

ARTICLE VCommon and Limited Common Elements

Section 5.1 - Common Areas. Tracts B-1, B-2, C-1, D-1, E-1, F-2, G-1 and H-2, EDGEWATER SUBDIVISION, according to Plat No. 92-32, are proposed to be Common Elements for Edgewater. As construction of the various phases of Edgewater is completed, Declarant will convey to the Association, for the benefit of all Unit Owners, the Common Element or Elements corresponding to that phase as described in the phasing schedule contained below in Article XI.

Section 5.2 - Limited Common Areas. Limited Common Areas have been created on Lots 2-5 and 10-17, Block 1; Lots 1-5, 7-9 and 15-16, Block 3; and Lots 1-11, Block 4, EDGEWATER SUBDIVISION, as more fully described in Exhibit "F" hereto. The Limited Common Areas are for the exclusive use of the Unit Owner of each such lot.

ARTICLE VIMaintenance, Repair and Replacement

Section 6.1 - Common Elements. The Association shall maintain, repair and replace all of the Common Elements. Maintenance shall include snow removal from private streets, such snow to be dumped at a site approved by the Municipality.

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, 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 Necessitated by Unit Owner's Action or Inaction. Each Unit Owner will reimburse the Association for any costs incurred by the Association and any damages to any other Unit(s) or to the Common Elements to the extent that such damages or costs were caused intentionally, negligently or by the Unit Owner's failure to properly maintain, repair or make replacements

to his or her Unit. Such expense will be assessed following Notice and Hearing.

Section 6.5 - Repairs Necessitated by Association Action or Inaction. The Association will be responsible for damage to Units caused intentionally, negligently or by its failure to maintain, repair or make replacements to the Common Elements.

Section 6.6 - Quality of Work. The maintenance, repair or replacement of exterior and structural components of buildings shall be of such kind or quality as the Executive Board shall deem reasonably necessary to maintain all Units in good order and repair. Any such work shall be performed in a good and workmanlike manner employing materials of equal or better quality than the originals.

Section 6.7 - Necessity. The necessity for any work shall be determined by the Executive Board whose decision in such matters shall be final, except that the determination to effectuate any maintenance or repair item which will cost a Unit Owner in excess of a maximum cost set by the Executive Board from time to time shall be subject to the right of the affected Unit Owner to Notice and Hearing by the Executive Board prior to the commencement of any work.

Section 6.8 - Examination. Repair and maintenance records of the Association, shall be available for examination and copying by any Unit Owner, his duly authorized agents or attorneys, at the expense of the Unit Owner, during normal business hours and after reasonable notice. Such records shall include, but not be limited to:

- (a) Items of work performed.
- (b) Dates of performance.
- (c) Names of parties employed to perform the work.
- (d) Notices sent to Unit Owners with respect to such work.
- (e) Summarized minutes of all proceedings before the Executive Board with respect to such work.
- (f) Any certificate of completion issued by the Executive Board or other agency.
- (g) All amounts assessed against the Unit to cover the costs of such work.
- (h) Regulations and standards for architectural control.

(i) Any other records, warranties, correspondence or other materials involving maintenance or repair of each Unit.

ARTICLE VII

Allocated Interests

Section 7.1 - Allocation of Interests. The table showing Unit numbers and their allocated interests is included in Exhibit "B". The allocated interest appertaining to each Unit for all purposes, including voting and the determination of liability for Common Expenses, shall be in accordance with Exhibit "B". These interests have been allocated in accordance with the formulas set out in this Article. These formulas are to be used in reallocating interests if Units are added to or removed from the Common Interest Community. When Units are added to or removed from the Common Interest Community, a revised Exhibit "B", the Table of Allocated Interests, will be recorded with the Declaration Amendment.

Section 7.2 - Formulas for the Allocation of Interests.

(a) Liability for the Common Expenses: The percentage of liability for Common Expenses allocated to each Unit is derived by dividing the total number of Units in the Common Interest Community into One Hundred percent (100%). Nothing contained in this Subsection shall prohibit certain Common Expenses from being apportioned to particular Units under Article XVI of this Declaration.

(b) Votes: Each Unit in the Common Interest Community shall have one (1) equal Vote. Any specified percentage of Unit Owners, unless otherwise stated in the Documents, means the specified percentage of all the votes as allocated in Exhibit "B".

Section 7.3 - Assignment of Allocated Interests Upon Creation of Units Pursuant to Exercise of Development Rights. The effective date for assigning Allocated Interests to Units created pursuant to Section 12.6 of this Declaration shall be the date on which the amendment creating the Units is recorded in the records of the Anchorage Recording District.

ARTICLE VIII

Restrictions on Use, Alienation and Occupancy

Section 8.1 - Use and Occupancy Restrictions. Subject to the Special Declarant Rights reserved under Article XI the following use restrictions apply to all Units and to the Common Elements:

EXHIBIT D

to

D E C L A R A T I O N
for

EDGEWATER
(A Planned Community)

ADDITIONAL USE RESTRICTIONS

In addition to the single-family residential use restriction contained in Section 8.1 of this Declaration, use of the Units, Common Elements, and Limited Common Elements is subject to the following restrictions:

1. Landscaping: All areas of each lot not devoted to buildings, structures, driveways, walks, off-street parking or other permitted site improvements shall be landscaped or covered with lawns, shrubbery trees, garden bark, landscaping cobbles or other ground cover approved by the Executive Board. Native vegetation shall not suffice as landscaping unless the type and quality is such that the Executive Board expressly approves the proposal. Vegetable gardens in the front yard of a lot are prohibited.

Each owner shall similarly landscape the adjacent unpaved public right-of-way fronting each lot, the area of which shall be defined by extending the boundary lines of each lot. The front yard of each lot shall support no less than two (2) live trees at any time. Each tree shall be greater than five feet (5') tall, three inches (3") in diameter at the base, and in good health. Trees may be planted at the completion of construction, but in any event must be in place no later than the first day of August following initial occupancy of the residence. Waivers of this requirement may be granted by the Executive Board on a case-by-case basis, if the Unit Owner presents an acceptable alternative proposal. The Unit Owner shall bear all costs associated with maintenance of landscaped areas. All required landscaping work shall be completed by the first day of August following initial occupancy of the residence. If the required landscaping is not performed by the Unit Owner within the time allocated, then the Declarant or the Association shall have the right to install such landscaping and charge the cost thereof to the noncomplying Unit Owner as a special assessment.

2. Fences: Subject to the approval of the Executive Board, fences may be constructed on any lot. All fences must be properly maintained as an attractive addition to the lot. No fence is permitted in any front yard unless the Executive Board finds it will become an attractive addition to the neighborhood. Metal or chain-link fences are not permitted.

3. Screening: All utility areas, trash containers, machinery, equipment, service yards, wood piles, storage areas and other unsightly items shall be screened by sight-obscuring fences, earthen berms or screens so as to conceal them from the view of adjacent streets and lots and neighboring residents.

4. Temporary Structures: No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any lot at any time as a residence. No structure other than the residence may be constructed or placed on any lot at any time.

5. Fuel Storage: No fuel shall be stored above ground for any aircraft, automobile, boat or other vehicle.

6. Vehicles: Extra vehicles, inoperable or otherwise, including but not limited to automobiles, or trucks not used at least twice weekly, campers, boats, recreational vehicles, snow machines or other machinery shall be kept in a garage, other closed structure or screened so that the item is not visible from the public streets, an adjoining lot or a nearby house; EXCEPT that recreational vehicles may be kept in a Unit Owner's driveway only between May 1 and October 1 of each year, said recreational vehicles to be stored in a garage or other off-site parking facility during the remainder of the year. The purpose of this provision is to keep unsightly or unused equipment out of sight.

No vehicles or equipment shall be parked or placed in a public right-of-way for more than twenty-four (24) hours. No vehicle or equipment owned by a resident or owner shall be placed on a public street within the subdivision for more than forty-eight (48) cumulative hours in any week.

No large commercial vehicles, vans, trucks or like equipment, shall be parked, placed or used on any lot or street in any manner which creates a nuisance or unsightly condition. Should any Unit Owner fail to remove such vehicle within two (2) days following the date on which notice is mailed to him by the Declarant or the Association informing him of a violation of this provision, the Declarant or the Association may have such vehicle removed and charge the expense of removal to said owner. A vehicle shall be deemed to create a nuisance when, in the opinion of the Executive

Board, its presence offends the reasonable sensibilities of the occupants of the neighborhood.

7. Nuisances: No noxious or offensive activity shall be carried on or upon any lot, nor shall anything be done thereon which may be, or may become, a nuisance, or cause unreasonable embarrassment, disturbance or annoyance to other owners in the enjoyment of their lots. Repair or restoration of any motor vehicle, boat, trailer, aircraft or other vehicle shall be considered a nuisance unless the activity is conducted in a properly enclosed or screened area.

8. Pet Regulations: No animals, livestock, or poultry shall be kept on any lot, except that domestic dogs, cats, fish, and birds inside bird cages may be kept as household pets provided they are not kept, bred, or raised therein for commercial purposes on in unreasonable quantities. No more than two (2) dogs may be maintained on the premises. No vicious dog (as defined by the ordinances of the Municipality of Anchorage) shall be kept on any lot. All pets shall be chained, fenced or otherwise restrained at all times. No pet shall be allowed to run freely.

9. Rubbish: Trash, garbage, or other waste shall be disposed of only by depositing same into designated trash containers. All trash containers must be screened. No lot shall be used or maintained as a dumping ground for rubbish. All equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition. There shall be no exterior fires whatsoever, except barbecue fires contained within receptacles therefor.

10. Signs: No signs shall be erected or maintained on any residential lot, except that not more than one approved FOR SALE or FOR RENT sign placed by the owner or a licensed real estate broker, not exceeding eighteen inches (18") in width and thirty-six inches (36") in height, not including any post used to hang the sign, may be displayed on any lot. No signs are to be posted by owners until such signs have been approved as to design and appearance by the Executive Board.

Notwithstanding the above, the Declarant shall have the right to post street signs on the private streets of the subdivision as well as an unlighted sign or signs with the name of the Project at the entrance to the Project.

11. Maintenance and Installation: Every owner shall:

a. Maintain the dwelling, patio, fences, and other site improvements in good condition and repair;

b. Maintain in attractive and viable condition landscaping and/or the natural flora on the lot and the adjacent unpaved public right-of-way;

c. Maintain the exterior surfaces of all dwellings, accessory structures, and other site improvements in a workmanlike manner, using proper methods, materials and standards; and

d. Remove snow and ice from sidewalks where sidewalks are adjacent to the lot.

e. In the event an owner fails to perform in accordance with the requirements of this paragraph 11, the Association may hire contractors or others to perform the necessary services. The cost of those reasonable services will become an assessment levied by the Association and the owner shall become liable for the costs incurred by the Association.

12. Outside Installations: No outside radio pole, television antennae, or other similar installation of any nature may be installed on the exterior of a building, the roof of a building, or ground mounted unless specifically approved by the Executive Board. In any event, no roof antennae or other similar installation will be permitted after the cable company has installed a line into the subdivision (estimated to be in 1996). The Unit Owner will have six (6) months following the date cable is installed to remove such antennae. In the event the Unit Owner fails to remove the antennae, the Association may do so and charge the cost of such removal to the Unit Owner.

13. Oil and Mining Operations: No oil or gas drilling, no oil or gas development operations, oil or gas refining, quarrying or mining operations, of any kind shall be permitted on any lot, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted on any lot. No surface entry will be permitted and no extraction of minerals will be permitted within a five hundred foot (500') buffer measured vertically from the surface.

14. Water: No individual well or water system shall be installed on any lot. All lot purchasers and owners purchase subject to the requirements that they take water from the public supplier, namely Anchorage Water and Wastewater Utility. Such system shall be constructed in accordance with the requirements, standards and recommendations of the Alaska Department of Environmental Conservation and the Municipality of Anchorage, Water and Waste Water Utility.

15. Sewer: No individual sewage-disposal system shall be installed on any lot. All lot owners purchase subject to requirements that they use the sewage disposal system installed. Such system shall be constructed with requirements, standards, and recommendations of the Alaska Department of Environmental conservation and the Municipality of Anchorage, Water and Waste Water Utility.

16. Easement: Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat. Within these easements, no structure, planting, or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements. The easement area on each lot and all improvements in it shall be maintained continuously by the owner of the lot, except for those improvements for which a public authority or utility company is responsible.

17. Re-Subdivision: The lots subject to these restrictions shall not be reduced in size by re-subdivision, but owners of three (3) contiguous lots may divide the inner or middle lot, to increase the size of the two (2) outer lots, which shall then be treated for all purposes pertinent to this Declaration as enlarged single lots.

18. Street Lights: The six (6) street lights to be installed by Declarant on the private streets will be maintained by the Association unless and until the private streets are dedicated to the Municipality of Anchorage.

(i) Any other records, warranties, correspondence or other materials involving maintenance or repair of each Unit.

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ARTICLE VIII

Restrictions on Use, Alienation and Occupancy

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(a) 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.

(b) The use of Units and Common Elements is also subject to the Additional Use Restrictions contained in Exhibit "D" to the Declaration, the Bylaws, and the Rules of the Association.

Section 8.2 - Restrictions on Alienation.

(a) A Unit may not be conveyed pursuant to a time sharing plan as defined under AS 34.08.550.

(b) No Owner shall be permitted to rent or lease a Unit for transient or hotel purposes. No Owner may lease or rent less than the entire Unit. Any lease or rental agreement shall provide that the terms thereof shall be subject in all respects to the provisions of the Declaration, the Bylaws, and the Rules, and that any failure by the lessee to comply with the terms of such documents shall be a default under the lease or rental agreement. All leases and rental agreements shall be in writing and a copy given to the Executive Board.

ARTICLE IX

Easements and Licenses

Section 9.1 - Recorded Easements and Licenses. All recorded easements or licenses to which the Common Interest Community is presently subject are recited in Exhibit "A" to this Declaration. In addition, the Common Interest Community may be subject to other easements or licenses granted by the Declarant pursuant to its powers under Article XI of this Declaration.

Section 9.2 - Owner's Easement of Enjoyment in Common Elements. Every Unit Owner, his heirs, successors, executors, administrators and assigns forever, in common with each other, shall have a right and easement of enjoyment in and to the Common Elements, and such easement shall be appurtenant to, and shall run with, the title to every Unit. Such easement shall include, among other consistent rights, the non-exclusive right to pass and repass across the Common Elements; to use the Common Elements pursuant to the provisions of this Declaration, and the right to prevent the restriction or alienation of the Common Elements.

Section 9.3 - Limitations on Owner's Easement. The rights and easements of enjoyment created hereby shall be subject to the following, which rights are deemed to be necessary and desirable to