also include the spaces and the Improvements within such spaces containing any heating, water heating apparatus, and all electrical switches, wiring, pipes, ducts, conduits, smoke detector system, and television, telephone, and electrical receptacles and light fixtures and boxes serving that Unit exclusively, the surface of the foregoing being the boundaries of each Unit, whether or not such spaces are contiguous.
- _____ (e) Exclusions: Except when specifically included by other provisions of Section 4.2, the following are excluded from each Unit: the spaces and Improvements lying outside of the boundaries described in Sections 4.2(a), 4.2(b), and 4.2(c), above, and all chutes, pipes, flues, ducts, wires, conduits, and other facilities running through or within any interior wall or partition for the purpose of furnishing utility and similar services to other Units and Common Elements or both.

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

ARTICLE V

Limited Common Elements

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

(a) If a chute, flue, pipe, duct, wire, conduit, bearing wall, bearing column or other fixture lies partially within and partially outside the designated boundaries of a Unit, the portion serving only the Unit is a Limited Common Element, allocated solely to the Unit, the use of which is limited to that Unit, and any portion thereof serving more than one Unit or a portion of the Common Elements is a part of the Common Elements.

(b) Any doorsteps, porches, and decks designed to serve a single Unit that are located outside the boundaries of the Unit, are Limited Common Elements allocated exclusively to the Unit and their use is limited to that Unit.

(c) Outside Parking spaces, the use of which is limited to the Unit as shown on the Plat and Plans. Each outside parking space is provided an electrical outlet for engine block heaters. The utility expense for these electrical outlets is a common expense shared by all Unit owners.

(d) Walkways leading to the front porch of the Unit, the use of which is limited to the Unit as shown on the Plat and Plans.

(e) Exterior surfaces, trim and siding will be Limited Common Elements allocated to the Units sheltered.

(f) Address number, Unit letter, and exterior lighting affixed to the building will be Limited Common Elements allocated to the Units served.

(g) Each Unit is allotted one stall in the detached four stall garage as depicted on the Plats and Plans. The interior space of the stall shall be a Limited Common Element . The interior stall space consists of the area inside the following boundaries:

(i) 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.

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

(iii) 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 perimeter doors; and the innermost unfinished planes of all interior load bearing studs and framing of load bearing walls, columns, bearing partitions, and partition walls between separate stalls.

(iv) Garage Heaters: The garage heaters in garage units assigned to Units 1 and 4 are not a limited common element. These heaters benefit the entire detached four stall garage. The repair and/or replacement of the garage heaters is a common expense that shall be borne by the Association.

The remainder of the garage is a Common Element. In addition, because each stall is not separately metered by utility companies, the utility expenses associated with the garage shall be a Common Expense of the Abbott Wood Townhome Association.

(h) Each Unit is allotted back yard space as shown on the Plats and Plans. The fencing separating the Unit backyards are Limited Common Elements shared between the Unit owners of the respective yards. Fencing that does not separate Unit yards are Limited Common Element of the Unit Owner allotted the back yard.

ARTICLE VI (AS 34.08.380 & .460)

Maintenance, Repair, and Replacement

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 by this Declaration to be maintained, repaired or replaced by the Unit Owners. Common Expenses associated with the cleaning, maintenance, repair or replacement of Limited Common Elements which are not the specific maintenance responsibility of a Unit or Units or a maintenance expense of the Association which is to be specifically assessed to the Unit Owner or owners to whose Unit the Limited Common Element is appurtenant will be assessed against all Units in accordance with their Allocated Interests in the Common Expenses. If any Limited Common element, required to be maintained, repaired or replaced by the Unit Owner is assigned to more than one Unit, the Common Expenses attributable to the Limited Common Element will be assessed and shared equally among the Units to which it is assigned.

(a) Certain Limited Common Elements to be maintained by the Association and assessed to the Units. The Association shall maintain, repair, and replace the Limited Common Element walkways, outside parking spaces, entryways, and decks, and assess the cost against the Unit or Units to which such Limited Common Elements are assigned.

(b) Maintenance, Repair, and Replacement obligations of Unit Owners with Respect to Certain Limited Common Elements. Each Unit Owner shall be responsible for removing all leaves, dirt and debris from the entry porch, deck, and yard which are Limited Common Elements appurtenant to his or her Unit. Each Unit Owner is responsible for the maintenance, repair, and replacement of the interior space of its garage stall. Each Unit Owner is responsible for the maintenance, repair, and replacement of the fencing assigned to the Unit in section 5(h) of this Declaration.

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

Section 6.3 - Access. Any person authorized by the Executive Board shall have the right of access to all portions of the Property for the purpose of correcting any condition threatening a Unit or the Common Elements, and for the purpose of performing installations, alterations or repairs, and for the purpose of reading, repairing, replacing utility meters and related pipes, valves, wires and equipment, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the affected Unit owner. In case of an emergency, no such request or notice is required and such right of entry shall be immediate, whether or not the Unit Owner is present at the time.

Section 6.4 - Repairs Resulting From Negligence. Each Unit Owner will reimburse the Association for any damages to any other Unit or to the Common Elements caused:

- (a) Intentionally or negligently by the Unit Owner or a Unit Owner's guests, lessee, or invitee.
- (b) By a Unit Owner's failure to properly maintain, repair or make replacements to his or her Unit.

The Association will be responsible for damage to Units caused intentionally or negligently by the Association or by its failure to maintain, repair or make replacements to the common elements.

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

ARTICLE VII
(AS 34.08.130(a)(8), (9), (10))

Development Rights and Other Special Declarant Rights

Section 7.1 - Reservation of Development Rights. The Declarant does not reserve Development Rights.

ARTICLE VIII
(AS 34.08.130(a)(11) & 34.08.150)

Allocated Interests

Section 8.1 - Allocation of Interests. Each Unit has a 25% allocated interest as shown in Schedule A-2. These interests have been allocated in accordance with the formulas set out in this Article VIII.

Section 8.2 - Formulas for the Allocation of Interests. The Interests allocated to each Unit have been calculated on the following formulas:

(a) Undivided Interest in the Common Elements. Each Unit in the Common Interest Community shall have an equal percentage of the undivided interest in the Common Elements. Therefore, each Unit has a 25.0% allocated interest in the Common Elements and liability for Common Expenses.

(b) Liability for the Common Expenses. Each Unit in the Common Interest Community shall have an equal percentage of liability for Common Expenses. Nothing contained in this Subsection shall prohibit certain Common Expenses from being apportioned to particular Units under Article XVIII of this Declaration.

(c) Votes. Each Unit in the Common Interest Community shall have one (1) equal Vote. 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.

ARTICLE IX
AS 34.08.130(a)(12)

Restrictions on Use, Alienation and Occupancy

Section 9.1 - Use and Occupancy Restrictions. The following use restrictions apply to all Units and to the Common Elements:

(a) Residential Use. Each Unit is restricted to residential use as a single-family residence including home professional pursuits not requiring regular visits from the public or unreasonable levels of mail, shipping, trash or storage. No sign indicating commercial or professional uses may be displayed outside a Unit. A single-family residence 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, with no more permanent occupants than two per bedroom permitted by the Anchorage Code of Ordinances, Chapter 15.10.020 Housing Maintenance and Occupancy code.

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

(c) Each Unit Owner shall keep their Unit and the Limited Common Elements that they are responsible to maintain, in a good state of preservation and cleanliness.

(d) Nuisance. No noxious or offensive activity shall be carried on within the Community, nor shall anything be done therein which may become an annoyance or nuisance to neighboring properties. Motor bikes, motorcycles and automobiles shall have operable mufflers. Use of snow machines, three wheelers or four wheelers, all terrain vehicles or motorcycles within the Community is prohibited except use that is necessary to load or unload the same for storage in the Unit Owner's garage stall. Unit Owners with Pets shall contain or control their animals to the extent necessary to prevent their becoming a nuisance to other Unit Owners, including, but not limited to barking dogs.

(e) Immoral and Improper Use. No immoral, improper, offensive or unlawful use may be made of the Units or the Common Elements 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. Unit Owners are responsible for their guests. 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.

(f) Signs. Except for Community Common Element signage, no signs whatsoever shall be displayed to the public view except a sign of not more than (5) square feet advertising a Unit or Units for sale or rent.

(g) Garbage and Refuse Disposal

(i) Unit Owners shall utilize the dumpsters at the dumpster locations shown on the Plat. Unit Owners shall transport their trash

and garbage to the dumpster locations in such manner as to ensure the Common Elements are clean and free of trash and litter.

(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.

(h) Parking and Vehicles and Storage

(i) Limited Common Element outside parking spaces designated for each Unit may be used as a parking space for personal vehicles only, in accordance with the Rules. Any vehicle parked in a parking space must be properly licensed and in operating condition. The electrical outlets furnished for each outside assigned parking space may be used only for vehicle block heaters. No other use of the parking stall electrical outlets is permitted.

(ii) No commercial trucks, trailers, campers, boats, aircraft, recreational vehicles, snow machines or other such vehicles may be stored on the Common Elements or Limited Common Elements, except that recreation equipment and vehicles may be parked for no more than forty-eight (48) consecutive hours in a seven day week on a Unit Owner's assigned outside parking space. There is no limitation on the types of vehicles that may be stored in a garage stall.

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

(iv) No junk vehicle shall be parked within Limited Common Elements or Common Elements. A junk vehicle is a vehicle which is missing essential parts, such as, but not limited to, tires, wheels, engine, brakes, windows, lights and lenses, exhaust system, and such other parts that are necessary for the legal operation of a vehicle.

(v) No commercial vans or business related vehicles (e.g., dump trucks), or heavy equipment such as bulldozers and graders may be kept on the Limited Common Elements or Common Elements. Storage of equipment, materials or merchandise used or to be sold in a business or trade shall be contained within a Unit.

(vi) Guest parking spaces are reserved for guest parking. Unit Owners may not park in these spaces.

(vii) No vehicle other than a vehicle operated by or for a disabled person and that bears a disabled person parking permit or license plate may be parked in any space reserved for disabled persons.

(i) Natural Resource Operations. No oil, gas or natural resource drilling, development operations, refining, quarrying or mining operations, oil wells, tanks, tunnels, mineral excavations or shafts or any similar activity or structure shall be permitted upon or in a Unit or Common Element.

(j) Antennas and Satellite Dishes. In accordance with Federal Communications Commission ("FCC") Regulations, under the Telecommunications Act of 1996, Unit Owners have an unlimited right to install a satellite dish or receiving antenna within their Units. The Declarant is permitted by FCC Regulations to impose reasonable restrictions relating to installation on the Common Elements and Unit Owners must comply with the restrictions as a condition of installing such equipment. The intent of this section of the Declaration is to permit satellite dish or antenna installation and concurrently maintain the existing architectural integrity, harmony of general design and character of the Abbott Wood Townhomes.

(i) Color Options. Satellite dish color shall be neutral tones of gray only. No commercial advertising on the Satellite Dish itself is permitted other than the brand name.

(ii) Satellite Placement and Wiring. Roof or deck penetration providing satellite wiring connectivity to the satellite dish shall be completed in a professional workmanlike manner by a licensed bonded and insured installer, approved by the Association and such approval shall not be unreasonably withheld. Installation shall not interfere with cable, telephone or electrical systems of neighboring Units.

(iii) Location. A satellite dish installed on the roof shall be installed so as not to protrude beyond four feet above the roof line of the Unit. A satellite dish or antenna installed within a Unit deck area shall not be placed on or hung from a deck railing or protrude beyond the Limited Common Element deck or patio boundary. Installation in or on the Common Elements, except upon the roof is strictly prohibited.

(iv) Safety and Non-interference. Installation must comply with reasonable safety standards and may not interfere with cable, telephone or electrical systems of neighboring Units.

(v) Maintenance. No satellite or antenna installation on the roof shall be permitted to fall into disrepair or to become unsightly. Unit owners have the sole responsibility of maintaining the installation and repair of their satellite dish, antenna and related equipment. In the event that a satellite dish or antenna installed on the roof by the Unit Owner becomes deteriorated or unsightly or is inconsistent with conditions of installation it may be removed or repaired at the Unit Owner's expense.

(vi) Removal and Damages. If a satellite dish, antenna and other related equipment is removed, any damage to the Common Elements or Limited Common Elements of the Unit must be repaired. The Association may repair damages not repaired by the Unit Owner and assess reasonable costs against the Unit Owner.

(k) Mailboxes and Newspaper Tubes. Unit Owners shall use cluster mailboxes approved by the U.S. Postal Service and provided for the Community. Newspaper stands and receptacles are not permitted.

(l) Water and Sewer.

(i) Each Unit Owner has an undivided interest in the community Common Element water and sewer lines. To preserve and minimize potential damage and deterioration to the sewer and water lines, Unit Owners shall not pour grease, oils or cooking fat residues into sinks, garbage disposal units or other drains. No diapers, sanitary napkins, newspapers, solid rags 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 lines, storm drains or drainage ditches.

(ii) No individual well, water system, or septic system shall be allowed.

(m) Pets. Pets shall mean domestic cats and domestic dogs only. No other animals may be kept as household pets, without the approval of the Executive Board. Due to health safety and infestation concerns, the following animals are prohibited as pets; reptiles, rodents, insects, rabbits, ferrets, birds and pigs.

(i) Two (2) domestic pets, being either two (2) dogs or two (2) cats or one (1) dog and one (1) cat, of gentle disposition may be kept in a Unit.

(ii) Unit Owners shall hold the Association harmless from all claims resulting from the actions of his or her pet. No vicious dog (as defined by the Anchorage Municipal Code) shall be kept in a Unit or permitted anywhere on the Property.

(iii) Unit Owners shall be responsible for keeping their Units and Limited Common Element areas free and clear of pet feces and for removing their pet's animal feces from all Common Element areas.

(iv) The provisions of the Municipal leash law (AMC 17.10.010) shall be observed and pets shall be leashed and kept under control at all times, when outside a Unit. Pets shall be licensed, vaccinated and maintained in accordance with Municipal law.

(v) 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 from the Executive Board and a Hearing. Pets in the control of Unit Owners that are repeat offenders of the pet rules may be deemed a nuisance, and upon demand of the Board of Directors shall be permanently removed from the Community.

(n) Limited Common Element Decks.

(i) Equipment including satellite dishes or satellite antennae, personal property (such as tables and chairs) and plants, shall not protrude beyond the deck boundary.

(ii) No storage is permitted in the entry porch area or within deck areas, including, but not limited to, bicycles, gym equipment, boxes, tires, ladders, cleaning supplies (such as mops), garbage, trash containers, appliances (such as refrigerators), storage cabinets and wood piles.

(iii) No article, such as towels, rugs, or clothing may be hung or shaken from a deck.

(iv) No shades or blinds may be hung from a deck or within the deck area.

(v) No barbecue units are permitted within the deck for fire safety reasons.

(vi) No shades or blinds may be hung from a deck or within the deck area.

(vii) No noxious or offensive activities shall be carried out within the deck areas, nor shall anything be done therein which may become an annoyance or nuisance or cause unreasonable embarrassment to the Community or disturb other Unit owners or neighboring properties.

(o) 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. No window shall be covered with garments, sheets, blankets, aluminum foil or similar materials.

(p) Holiday Lighting. Temporary decorative holiday lighting is permitted commencing the day after Thanksgiving and shall be removed no later than February 1st. Such lighting may be displayed either in the window or at the Limited Common Element entryway and porch areas appurtenant to each Unit. No holiday lighting is permitted on the Common Elements.

(q) Leasing. Except by Declarant no Unit may be leased except by written leases in excess of six (6) months. Each lease will be filed with the Association, and written notice given of commencement and termination of possession. Each Unit Owner lessor will incorporate the terms and restrictions of the Documents as a personal obligation of the tenant. Each lease will attorn to the Association as landlord solely for the purpose of enforcing the restrictions of the Documents following Notice and Hearing to the Unit Owner/landlord, and an opportunity to cure the violation, and then by direct levy, injunctions and/or eviction by summary process, against the tenant. The Association will not otherwise assume the responsibilities or obligations of the landlord. The Association will have the right and power to exercise the landlord's rights of summary eviction against any tenant of the Unit Owner who violates the restrictions of the Documents, provided the landlord has received Notice and Hearing and is given a reasonable opportunity to cure the violation following the Hearing. A copy of all written occupancy agreements conforming to the foregoing requirements shall be submitted to the Executive Board to verify compliance with these requirements.

(r) Landscaping. Unit Owners shall not alter or disturb Common Element landscaping.

(s) Utility and Drainage Easements. The obstruction or re-channeling of drainages, swales, storm sewers, or storm drains is not permitted, except that the Association shall have such right; provided, the exercise of such right shall not materially diminish the value of or unreasonably interfere with the use of a Unit without the Owner's consent.

(t) Basketball and Baseball Equipment. Basketball hoops, backboards, baseball cages, hockey cages and recreation apparatus shall be portable and stored out of sight from the street and other adjoining Unit Owners when not in use. No permanent basketball hoops, backboards, baseball, soccer or hockey cages or recreation apparatus may be attached to the Common Elements.

Section 9.2 - Restrictions on Alienation. A Unit may not be conveyed pursuant to a time-sharing plan.

ARTICLE X
(AS 34.08.130(a)(13))

Easements and Licenses

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

ARTICLE XI
(AS 34.08.150(b))

Allocation and Reallocation of Limited Common Elements

A Common Element not previously allocated as a Limited Common Element may be so allocated only pursuant to provisions in Article 23.2 of this Declaration. The allocations will be made by amendment to the Declaration, specifying to which Unit or Units the Limited Common Element is allocated.

No Limited Common Element depicted on the Plat or Plans may be reallocated by an amendment to this Declaration except pursuant to this Article XI or as part of a relocation of boundaries of units pursuant to Article XIII of this Declaration. Such amendment shall require the approval of all holders of Security Interests in the affected Units and such 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 this Declaration and the Act shall record it. The amendment shall contain words of conveyance and must be recorded and indexed in the names of the parties and the Common Interest Community.

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

ARTICLE XII
(AS 34.08.190)

Additions, Alterations and Improvements

Section 12.1 - Additions, Alterations and Improvements by Unit Owners.

(a) No Unit owner will make any structural addition, structural alteration, or Improvement in or to the Common Interest Community without the prior written consent thereto of the Executive Board in accordance with Subsection 12.1(c).

(b) Subject to Subsection 12.1(a), a Unit Owner:

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

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

(iii) After acquiring an adjoining Unit or an adjoining part of an adjoining Unit, may remove or alter any intervening partition or created 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 Interest Community. Removal of partitions or creation of apertures under this subsection is not an alteration of boundaries.

(c) A Unit Owner may submit a written request to the Executive Board for approval to do anything that her or she is forbidden to do under Subsection 12.1(a) or 12.1(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 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 owners of any Units other than those affected by such change.

Section 12.2 - Additions, Alterations and Improvements by Executive Board. Subject to the limitations of Sections 18.4 and 18.5 of this Declaration, the Executive Board may make any additions, alterations or Improvements to the Common Elements which, in its judgment, it deems necessary.

ARTICLE XIII
(AS 34.08.200)

Relocation of Boundaries Between Adjoining Units

Section 13.1 - Application and Amendment. Subject to approval of any structural changes and required permits pursuant to Article XII, 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 13.2-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 XIV
AS 34.08.250

Amendments to Declaration

Section 14.1 - General. Except for amendments that may be executed by the Association under Article XI of this Declaration and Section 34.08.740 of the Act, or by certain Unit Owners under Article XI and Section 13.1 of this Declaration and 34.08.260 of the Act, or for amendment under AS 34.08.255, and except as limited by Section 14.4 and Article XVII of this Declaration, this declaration, including the Plat and Plans, may be amended only by vote or agreement of Unit Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated.

Section 14.2 - Limitation of Challenges. An action to challenge the validity of an amendment adopted by the Association pursuant to this Article may not be brought more than one year after the amendment is recorded.

Section 14.3 - Recordation of Amendments. Each amendment to the Declaration must be recorded and the amendment is effective only upon recording. An amendment, except an amendment pursuant to Article XIII of this 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 14.4 - When Unanimous Consent Required. Except to the extent expressly permitted or required by other provisions of the Act and this Declaration, an amendment may not increase the number of Units, change the boundaries of a Unit, the Allocated Interests of a Unit, or the uses to which a Unit is restricted, in the absence of unanimous consent of the Unit Owners.

Section 14.5 - Execution of Amendments. An amendment to the Declaration required by the Act to be recorded by the Association, which have been adopted in accordance with this Declaration and the Act, must be prepared, executed, recorded and certified on behalf of the Association by an officer of the Associations designated for that purpose or, in the absence of designation, by the president of the Association.

ARTICLE XV

Amendments to Bylaws

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

ARTICLE XVI (AS 34.08.260)

Termination

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

ARTICLE XVII (AS 34.08.270(c))

Mortgagee Protection

Section 17.1 - 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 17.2 - Percentage of Eligible Mortgagees. Wherever in this Declaration the approval or consent of a specified percentage of Eligible Mortgagees is required, it shall mean the approval or consent of Eligible Mortgagees holding Security Interests in Units which in the aggregate have allocated to them such specified percentage of votes in the Association when compared to the total allocated to all Units then subject to Security Interests held by Eligible Mortgagees.

Section 17.3 - Notice of Actions. The Association shall give prompt written notice to each Eligible Mortgagee and Eligible Insurer of :

- (a) Any condemnation loss or any casualty loss exceeding Ten Thousand Dollars and Zero Cents (\$10,000.00) which affects a portion of the Common Interest Community or any Unit in which there is a first Security Interest held, insured, or guaranteed by such eligible Mortgagee or Eligible Insurer, as applicable;
- (b) Any delinquency in the payment of Common Expense assessments owed by an Owner whose Unit is subject to a first Security Interest held, insured, or guaranteed, by such Eligible Mortgagee or Eligible Insurer, which remains uncured for a period of sixty (60) days;
- (c) Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association;
- (d) Any proposed action which would require the consent of a specified percentage of Eligible Mortgagees as specified in Section 17.4: and
- (e) Any judgment rendered against the Association.

Section 17.4 - Consent Required.

(a) Document Changes. Notwithstanding any lower requirement permitted by this Declaration or the Act, no amendment of any material provision of the Documents by the Association or Unit Owners described in this Subsection 17.4(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 this 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 this 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 or fidelity bonds, including the use of hazard insurance proceeds for losses to any property in the Common Interest Community for other than the repair, replacement or reconstruction of such property except as provided by AS 34.08.440(h);
- (xi) Leasing of Units;
- (xii) Imposition of restrictions on a Unit Owner's right to sell or transfer his or her Unit;
- (xiii) Establishment of self-management when professional management had been required previously by any Eligible Mortgagee;

(xiv) Restoration or repair of the Abbott Wood Townhomes after a hazard damage or partial condemnation in a manner other than that specified in the Documents;

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

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

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

(i) Convey or encumber the Common Elements or any portion thereof (as to which an eighty percent (80%) Eligible Mortgagee approval is required). (The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements by the Common Interest Community will not be deemed a conveyance within the meaning of this clause);

(ii) The establishment of self-management when professional management has been required previously by any Eligible Mortgagee;

(iii) The restoration or repair of the Property (after a hazard damage or partial condemnation) in a manner other than that specified in the Documents;

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

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

(vi) The merger of this Common Interest Community with any other common interest community;

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

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

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

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

(d) The failure of an Eligible Mortgagee to respond within thirty (30) days to any written request of the Association for approval of a non-material addition or amendment to the Documents shall constitute an implied approval of the addition or amendment.

Section 17.5 - 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 17.6 - 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:

(a) the Common Interest Community contains fifty (50) or more Units, in which case the cost of the audit shall be a Common Expense; or

(b) the Eligible Mortgagee or Eligible Insurer so requests, in which case the Eligible Mortgagee or Eligible Insurer shall bear the cost of the audit.

Section 17.7 - 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 17.8 - Attendance at Meetings. Any representative of an Eligible Mortgagee or Eligible Insurer may attend any meeting which a Unit Owner may attend.

Section 17.9 - Appointment of Trustee. In the event of damage or destruction under Article XXI or XXII or condemnation of all or a portion of the community, any Eligible Mortgagee may require that such proceeds be payable to a Trustee established pursuant to Section 1.30. Such Trustee may be required to be a corporate trustee licensed by the State of Alaska. Proceeds will thereafter be distributed pursuant to Article XXII 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 XVIII
(AS 34.08.460 & .470)

Assessment and Collection of Common Expenses

Section 18.1 - Apportionment of Common Expenses. Except as provided in Section 18.2, all Common Expenses shall be assessed against all Units in accordance with their percentage interest in the Common Expenses as shown on Schedule A-2 to this Declaration.

Section 18.2 - Common Expenses Attributable to Fewer Than All Units.

(a) If any limited Common Element is assigned to more than one Unit, the Common Expenses attributable to the Limited Common Element shall be assessed equally among the Units to which it is assigned.

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

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

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

(e) If Common Expense is caused by the misconduct of a Unit Owner, the Association may assess that expense exclusively against the Unit.

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

Section 18.3 - Lien.

(a) The Association has a lien on a Unit for an assessment levied against the Unit or fines imposed against its Unit Owner from the time the assessment or fine becomes due. Fees, charges, late charges, fines and interest charged pursuant to the Act and the Documents are enforceable as assessments under this Section. If an assessment is payable in installments, the full amount of the assessment is a lien from the time the first installment thereof becomes due.

(b) A lien under this Section is prior to all other liens and encumbrances on a

Unit except: (1) a lien and encumbrances recorded before the recordation of the Declaration; (2) a first Security Interest on the Unit recorded before the date on which the assessment sought to be enforced became delinquent; and (3) liens for real estate taxes and other governmental assessments charges against the Unit. A lien under this Section is also prior to all Security Interests described in (2) of this Subsection, if the Common Expense assessments are based on the periodic budget adopted by the Association pursuant to Section 18.4 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 the Association's lien. 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 Associations' 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 18.3(a) creates a lien or prohibit an Association from taking a deed in lieu of foreclosure.

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

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

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

(i) In any action by the Association to collect assessments or to foreclose a lien for unpaid assessments, the court may appoint a receiver of the Unit Owner to collect all sums alleged to be due from that Unit Owner prior to or during the 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 18.4 and 18.5 of this 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 Subsection 18.4(b). Any unpaid assessments not satisfied from the proceeds of sale become Common Expenses collectible from all the Unit Owners, including the purchaser.

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

Section 18.4 - 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 18.5 - 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 18.2 of this Declaration, in an amount greater than fifteen (15%) percent of the current annual operating budget, the Executive Board shall submit such common Expense to the Unit Owners for ratification in the same manner as a budget under Section 18.4.

Section 18.6 - 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 twenty (20) business days after receipt of the request and is binding on the Association, the Executive Board and each Unit Owner.

Section 18.7 - Monthly Payment of Common Expenses. All Common Expenses assessed under Sections 18.1 and 18.2 shall be due and payable on the first of each month.

Section 18.8 - 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 18.9 - Commencement of Common Expense Assessments. Common Expense assessments shall begin on the first day of the month following the month of the creation of the Common Interest Community.

Section 18.10 - No Waiver of Liability for Common Expenses. No Unit Owner may exempt himself or herself from liability for payment of the Common Expenses by waiver of the use or enjoyment of the Common Elements or by abandonment of the Unit against which the assessments are made.

Section 18.11 - Personal Liability of Unit Owners. The owner of a Unit at the time a Common Expense assessment or portion thereof is due and payable is personally liable for the assessment. Personal liability for the assessment shall not pass to a successor in title to the Unit unless he or she agrees to assume the obligation.

Section 18.12 - Capitalization of the Association. Declarant will establish a working capital fund in an amount at least equal to two (2) months' installments of the Annual Assessment for each Unit in the Project. Upon the first conveyance of record title to a Unit from Declarant, the owner shall contribute to the working capital of the Association an amount equal to two (2) months' installments of the Annual Assessment at the rate in effect at the time of the sale, and upon the sale of each Unit from the Declarant to an owner, Declarant will receive a refund of the contribution to the working capital fund made by Declarant for such Unit. The Association shall maintain the working capital funds in segregated accounts to meet unforeseen expenditures. Such payments to this fund shall not be considered advance payments of Assessments and except for refunds to Declarant, shall not be refundable. Declarant may not use any working capital funds to defray any of its expenses, reserve contributions, or construction costs or to make up any budget deficits.

ARTICLE XIX

(AS 34.08.320(a)(14))

Right to Assign Future Income

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

ARTICLE XX

Persons and Units Subject to Documents

Section 20.1 - 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 20.2 - Adoption of Rules. The Executive Board may adopt Rules regarding the use and occupancy of Units, Common Elements, and Limited Common Elements and the activities of occupants, subject to Notice and Comment.

ARTICLE XXI
(AS 34.08.440)

Insurance

Section 21.1 - Coverage. To the extent reasonably available, the Executive Board shall obtain and maintain insurance coverage as set forth in this article. If such insurance is not reasonably available, and the Executive Board determines that any insurance described herein will not be maintained, the Executive Board shall cause notice of that fact to be hand-delivered or sent prepaid by United States mail to all Unit Owners and Eligible Mortgagees at their respective last known addresses.

Section 21.2 - Property Insurance.

(a) Property insurance covering:

- (i) The Common Element but excluding land, excavations, portions of foundations below the undersurfaces of the lowest crawlspace floors, underground pilings, piers, pipes, flues and drains and other items normally excluded from property policies: and
- (ii) All personal property owned by the Association.

(b) Amounts. Property insurance shall be for an amount (after application of any deductions) equal to one hundred percent (100%) of actual cash value, but not less than 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.

(c) Deductible: The maximum deductible for insurance policies shall be the lesser of Ten Thousand Dollars and Zero Cents (\$10,000.00) or one percent (1%) of the policy face amount.

The difference between the policy deductible and Two Hundred Fifty Dollars and Zero Cents (\$250.00) shall be paid by the Association as a common expense. Of the deductible portion Two Hundred Fifty Dollars and Zero Cents (\$250.00) shall be paid in equal shares by each of the Unit Owner(s) suffering the loss.

(d) Risks Insured Against. The insurance shall afford protection against “all risks”, except earthquake and flood, of direct physical loss commonly insured against.

(e) 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 (3) days after notice of the proposed cancellation or non-renewal has been mailed to the Association, each Unit owner and each holder of a Security Interest to whom a certificate or memorandum of insurance has been issued, at their respective last known addresses.

(vii) The name of the insured shall be substantially as follows:
Abbott Wood Townhomes Owners Association, Inc., for the use and benefit of the individual Owners.

Section 21.3 - Liability Insurance.

(a) Liability insurance covering: Liability, including medical payments insurance, 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.

(b) Amounts: Liability coverage shall be in an amount determined by the Executive Board but in no event less than Five Hundred Thousand Dollars and Zero Cents (\$500,000.00),

(c) Deductible: The maximum deductible for insurance policies shall be the lesser of Ten Thousand Dollars and Zero Cents (\$10,000.00) or one percent (1%) of the policy face amount.

The difference between the policy deductible and Two Hundred Fifty Dollars and Zero Cents (\$250.00) shall be paid by the Association as a common expense. Of the deductible portion Two Hundred Fifty Dollars and Zero Cents (\$250.00) shall be paid in equal shares by each of the Unit Owner(s) suffering the loss.

(d) 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, each Unit Owner and each holder of a Security Interest to who a certificate or memorandum of insurance has been issued at their last known addresses.

Section 21.4 - Unit Owner Policies. Insurance purchased by the Association is not intended to insure individual Unit Owners against all risks or losses associated with Unit Ownership. In particular, the insurance purchased by the Association is not intended to insure risk or loss of an individual Unit. Unit Owners should assess their own coverage needs.

Section 21.5 - 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 21.6 - Other Insurance. The Association may carry other insurance or bonding which the Executive Board considers appropriated to protect the Association or the Unit Owners.

Section 21.7 - Premiums. Insurance premiums shall be a Common Expense.

ARTICLE XXII
(AS 34.08.440(h))

Damage to or Destruction of Property

Section 22.1 - 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 22.2 - Cost. The cost of repair or replacement in excess of insurance proceeds and reserves is a Common Expense.

Section 22.3 - 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 22.4 - Replacement of Less Than Entire Property.

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

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

(i) The insurance proceeds attributable to a Unit and Limited Common Elements that is not rebuilt must be distributed to the 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 34.08.860(a) of the Act, and the Association promptly shall prepare, execute and record an amendment to the Declaration reflecting the reallocations.

Section 22.5 - 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 Subsection 22.1(a) through Subsection 22.1(c), the proceeds shall be disbursed first for the repair or restoration of the damaged Property, and the Association, Unit Owners and lien holders are not entitled to receive payment of 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 22.6 - 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 who such amounts are to be paid.

Section 22.7 - 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 Company's report 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 lienholders.

ARTICLE XXIII

Rights to Notice and Comment; Notice and Hearing

Section 23.1 - 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 no less than five (5) 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 23.2 - 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 proposed action to all Unit Owners or occupants of Units whose interest would be significantly affected by the proposed action. The notice shall include a general statement of the proposed action and the date, time and place of the hearing. At the hearing, the affected person shall have the right, personally or by a representative, to give testimony orally, in writing or both (as specified in the notice), subject to reasonable rules of procedure established by the party conducting the meeting to assure a prompt and orderly resolution of the issues. Such 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 23.3 - 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 hearing.

ARTICLE XXIV

Executive Board

Section 24.1 - 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 24.2 - Powers and Duties. The Executive Board may act in all instances on behalf of the Association, except as provided in this Declaration, the Bylaws or the Act. The Executive Board shall have, subject to the limitations contained in this Declaration and the Act, the powers and duties necessary for the administration of the affairs of the Association and of the Common Interest Community which shall include, but not be limited to, the following:

- (a) Adopt and amend 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 Associations' Declaration, Bylaws or rules in the Association's name on behalf of the Association or two 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) Grant easements for any period of time including permanent easements, and leases, licenses and concessions for no more than one year, through or over the Common Elements;
- (l) Impose and receive a payment, fee or charge for services provided to Unit

Owners;

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

(n) Impose a reasonable charge for the preparation and recordation of amendments to this 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 liability insurance of Directors and Officers that the Executive Board may deem necessary;

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

(q) Exercise any other powers conferred by this 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 XXIII, in which case that Article shall govern appeals), and such committee action must be ratified, modified or rejected by the Executive Board at its next regular meeting.

Section 24.3 - Executive Board Limitations. The Executive Board may not act on behalf of the Association to amend this Declaration, to terminate the Common Interest Community or to elect members of the Executive Board or determine the qualifications, powers and duties, or terms of office of Executive Board members, but the Executive Board may fill vacancies in its membership for the unexpired portion of any term.

ARTICLE XXV

Open Meetings

Section 25.1 - 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 25.2 - Meetings and Notice of Meetings. Regular meetings may be set by a schedule appointed by resolution of the Executive Board and no further notice will be required. Special meetings of the Executive Board may be called by the President or by a majority of the Directors on at least three (3) business days' notice to each Association member. The notice will be hand-delivered or mailed and will state the time, place and purpose of the meeting.

Section 25.3 - 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: (1) no action is taken at the executive session requiring the affirmative vote of Directors; or (2) the action taken at the executive session involves personnel, pending litigation, contract negotiations, or enforcement actions.

ARTICLE XXVI

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 XXVII

Miscellaneous

Section 27.1 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 either the scope of the Documents or the intent of any provision thereof.

Section 27.2 - Gender. The use of the masculine gender also includes the feminine and neuter genders and the use of the singular includes the plural, and vice versa, whenever the context of the Documents so require.

Section 27.3 - 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 27.4 - 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 27.5 - Conflict. The Documents are intended to comply with the requirements of the Act and Title 10, Chapter 20 of the Alaska Statutes (Non Profit Corporation law). In the event of 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 this Declaration and any other Document, this Declaration shall control.

In Witness Whereof, the Declarant has caused this Declaration to be executed this _____ day of _____, 2007.

Signed, Sealed and Delivered
in the Presence of:

CD Properties

By: _____
James Dittrich
Its: Partner _____

By: _____
David Cravens
Its: Partner _____

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this _____ day of _____, 2007, before me, the undersigned Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared **JAMES DITTRICH**, to me known and known to me to be a partner in CD Properties, and known to me to be the person who signed the foregoing instrument, on behalf of himself and the partnership.

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: _____

STATE OF ALASKA)
)
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this _____ day of _____, 2007, before me, the undersigned Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared **DAVID CRAVENS**, to me known and known to me to be a partner in CD Properties, and known to me to be the person who signed the foregoing instrument, on behalf of himself and the partnership.

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: _____

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DESCRIPTION OF COMMON INTEREST COMMUNITY

(Declaration Schedule A-1)

SCHEDULE A-1

DESCRIPTION OF COMMON INTEREST COMMUNITY

Lot 10A, Block 3, of Plat 82 - 383 recorded in the Anchorage Recording District, Third Judicial District, State of Alaska.

EASEMENTS AND INTERESTS AFFECTING THE COMMON INTEREST COMMUNITY

SUBJECT TO: Reservations or exceptions in patent or in acts authorizing the issuance thereof.

FURTHER SUBJECT TO: Taxes due the Municipality of Anchorage that are a lien, but levy therefore has not been made.

FURTHER SUBJECT TO: The effect of the notes which appear on Plat 82-383.

FURTHER SUBJECT TO: Easements as dedicated and reserved on Plat 82-383.

FURTHER SUBJECT TO: Easements as dedicated and shown on Plat 82-383.

FURTHER SUBJECT TO: Encroachment Permit
Grantor: Michael High
Grantee: Chugach Electrical Association
Recorded: March 8, 1999
Recording Information: Book 3435, Page 784
Notes: For the construction, operation and maintenance of electrical transmission and/or telephone distribution line or system(s).

FURTHER SUBJECT TO: Right of Way Easement
Grantor:
Grantee: Chugach Electrical Association
Recorded: February 27, 1959
Recording Information: Book E-5 Page 15
Notes: Affects the West 10 feet of Lot 10A, Block 3, of Plat 82 - 383.

FURTHER SUBJECT TO: Public Use Easement
Grantor: Edwin and Barbara Meier
Grantee: Municipality of Anchorage
Recorded: March 14, 1988
Recording Information: Book 1714, Page 270

Notes: For a public street, highway, walkway, trail and corridor for utilities.
Affects the North 44 feet of the East 22 feet of Lot 10A, Block 3, of
Plat 82 - 383.

FURTHER SUBJECT TO: Slope Maintenance Easement
Grantor: Edwin and Barbara Meier
Grantee: Municipality of Anchorage
Recorded: March 14, 1988
Recording Information: Book 1714, Page 270
Notes: For the construction and maintenance of a two foot vertical to one
foot horizontal slope. Affects the North 49 feet of the East 33 feet of
Lot 10A, Block 3, of Plat 82 - 383.

FURTHER SUBJECT TO: Easement for Drainage Systems and Appurtenances thereto
Grantor: Edwin and Barbara Meier
Grantee: Municipality of Anchorage
Recorded: March 14, 1988
Recording Information: Book 1714, Page 292
Notes: Affects the East 10 feet of the South 5 feet of Lot 10A, Block 3, of
Plat 82 - 383.

TABLE OF INTERESTS
(Declaration Schedule A-2)

TABLE OF INTERESTS

(Declaration Schedule A-2)

<u>Unit No</u>	Percentage Share of <u>Common Elements</u>	Percentage Share of <u>Common Expenses</u>	Vote in the Affairs of the <u>Association</u>	<u>Parking Space (PS), Garage Unit (GU)</u>
1	25.000%	25.000%	1	PS 1, GU 1
2	25.000%	25.000%	1	PS 2, GU 2
3	25.000%	25.000%	1	PS 3, GU 3
4	25.000%	25.000%	1	PS 4, GU 4
TOTAL	100.000%	100.000%	4	

PLAT AND PLANS

(Declaration Schedule A-3)

SEE ATTACHED SHEETS