

Section 10. BUSINESS OR COMMERCIAL ACTIVITY

No business or commercial activity shall be maintained or conducted in any residence, except that Declarant, or a person designated by the Association as agent of the Association for purposes of managing the property, may maintain management offices and facilities in a residence or in a temporary structure constructed on the project. Provided, however, that professional and administrative occupations may be carried on within the residences so long as there exists no external evidence thereof.

Section 11. TEMPORARY STRUCTURE

No temporary structure, boat, truck, trailer, camper or recreation vehicle of any kind shall be used as a living area while located on the project; however, trailers or temporary structures for use incidental to the initial construction of the improvements on the property may be maintained thereon, but shall be removed within a reasonable time upon completion of construction of the project.

Section 12. RUBBISH REMOVAL

Trash, garbage or other waste shall be disposed of only by depositing same, wrapped in a secure package, into a designated trash container or garbage disposal. No owner of a unit shall permit or cause any trash or refuse to be disposed of on any portion of the project subject to this Declaration. No portion of the project shall be used for the storage of building materials, refuse or any other materials other than in connection with approved construction. There shall be no exterior fires whatsoever, except barbeque fires contained within receptacles thereof.

Section 13. LEASE OF UNITS

Any unit owner may lease his unit to a third party, but such a lease arrangement must be in writing and shall provide that the failure to comply in all respects with the provisions of this Declaration and the Association Bylaws shall be a default under the terms of the lease. No unit owner may lease his unit for transient or hotel purposes; nor may less than the entire unit be leased.

ARTICLE IIIARCHITECTURAL PROVISIONS

Excepting the interior of units, no replacement, addition or alteration of the building, structure, fence,

drainage facility, common or limited common area landscaping or planting shall be effected on any residence other than by Declarant until the plans, specifications and plat plan showing the location and nature of such replacement, addition, alteration or removal have been submitted to, and approved in writing by, the Board of Directors; nor shall any exterior painting or decorative alteration be commenced until the Board has approved the plans therefor, including the proposed color schemes, design thereof and the quality of materials to be used. All such plans and specifications shall be prepared by an architect or landscape architect or licensed building designer, said person to be employed by the unit owner making application at his sole expense. Plans and resubmittals thereof shall be approved or disapproved within thirty (30) days. Failure of the Board to respond to a submittal or resubmittal of plans within such period shall be deemed to be approval of the plans as submitted or resubmitted. The approval of the plans and specifications may be withheld, not only because of noncompliance with any of the specific conditions, covenants and restrictions contained in this Declaration, but also by reason of reasonable dissatisfaction of the Board with the location of the structure on the residence, the elevation, color scheme, finish, design, proportions, architecture, shape, height style and appropriateness of the proposed structure or altered structure, the materials used therein, or because of its reasonable dissatisfaction with any or all other matters or things which, in the reasonable judgment of the Board, will render the proposed investment inharmonious or out of keeping with the general plan of improvement of the property or with the improvements erected on other residences. If, after such plans and specifications have been approved, the improvements are altered, erected or maintained upon the residence other than as approved by the Board, such alteration, erection and maintenance shall be deemed to have been undertaken without the approval of the Board having been obtained as required by this Declaration. After the expiration of one (1) year from the date of completion of any improvement, said improvement shall, in favor of purchasers and encumbrancers, in good faith and for value, be deemed to comply with all of the provisions hereof, unless a notice of such noncompliance or noncompletion, executed by one member of the Board, shall appear of record in the Office of the Recorder, Anchorage Recording District, or legal proceedings shall have been instituted to enforce compliance with these provisions. The approval of the Board of any plans or specifications submitted for approval as herein specified for use on any residence shall not be deemed to be a waiver by the Board of its right to object to any of the features or elements embodied in such plans and specifications, if or when the same features or elements are embodied in any subsequent plans and specifications submitted for approval as herein

provided for use on other residences. No member of the Board shall be liable to any person for his decisions or failure to act in making decisions as a member of said Board. The members of the Board shall receive no compensation for their services performed pursuant to this Declaration. Upon approval of the Board, it shall be conclusively presumed that the location and height of any improvement does not violate the provisions of this Declaration.

#### ARTICLE IV

##### REPAIR AND MAINTENANCE

###### Section 1. REPAIR AND MAINTENANCE DUTIES OF ASSOCIATION

The Association shall maintain, repair and make necessary improvements to, and pay for out of the maintenance fund to be provided, all common areas and the building thereon; all corrective architectural, landscaping and repair work within residences, if the unit owner fails to repair the areas subject to his control and duty to maintain; all metered utilities in common areas; and all parking areas, ramps, walks and other means of ingress and egress within the project. To the extent not assessed to or paid by the unit owners, the Association shall pay all real and personal property taxes and assessments levied upon any portion of the common areas or limited common areas. It shall further be the affirmative duty of the Association to require strict compliance with all provisions of this Declaration and to inspect the property for any violations thereof.

###### Section 2. GENERAL POWERS OF THE ASSOCIATION

The Association shall have all of the powers set forth in its Articles of Incorporation, together with its general powers as a nonprofit corporation, generally to do any and all things that a corporation organized under the laws of the State of Alaska may lawfully do in operating for the benefit of its members, subject only to the limitations upon the exercise of such powers as are expressly set forth in the Articles, the Bylaws and in this Declaration and to do any and all acts which may be necessary or proper for, or incidental to, the exercise of any of the express powers of the Association or for the peace, health, comfort, safety and general welfare of the unit owners and their guests.

###### Section 3. SPECIAL POWERS OF BOARD OF DIRECTORS

Without in any way limiting the generality of the foregoing, in the event that the Board of Directors determines

that an improvement is in need of repair, restoration or painting, or that landscaping is in need of installation, repair or restoration, or that an improvement is in existence without proper approval of the Board, or that there is a violation of any provision of this Declaration, then the Board of Directors shall give written notice to the unit owner of the condition or violation complained of, and unless the Board has approved in writing corrective plans proposed by the unit owner to remedy the condition complained of within such period of time as may be determined reasonable by the Board of Directors after it has given written notice, and such corrective work so approved is completed thereafter within the time allotted by the Board of Directors, the Board of Directors shall undertake to remedy such condition or violation complained of, and the cost thereof shall be charged to the unit owner and his condominium whose residence is the subject matter of the corrective work, and such cost shall be deemed to be a special assessment to such unit owner, and his condominium, and subject to levy, enforcement and collection by the Board of Directors in accordance with the assessment lien procedure provided for in this Declaration.

## Section 4.

RIGHTS OF ENTRY

The Association shall have a limited right of entry in and upon all limited common areas and the exterior of all units for the purpose of taking whatever corrective action may be deemed necessary or proper by the Association. Nothing in this Article shall in any manner limit the right of the unit owner to exclusive control over the interior of his unit. Provided, however, that an owner shall grant a right of entry to the Association, or any other person authorized by the Association, in case of any emergency originating in or threatening his unit, whether the owner is present or not. Provided further, that an owner shall permit other owners, or their representatives, to enter his unit for the purpose of performing required installation, alterations or repair of the mechanical or electrical services to a residence, provided that requests for entry are made in advance and that such entry is at a time convenient to the owner whose unit is to be entered. In case of an emergency, such right of entry shall be immediate.

## Section 5.

MISCELLANEOUS DUTIES AND POWERS

The Association shall have the right to install or construct capital improvements on any of the common areas. The Association may, at any time and from time to time, re-construct, replace or refinish any improvement or portion thereof upon the common areas in accordance with the original

design, finish or standard of construction of such improvement; construct, reconstruct, replace or refinish any surface upon any portion of common areas designated as a parking area; replace destroyed trees or other vegetation and plant trees, shrubs and ground cover upon any portion of the common areas; and place and maintain upon the common areas such signs as the Association may deem necessary for their identification, for regulation of traffic, including parking, the regulation and use of the common areas and for the health, welfare and safety of unit owners and their guests. The Association may delegate all of the powers contained in this Declaration to any management organization or individual, and the Association may employ personnel necessary for the effective operation and maintenance of the building and common areas of any type described herein, including the employment of legal and accounting services.

## Section 6.

REPAIR AND MAINTENANCE BY UNIT OWNER

Each unit owner shall maintain, repair, replace and restore all portions of his residence, including the interior walls, ceilings, windows, floors, doors and permanent fixtures and limited common areas subject to his exclusive control, in a clean, sanitary and attractive condition.

## ARTICLE V

DESTRUCTION OF IMPROVEMENTS

## Section 1.

DAMAGE AND DESTRUCTION

If, within sixty (60) days of damage or destruction of all or part of the property, it is not determined by a majority of all unit owners to repair, reconstruct or rebuild in accordance with the original plans, or by unanimous vote of all unit owners to do otherwise, then:

(a) The property shall be owned in common by the unit owners;

(b) The undivided interest of the property owned in common which appertains to each of the unit owners shall be the percentage of the undivided interest previously owned by him in the common areas and facilities; and

(c) Mortgages, deeds of trust or liens affecting any of the units shall be transferred in accordance with the existing priorities to the percentage of the undivided interest of the unit owner in the property.



## Section 2.

APPLICATION OF INSURANCE PROCEEDS

Subject to the provisions of Section 1, and the interests of any holder of a first mortgage, in the event of damage or destruction as the result of fire or other casualty, the Board of Directors shall arrange for the prompt repair and restoration, exclusive, however, of furniture, furnishings, fixtures or equipment installed by unit owners, and the Board of Directors shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a common expense, and the Board of Directors may assess all unit owners for such deficit as part of the common charges.

## Section 3.

RIGHT TO PARTITION

The common areas and facilities shall remain undivided, and no unit owner or other person may bring any action for partition or division of any part, unless the property has been removed from the provisions of the Horizontal Property Regimes Act of the State of Alaska.

## Section 4.

SUBDIVISION AND COMBINATION OF UNITS  
AND COMMON AREAS AND FACILITIES

A resolution adopted and signed by at least seventy-five percent (75%) of the unit owners may provide for the subdivision or combination, or both, of any unit or units or of the common or limited common areas and facilities, or any parts thereof, and the means for accomplishing such subdivision or a combination, or both, and any such resolution shall provide, in conjunction therewith, for the appropriate amendments to this Declaration, the Bylaws or any other documents or agreements affected thereby; provided that the space combined or subdivided shall, after such subdivision or combination, have the same percentage of total value that such space had prior to such subdivision or combination unless such percentage of total value is changed by appropriate amendment in accordance with Article X hereof.

## Section 5.

INTERIOR DAMAGE

Restoration and repair of any damage to the interior of any individual unit shall be made by and at the individual expense of the owner of that unit and, in the event of a determination to rebuild after partial or total destruction, shall be completed as promptly as practical and in a lawful and workmanlike manner.

## Section 6.

NOTICE TO MORTGAGEE

Any institutional holder of a first mortgage on any unit shall be given written notice of any substantial damage or destruction to a condominium or the common elements. In any event, notice will be given whenever the damage to the common elements exceeds \$10,000, or the damage to the individual condominium exceeds \$1,000.

## ARTICLE VI

ASSESSMENTS

## Section 1.

LEVY AND PAYMENT

All unit owners shall pay all common assessments for common expenses and all applicable special assessments and capital improvement assessments imposed by the Board of Directors, except that units owned by the Declarant that remain unoccupied shall only be assessed seventy percent (70%) of the normal assessment rate. The common assessments and applicable capital improvement and special assessments, together with interest, costs and reasonable attorney's fees, shall be the personal obligation of the person who was the owner of the condominium at the time when the assessment fell due. The assessment shall include payments to a general operating reserve fund for replacement as deemed necessary by the Board of Directors. The assessments levied by the Board of Directors shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the condominiums and for the improvement, operation, replacement and maintenance of the project. Not later than thirty (30) days prior to the beginning of each calendar year, the Board of Directors shall estimate the total charges to be assessed against each condominium. Written notice of the annual assessments shall be sent to every unit owner subject thereto. Each owner thereof shall thereafter pay to the Association his assessment in installments as established by the Board of Directors. In the event the Board of Directors shall determine that the estimate of total charges for the current year is, or will become, inadequate to meet all expenses of the property for any reason, it shall immediately determine the approximate amount of such inadequacy and issue a supplemental estimate of the total charges to be assessed against each condominium. Any further increases in the amount so assessed shall only be effective upon written consent of two-thirds (2/3) of the unit owners and their first mortgagees.

Each installment of an assessment shall become delinquent if not paid on or before thirty (30) days from the date upon which it becomes due. All annual common assessments