

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

PURSUANT TO THE

UNIFORM COMMON INTEREST OWNERSHIP ACT

(AS 34.08, et seq.)

FOR

REFLECTION LAKE TOWNHOMES

TABLE OF CONTENTS

I.	DEFINITIONS	1
	Section 1. ACT.	1
	Section 2. ALLOCATED INTERESTS.	1
	Section 3. ASSOCIATION.	2
	Section 4. BYLAWS.	2
	Section 5. COMMON ELEMENTS.	2
	Section 6. COMMON EXPENSES.	2
	Section 7. COMMON INTEREST COMMUNITY.	2
	Section 8. DECLARANT.	2
	Section 9. DECLARATION.	3
	Section 10. DEVELOPMENT RIGHTS.	3
	Section 11. DIRECTOR.	3
	Section 12. DOCUMENTS.	3
	Section 13. ELIGIBLE INSURER.	3
	Section 14. ELIGIBLE MORTGAGEE.	3
	Section 15. EXECUTIVE BOARD.	3
	Section 16. IMPROVEMENTS.	4
	Section 17. LIMITED COMMON ELEMENTS.	4
	Section 18. MAJORITY OR MAJORITY OF UNIT OWNERS.	4

Section 19.	MANAGER.	4
Section 20.	NOTICE AND COMMENT.	4
Section 21.	NOTICE AND HEARING.	4
Section 22.	PERSON.	4
Section 23.	PLANS.	5
Section 24.	PROPERTY.	5
Section 25.	PUBLIC OFFERING STATEMENT.	5
Section 26.	RULES.	5
Section 27.	SECURITY INTEREST.	5
Section 28.	SPECIAL DECLARANT RIGHTS.	5
Section 29.	TRUSTEE.	6
Section 30.	UNIT.	6
Section 31.	UNIT OWNER.	6
II.	NAME AND TYPE OF COMMON INTEREST COMMUNITY AND ASSOCIATION	6
Section 1.	COMMON INTEREST COMMUNITY.	6
Section 2.	ASSOCIATION.	6
III.	DESCRIPTION OF LAND	7
IV.	MAXIMUM NUMBER OF UNITS, IDENTIFICATION, AND BOUNDARIES	7
Section 1.	NUMBER OF UNITS.	7
Section 2.	IDENTIFICATION OF UNITS.	7

Section 3.	BOUNDARIES.	7
a.	<u>Upper Boundary</u>	7
b.	<u>Lower Boundary</u>	7
c.	<u>Vertical Perimeter Boundaries</u>	7
d.	<u>Inclusions</u>	8
e.	<u>Exclusions</u>	8
f.	<u>Inconsistency With Plans</u>	8
V.	LIMITED COMMON ELEMENTS	8
VI.	MAINTENANCE, REPAIR, AND REPLACEMENT	9
Section 1.	COMMON ELEMENTS.	9
Section 2.	UNITS.	9
Section 3.	LIMITED COMMON ELEMENTS.	9
Section 4.	ACCESS.	9
Section 5.	REPAIRS RESULTING FROM NEGLIGENCE.	9
VII.	SUBSEQUENTLY ALLOCATED LIMITED COMMON ELEMENTS	10
VIII.	ALLOCATED INTERESTS	10
Section 1.	ALLOCATION OF INTERESTS.	10
Section 2.	FORMULAS FOR THE ALLOCATION OF INTERESTS.	10
a.	<u>Undivided Interest in the Common Elements and Liability for Common Expenses.</u>	10
b.	<u>Votes</u>	10

IX.	SPECIAL DECLARANT RIGHTS	10
	Section 1. DECLARANT RIGHTS	10
	Section 2. MODELS, SALES OFFICES, AND MANAGEMENT OFFICES	11
	Section 3. CONSTRUCTION; DECLARANT'S EASEMENT.	11
	Section 4. SIGNS AND MARKETING.	11
	Section 5. DECLARANT'S PERSONAL PROPERTY.	11
	Section 6. DECLARANT CONTROL OF THE ASSOCIATION.	12
	Section 7. LIMITATIONS ON SPECIAL DECLARANT RIGHTS.	13
	Section 8. INTERFERENCE WITH SPECIAL DECLARANT RIGHTS. ...	13
X.	RESTRICTIONS ON USE, ALIENATION, AND OCCUPANCY	13
	Section 1. SINGLE-FAMILY RESIDENCE	13
	Section 2. PARKING AND VEHICULAR RESTRICTIONS	13
	Section 3. NUISANCES	13
	Section 4. SIGNS	14
	Section 5. HOLD HARMLESS AND INDEMNIFICATION	14
	Section 6. OUTSIDE INSTALLATIONS	14
	Section 7. PET REGULATIONS	15
	Section 8. VIEW OBSTRUCTIONS	15
	Section 9. BUSINESS OR COMMERCIAL ACTIVITY	15
	Section 10. TEMPORARY STRUCTURE	16

Section 11.	RUBBISH REMOVAL	16
Section 12.	LEASE OF UNITS	16
Section 13.	RESTRICTIONS ON ALIENATION.	16
XI.	EASEMENTS AND LICENSES	16
XII.	ALLOCATION AND REALLOCATION OF LIMITED COMMON ELEMENT	17
XII.	ADDITIONS, ALTERATIONS, AND IMPROVEMENTS	18
XIV.	SUBDIVISION OF UNITS	19
Section 1.	APPLICATION AND AMENDMENT.	19
Section 2.	RECORDING AMENDMENTS.	19
XV.	AMENDMENTS TO DECLARATION	20
Section 1.	GENERAL.	20
Section 2.	LIMITATION OF CHALLENGES.	20
Section 3.	RECORDATION OF AMENDMENTS.	20
Section 4.	WHEN UNANIMOUS CONSENT REQUIRED.	20
Section 5.	EXECUTION OF AMENDMENTS.	20
Section 6.	SPECIAL DECLARANT RIGHTS.	21
Section 7.	CONSENT OF HOLDERS OF SECURITY INTERESTS.	21
XVI.	AMENDMENT TO BYLAWS	21
XVII.	TERMINATION	21
XIII.	MORTGAGEE PROTECTION	21

Section 1.	INTRODUCTION.....	21
Section 2.	PERCENTAGE OF ELIGIBLE MORTGAGEES.	22
Section 3.	NOTICE OF ACTIONS.	22
Section 4.	CONSENT REQUIRED.	22
a.	<u>Document Changes</u>	22
b.	<u>Actions</u>	24
Section 5.	INSPECTION OF BOOKS	25
Section 6.	FINANCIAL STATEMENTS.	25
Section 7.	ENFORCEMENT.	25
Section. 8.	ATTENDANCE AT MEETINGS.	25
Section 9.	APPOINTMENT OF TRUSTEE.	25
XIX.	ASSESSMENT AND COLLECTION OF COMMON EXPENSES	26
Section 1.	APPORTIONMENT OF COMMON EXPENSES.	26
Section 2.	COMMON EXPENSES ATTRIBUTABLE TO FEWER THAN ALL UNITS.	26
Section 3.	LIEN.	26
Section 4.	BUDGET ADOPTION AND RATIFICATION.	28
Section 5.	RATIFICATION OF NONBUDGETED COMMON EXPENSE.	28
Section 6.	CERTIFICATE OF PAYMENT OF COMMON EXPENSE ASSESSMENTS.	28
Section 7.	MONTHLY PAYMENT OF COMMON EXPENSES.	29

Section 8.	ACCELERATION OF COMMON EXPENSE ASSESSMENTS.	29
Section 9.	COMMENCEMENT OF COMMON EXPENSE ASSESSMENTS.	29
Section 10.	NO WAIVER OF LIABILITY FOR COMMON EXPENSES.	29
Section 11.	PERSONAL LIABILITY OF UNIT OWNERS.	29
XX.	RIGHT TO ASSIGN FUTURE INCOME	30
XXI.	PERSONS AND UNITS SUBJECT TO DOCUMENTS	30
Section 1.	COMPLIANCE WITH DOCUMENTS.	30
Section 2.	ADOPTION OF RULES.	30
XXII.	INSURANCE	30
Section 1.	COVERAGE.	30
Section 2.	PROPERTY INSURANCE.	31
a.	<u>Property insurance covering</u>	31
b.	<u>Amounts</u>	31
c.	<u>Risks Insured Against</u>	31
d.	<u>Other Provisions.</u>	31
Section 3.	LIABILITY INSURANCE.	32
Section 4.	FIDELITY BONDS.	33
Section 5.	UNIT OWNER POLICIES.	33
Section 6.	WORKERS' COMPENSATION INSURANCE.	33

Section 7.	DIRECTORS' AND OFFICERS' LIABILITY INSURANCE.	33
Section 8.	OTHER INSURANCE.	34
Section 9.	PREMIUMS.	34
XXIII. DAMAGE TO OR DESTRUCTION OF PROPERTY		34
Section 1.	DUTY TO RESTORE.	34
Section 2.	COST.	34
Section 3.	PLANS.	34
Section 4.	REPLACEMENT OF LESS THAN ENTIRE PROPERTY.	35
Section 5.	INSURANCE PROCEEDS.	35
Section 6.	CERTIFICATES BY THE EXECUTIVE BOARD.	35
Section 7.	TITLE INSURANCE POLICIES.	36
XXIV. RIGHTS TO NOTICE AND COMMENT; NOTICE OF HEARING		36
Section 1.	RIGHT TO NOTICE AND COMMENT.	36
Section 2.	RIGHT TO NOTICE AND HEARING.	36
Section 3.	APPEALS.	37
XXV. EXECUTIVE BOARD		37
Section 1.	MINUTES OF EXECUTIVE BOARD MEETINGS	37
Section 2.	POWERS AND DUTIES	37
Section 3.	EXECUTIVE BOARD LIMITATIONS.	39
XXVI. CONDEMNATION		39

XXVII. MISCELLANEOUS 39

 Section 1. **CAPTIONS.** 39

 Section 2. **GENDER.** 40

 Section 3. **WAIVER.** 40

 Section 4. **INVALIDITY.** 40

 Section 5. **CONFLICT.** 40

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
PURSUANT TO THE
UNIFORM COMMON INTEREST OWNERSHIP ACT
(AS 34.08, *et seq.*)

FOR

REFLECTION LAKE TOWNHOMES

THIS DECLARATION is made on the 19 day of JANUARY, 2001,
by Alas-Con, Inc., an Alaska corporation, hereinafter referred to as "Declarant" herein.

Declarant submits the property in the Anchorage Recording District, Third Judicial District,
State of Alaska, described as follows:

Tract A of Eastlake Subdivision according to Plat 82-84 in the records of the
Anchorage Recording District, Third Judicial District, State of Alaska;

to the provisions of the Uniform Statutes, for Interest Ownership Act, AS 34.08 of the Alaska
Statutes, for the purpose of creating Reflection Lake Townhomes and making the improvements
shown in the plat and plans attached as Exhibits B and C.

I.

DEFINITIONS

Section 1. **ACT.**

"Act" shall mean the Common Interest Ownership Act, AS 34.08 of the Alaska Statutes as
it may be amended from time to time.

Section 2. **ALLOCATED INTERESTS.**

Allocated Interests" shall mean the undivided interest in the Common Elements, the common
expense liability, and votes in the Association, allocated to the Units in the Common Interest
Community. The Allocated Interests are described in Article VIII of this Declaration and shown on
Exhibit A.

Section 3. ASSOCIATION.

"Association" shall mean Reflection Lake Townhome Association, a nonprofit corporation organized under AS 10.20, et seq. It is the association of unit owners pursuant to Section 34.08.310 of the Act.

Section 4. BYLAWS.

"Bylaws" shall mean the bylaws of the Association, as they may be amended from time to time.

Section 5. COMMON ELEMENTS.

Each portion of the Common Interest Community other than a unit.

Section 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 Instruments 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 7. COMMON INTEREST COMMUNITY.

The real property which is the subject matter of this Declaration.

Section 8. DECLARANT.

Alas-Con, Inc., an Alaska corporation, as defined in subsection 34.08.990(12) of the Act.

Section 9. **DECLARATION.**

This document, including any amendments.

Section 10. **DEVELOPMENT RIGHTS.**

"Development Rights" shall mean a right or a combination of rights reserved by a Declarant in the Declaration to add real estate to a Common Interest Community; create units, common elements, or limited common elements within a Common Interest Community; subdivide units or convert units into Common Elements; or withdraw real estate from a Common Interest Community.

Section 11. **DIRECTOR.**

"Director" shall mean a member of the Executive Board.

Section 12. **DOCUMENTS.**

"Documents" shall mean the Declaration, and Plans recorded and filed pursuant to the provisions of the Act, the Bylaws and the Rules as they may be amended from time to time. Any exhibit or certification accompanying a document is a part of that document.

Section 13. **ELIGIBLE INSURER.**

"Eligible Insurer" shall mean an insurer or guarantor of a first security interest in the unit which has notified the Association in writing of its name and address and that it has insured or guaranteed a first security 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 XVI.

Section 14. **ELIGIBLE MORTGAGEE.**

"Eligible Mortgagee" shall mean 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 XVI.

Section 15. **EXECUTIVE BOARD.**

The Board of Directors of the Corporation.

Section 16. IMPROVEMENTS.

"Improvements" shall mean any construction or facilities existing or to be constructed on the land included in the Common Interest Community, including but not limited to, buildings, trees and shrubbery planted by the Declarant or the Association, paving, utility wires, pipes and lights poles.

Section 17. LIMITED COMMON ELEMENTS.

"Limited Common Elements" that 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 AS 34.08.100(2) or (4). The limited common elements in the Common Interest Community are described in Article V of this Declaration.

Section 18. MAJORITY OR MAJORITY OF UNIT OWNERS.

The owners of more than fifty percent (50%) of the votes in the Association.

Section 19. MANAGER.

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

Section 20. NOTICE AND COMMENT.

"Notice and Comment" shall mean 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 Article XXII of this Declaration.

Section 21. NOTICE AND HEARING.

"Notice and Hearing" shall mean 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 Article XXII of this Declaration.

Section 22. PERSON.

"Person" shall mean an individual, corporation, business trust, estate, trust, partnership, association, joint venture, government, governmental subdivision or agency, or other legal or commercial entity.

Section 23. PLANS.

"Plans" shall mean the floor plans and plat filed with this Declaration as they may be amended from time to time as required by AS 34.08.170.

Section 24. PROPERTY.

"Property" shall mean the land, all improvements, easements, rights and appurtenances, which have been submitted to the provisions of the Act by this Declaration.

Section 25. PUBLIC OFFERING STATEMENT.

The current document prepared pursuant to AS 34.08.530 of the Act as it may be amended from time to time, and provided to purchasers prior to the time of execution of a purchase agreement.

Section 26. RULES.

"Rules" shall mean 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 27. SECURITY INTEREST.

"Security Interest" shall mean an interest in real property 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 28. SPECIAL DECLARANT RIGHTS.

Right reserved for the benefit of a Declarant to

- a. complete improvements indicated on plats and plans filed with the Declaration;
- b. exercise any development right(if retained by the Declaration);
- c. maintain sales offices, management offices, signs advertising the Common Interest Community, and models;

d. use easements through the common elements for the purpose of making improvements within the Common Interest Community or within real estate that may be added to the Common Interest Community if permitted by the Declaration; or

e. appoint or remove an officer of the Association or a master association or any Executive Board member during any period of Declarant control.

Section 29. 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. 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 30. UNIT.

"Unit" shall mean a physical portion of the Common Interest Community designated for separate ownership or occupancy, the boundaries of which are described in Article IV, Section 3 of this Declaration.

Section 31. UNIT OWNER.

"Unit Owner" shall mean the Declarant or other person who owns a unit or holding the possessory interest under a real estate purchase contract. 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.

II.

NAME AND TYPE OF COMMON INTEREST COMMUNITY AND ASSOCIATION

Section 1. COMMON INTEREST COMMUNITY.

The name of the Common Interest Community is Reflection Lake Townhomes.

Section 2. ASSOCIATION.

The name of the Association is Reflection Lake Townhome Association.

III.

DESCRIPTION OF LAND

The Common Interest Community is situated in the Anchorage Recording District, Third Judicial District, State of Alaska, and is more particularly described as follows:

Tract A of Eastlake Subdivision according to Plat 82-84 in the records of the Anchorage Recording District, Third Judicial District, State of Alaska;

IV.

MAXIMUM NUMBER OF UNITS, IDENTIFICATION, AND BOUNDARIESSection 1. **NUMBER OF UNITS.**

The Common Interest Community upon creation will contain four (4) units. As each building is added it contains the number of units listed in the most current Exhibit A. The Declarant reserves the right to create up to a total of eight (8) units.

Section 2. **IDENTIFICATION OF UNITS.**

All Units are identified by number and are shown on the survey map and plans or both.

Section 3. **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 and of closed fireplace dampers, 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 the walls; the unfinished surfaces of the interior trim, fireplaces, 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 bearing studs and framing of bearing walls, columns, bearing partitions, and partition walls between separate units.

d. Inclusions: Each unit will include the spaces and Improvements lying within the boundaries described in Sections a, b, and c, above, and will also include the spaces and the Improvements within such spaces containing any heating, water heating apparatus, smoke detector systems 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 such Unit, whether or not such spaces are contiguous.

e. Exclusions: Except when specifically included by other provisions of Section 3, the following are excluded from each unit: The spaces and Improvement lying outside of the boundaries described in Sections a, b, and 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.

V.

LIMITED COMMON ELEMENTS

The following portions of the Common Elements are Limited Common Elements assigned to the Units as provided in AS 34.08.100(4):

- a. shutters, awnings, window boxes, door steps, stoops, porches, exterior doors and windows, and any other fixture designed to serve a single unit that is located outside the boundaries of the unit;
- b. assigned driveways and yards as shown on the plat and plans, or both;
- c. fences constructed on the yards, the use of which are limited to the units whose yard adjoins said fence.

VI.

MAINTENANCE, REPAIR, AND REPLACEMENT**Section 1. COMMON ELEMENTS.**

The Association shall maintain, repair and replace all of the common elements, except the portions of the limited common elements which are required by this Declaration to be maintained, repaired, or replaced by the unit owner. This obligation shall include maintenance and snow removal of the common area roads, driveways, outside parking and the fences which mark the limited common area yards for each unit.

Section 2. UNITS.

Each Unit Owner shall maintain, repair and replace, at his or her own expense, all portions of his or her Unit, except the portions thereof to be maintained, repaired or replaced by the Association.

Section 3. LIMITED COMMON ELEMENTS.

Each unit owner shall be responsible for maintaining in a clean and sanitary condition the limited common elements for each unit.

Section 4. 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 5. REPAIRS RESULTING FROM NEGLIGENCE.

Each Unit Owner will reimburse the Association for any damages to any other unit or to the common elements caused intentionally, negligently or by his or her failure to properly maintain, repair, or make replacements to his or her unit. 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. If such expense is caused by misconduct, it will be assessed following notice and hearing.

VII.

SUBSEQUENTLY ALLOCATED LIMITED COMMON ELEMENTS

Limited common elements may be subsequently allocated in accordance with Article X of this Declaration.

VIII.

ALLOCATED INTERESTS

Section 1. **ALLOCATION OF INTERESTS.**

The table showing Unit numbers and their allocated interests is attached as Exhibit A. These interests have been allocated in accordance with the formulas set out in this Article.

Section 2. **FORMULAS FOR THE ALLOCATION OF INTERESTS.**

a. Undivided Interest in the Common Elements and Liability for Common Expenses. The percentage of liability for common expense and for the undivided interest in the common elements allocated to each unit is an equal percentage interest, each unit having one-fourth (1/4th) of an interest and liability for these purposes. The specified percentage, is set forth in Exhibit A.

b. Votes. Each Unit in the Common Interest Community shall have one equal vote.

IX.

SPECIAL DECLARANT RIGHTS

Section 1. **DECLARANT RIGHTS**

The Declarant reserves the following special Declarant rights, to the maximum extent permitted by law, which may be exercised, where applicable, anywhere within the Common Interest Community.

- a. To complete improvements indicated on plats and plans filed with the Declaration;
- b. To maintain sales offices, management offices, signs advertising the Common Interest Community, and models;
- c. To use easements through the Common Elements for the purpose of making improvements within the Common Interest Community;
- d. To appoint or remove an officer of the Association or any Executive Board member during a period of Declarant control.

Section 2. MODELS, SALES OFFICES, AND MANAGEMENT OFFICES.

As long as the Declarant is a Unit Owner, the Declarant and its duly authorized agents, representatives and employees may maintain any Unit owned by the Declarant or any portion of the Common Elements as a model Unit or sales office or management office.

Section 3. CONSTRUCTION; DECLARANT'S EASEMENT.

The Declarant reserves the right to perform warranty work, and repairs and construction work, and to store materials in secure areas, in units and common elements, and the further right to control all such work and repairs and the right of access thereto, until its completion. All work may be performed by the Declarant without the consent or approval of the Executive Board. The Declarant has such an easement through the common elements as may be reasonably necessary for the purpose of discharging the Declarant's obligations or exercising special Declarant rights, whether arising under the Act or reserved in the Declaration. Such easement includes the right to convey utility and drainage easements to public utilities, municipalities, the State, riparian owners or upland owners to fulfill the plan of development.

Section 4. SIGNS AND MARKETING.

The Declarant reserves the right to post signs and displays in the Common Elements to promote sales of units, and to conduct general sales activities, in a manner as will not unreasonably disturb the right of Unit Owners.

Section 5. DECLARANT'S PERSONAL PROPERTY.

The Declarant reserves the right to retain all personal property and equipment used in the sales, management, construction and maintenance of the premises that has not been represented as property of the Association. The Declarant reserves the right to remove from the property any and

all goods and improvements used in development, marketing and construction whether or not they have become fixtures, including any models.

Section 6. DECLARANT CONTROL OF THE ASSOCIATION.

a. Subject to subsection (b) hereof, there shall be a period of Declarant control of the Association, during which the Declarant, or persons designated by it, may appoint and remove the officers and members of the Executive Board. The period of Declarant control shall terminate no later than the earlier of:

(1) sixty (60) days after conveyance of sixty percent (60%) of the Units that may be created to Unit Owners other than a Declarant;

(2) two (2) years after all Declarants have ceased to offer Units for sale in the ordinary course of business; or

(3) three (3) years after the first unit is conveyed to a Unit Owner other than a Declarant.

b. A Declarant may voluntarily surrender the right to appoint and remove officers and members of the Executive Board before termination of that period, but in that event the Declarant may require, for the duration of the period of Declarant control, that specified actions of the Association or Executive Board as described in a recorded instrument executed by the Declarant be approved by the Declarant before they become effective.

c. Not later than sixty (60) days after conveyance of twenty-five percent (25%) of the Units that may be created to Unit Owners other than a Declarant, at least one member and not less than twenty-five percent (25%) of the members of the Executive Board shall be elected by Unit Owners other than the Declarant. Not later than sixty (60) days after conveyance of fifty percent (50%) of the units that may be created to Unit Owners other than a Declarant, not less than thirty-three and one-third percent (33 1/3%) of the members of the Executive Board must be elected by Unit Owners other than the Declarant.

d. Not later than the termination of any period of Declarant control, the Unit Owners shall elect an Executive Board of at least three (3) members, at least a majority of whom shall be Unit Owners. The Executive Board shall elect the officers. The Executive Board members and officers shall take office upon election.

e. Notwithstanding any provision of this Declaration or the Bylaws to the contrary, following notice under 34.08.390, the Unit Owners, by a two-thirds (2/3) vote of all persons present and entitled to vote at any meeting of the Unit Owners at which a quorum is present, may remove

DECLARATION

Page 12

any member of the Executive Board with or without cause, other than a member appointed by the Declarant.

Section 7. LIMITATIONS ON SPECIAL DECLARANT RIGHTS.

These rights may be exercised by the Declarant at any time prior to December 31, 2004.

Section 8. INTERFERENCE WITH SPECIAL DECLARANT RIGHTS.

Neither the Association nor any Unit Owner may take any action or adopt any rule that will interfere with or diminish any Special Declarant Right without the prior written consent of the Declarant.

X.

RESTRICTIONS ON USE, ALIENATION, AND OCCUPANCY

Section 1. SINGLE-FAMILY RESIDENCE.

Residences shall be used exclusively for single-family residential purposes.

Section 2. PARKING AND VEHICULAR RESTRICTIONS.

No vehicle which shall not be in an operating condition shall be parked or left on the property subject to this Declaration, other than on an assigned parking space. The parking spaces shall be used for parking vehicles only and shall not be converted for living, recreational or business purposes. No boats, snowmachines, motorhomes, or other recreational or commercial vehicle shall be stored anywhere on the property for any longer than twenty-four (24) hours.

Section 3. NUISANCES.

No noxious or offensive activities (including, but not limited to, the repair of automobiles) shall be carried on upon the project. No horns, whistles, bells or other sound devices, except security devices used exclusively to protect the security of a residence and its contents, shall be placed or used in any such residence. No loud noises shall be permitted on the property, and the Executive Board of the Association shall have the right to determine if any noise or activity producing noise constitutes a nuisance. No Unit Owner shall permit or cause anything to be done or kept upon the property which will increase the rate of insurance thereon or which will obstruct or interfere with the rights of other Unit Owners, nor will he commit or permit any nuisance on the premises, or