

DECLARATION SUBMITTING REAL PROPERTY
TO THE HORIZONTAL PROPERTY REGIMES ACT AND SPECIFYING
COVENANTS, CONDITIONS, AND RESTRICTIONS

This Declaration of Covenants, Conditions and Restrictions, hereinafter called "Declaration," is made and executed in Anchorage, Alaska, the day and date hereinafter last written by PHILLIPS CONSTRUCTION CO., INC., Anchorage, Alaska, hereinafter called "Declarant," pursuant to the provisions of the Alaska Horizontal Property Regimes Act.

W I T N E S S E T H:

WHEREAS, Declarant is the owner of certain real property located at 9115 - 9125 Emerald, Anchorage, Alaska, and more particularly described as follows:

Lot 4-B, ONNOLEE SUBDIVISION, according to the official plat thereof, No. 69-105, filed August 1, 1969, Anchorage Recording District, Third Judicial District, State of Alaska;

and

WHEREAS, Declarant is the owner of certain real estate, buildings, and other improvements heretofore constructed upon the aforesaid premises which property constitutes a "condominium project" under the terms of the provisions of the Alaska Horizontal Property Regimes Act, (Title 34, Chapter 07, Alaska Statutes) and it is the desire and the intention of the Declarant to divide the project into condominiums and to sell and convey the same to various purchasers, subject to the covenants, conditions and restrictions herein reserved to be kept and observed; and

WHEREAS, coincidentally with the filing of this declaration Declarant has filed for record in Anchorage District Recorder, Third Judicial District, State of Alaska, at Anchorage, Alaska, a survey map of the surface of the land which is subject to the covenants, conditions and restrictions and a set of the floor plans of the building showing the layout, apartment numbers and dimensions of the apartment under file or Plat No. 79-78 as is required by AS 34.07.030; and

WHEREAS, Declarant desires and intends by filing this Declaration and the aforesaid map to submit the above described property and the condominium buildings and other improvements constructed thereon, together with all appurtenances thereto, to the provisions of the aforesaid act as a condominium project and to impose upon said property mutually beneficial restrictions under a general plan of improvement for the benefit of all of said condominiums and the owners thereof,

NOW, THEREFORE, the Declarant does hereby publish and declare that all of the property described above is held and shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied, and improved subject to the following covenants, conditions, restrictions, uses, limitations and obligations, all of which are declared and agreed to be in furtherance of a plan for the improvement of said property and the division thereof into condominiums, and shall be deemed to run with the land and shall be a burden and a benefit to Declarant, its successors and assigns and any person acquiring or owning an interest in the real property and improvements, their grantee, successors, heirs, executors, administrators, devisees and assigns.

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1. Definitions. Certain terms as used in this Declaration shall be defined as follows, unless the context clearly indicates a different meaning therefor:

(a) "Declarant" shall mean Phillips Construction Co., Inc. who has made and executed this Declaration;

(b) "Declaration" shall mean this instrument by which the Jewel Lake Condominiums are established as provided for under the Alaska Horizontal Property Regimes Act;

(c) "Project" or "Property" shall mean the entire parcel of real property referred to in this Declaration to be divided into condominiums, including all structures thereon;

(d) "Map" shall mean the Record of Survey Map of Jewel Lake Condominiums, filed for record herewith by Declarant;

(e) "Unit" shall mean the elements of a condominium building which are not owned in common with the owners of other condominiums in the project as shown on the map and is identical to "apartment" as that term is defined in AS 34.07.450, except as herein otherwise defined. The boundary lines of each unit are the interior surfaces of its perimeter walls, bearing walls, floors, ceilings, windows and window frames, doors and door frames, and trim, including the fire box from the floor to the top of the fire box, if any, including utility outlets thereof when located with the unit, and includes both the portions of the building so described and the air space so encompassed;

(f) "Common area" shall mean all land and all portions of the property not located within any unit; the air space above same, except the air space occupied by each unit; and also includes, but not by way of limitation, hallways, roofs, foundations, pipes, ducts, flues, chutes, conduits, wires and other utility installations to the outlets, bearing walls, perimeter walls, columns and girders, to the interior surfaces thereof, regardless of location, greens, gardens, balconies, patios, carports, storage sheds, service streets, and parking areas, recreational greens and facilities; all installations of power, lights, gas, hot and cold water and heating existing for common use and all other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use;

(g) "Condominium" shall mean the entire estate in the real property owned by any owner, consisting of an undivided interest in the common area and ownership of a separate interest in a unit;

(h) "Owner" shall mean any person with an ownership interest in a condominium in the project;

(i) "Limited common area" shall mean that part of the common area which is reserved for the exclusive use of a particular unit and which is designated as an appurtenance of such unit as shown on Exhibit "C" hereof which is made a part hereof;

(j) "Association of unit owners" or "Association" means the Association formed as an Alaska not-for-profit corporation bearing the name of the Jewel Lake Condominium Owners' Association, Inc., the Articles of Incorporation and Bylaws of which shall govern the administration of this condominium project, the members of which Association shall be all of the owners of the condominium units.

(k) "Board" or "Board of Directors" shall mean the governing body of the Association.

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2. Description of Condominium Building. The condominium buildings consists of four units including hallways and utility facilities. The buildings are constructed primarily of wood framing with poured concrete foundations and slab, redwood sidings, and hand split cedarshake roof. Each unit has attached wood decking on the lake side and carports with storage lockers on the street side.

The condominium buildings are more particularly described on Exhibit "A", attached hereto and made a part hereof.

3. Description of Units. All units are delineated on the above-referenced survey maps and floor plans. The units are more particularly described on Exhibit "B" attached hereto and made a part hereof.

4. Description of Limited Common Areas and Facilities. The limited common areas and facilities reserved for the use of each unit, to the exclusion of other units, are as shown on the above-referenced floor plans and survey maps, and are further described on Exhibit "C" attached hereto and made a part hereof.

5. Undivided Interest In Common Areas and Facilities. The percentage of undivided interest in the common areas and facilities appertaining to each unit and its owner for all purposes, including voting, is in accordance with Exhibit "D" attached hereto and made a part hereof.

6. Value of Land and Improvements.

(a) The value of the unimproved real property described in Article 1 above is \$32,000.00 and the value of the total property, with designated improvements thereon, is \$392,000.

(b) The value of each unit is as set forth on Exhibit "E" attached hereto and made a part hereof.

7. Statement of Purposes For The Condominium Buildings and Condominium Units. Each unit is to be used only for the purposes of single family residence. As used herein, "single family" shall mean one or more persons occupying a unit and living as a single housekeeping unit, as distinguished from a group occupying a rooming house, club, fraternity house or hotel.

8. Agent For Receipt of Process. Pending amendment hereto, the person to receive service of process in the cases provided for under the Horizontal Regimes Act, (Alaska Statutes 34.07.020(8)), shall be Phillips Construction Co., whose address for such purposes shall be P.O. Box 34, Anchorage, Alaska 99510, such location being within the recording district in which the project is located. At the first meeting of the Board of Directors of the Association of Owners, as provided for in the Bylaws of the Association, a new registered agent shall, with such agent's consent, be appointed, and an appropriate amendment of these Declarations shall be filed in the District Recorder's Office. In the event of the incorporation of the Owners' Association, the Commissioner of Commerce, State of Alaska, shall likewise be advised of the change of Registered Agent.

9. Procedure For Subdividing Or Combining. Declarant reserves the right, prior to sale to an owner, or in the event declarant, subsequent to an original sale becomes an owner, to combine physically the area or space of one unit with the area or space of another condominium unit. Such combination shall not affect the designation, nor prevent separate ownership of such condominium units in the future. Any walls or other structural separations between the combined condominium units, or any space which would be occupied by such structural separation but for the combination of condominium units, shall remain common elements. Passageways, utility connections and other apparatus or facilities reasonably

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necessary to combine two (2) or more units may be constructed through walls or other structural separations which remain common elements. Alterations to walls or other structural separations as appearing on the above-referenced floor plans and survey map shall not alter the bearing capabilities of such structures.

There shall be no further subdivision of a condominium unit, and no part of a condominium unit or the legal rights comprising ownership of a condominium unit may be separated from any other part thereof during the period of condominium ownership prescribed herein without written agreement of one hundred percent (100%) of the owners of the condominium units in the project and the holders of first mortgages on one hundred percent (100%) of the units in the project in order that each unit and the undivided interest in the common elements appurtenant to such unit shall always be conveyed, demised, encumbered, or otherwise affected only as to a complete condominium unit.

10. The Condominium Association.

(a) The interests of all owners of condominium units shall be governed and administered by the Articles of Incorporation and Bylaws of the Jewel Lake Condominium Owners' Association, Inc. An owner of a condominium unit upon becoming an owner, shall be a member of the Association and shall remain a member for the period of his ownership.

(b) The Association grants to each first mortgagee of a condominium unit the right to examine the books and records of the Association at any reasonable time. Further, the Association shall notify each first mortgagee of any condominium unit of any proposed amendment of the Association's Articles of Incorporation or Bylaws or any change in the Association's Managing Agent at least ten (10) days prior to the effective date of such amendment or change. Further, all holders of first mortgages of record, their successors and assigns, shall be entitled to written notification from the Association of any default by the mortgagor of such unit in the performance of such mortgagor's obligations under the condominium documents which are not cured within thirty (30) days.

Each owner shall receive a true and correct copy of the Bylaws of the Association upon becoming an owner, and shall acknowledge the receipt of same. In addition the Bylaws may be filed or recorded as Exhibit "F" hereto, and, if so filed or recorded, shall be deemed incorporated by reference herein. Each owner shall be deemed to acquire title to a unit subject to the provisions of the Bylaws of the Association as existing at the time of acquisition of title.

Before the election of the first Board, as provided for in the Bylaws of the Association of Owners, the Declarant, or its successors or assigns, shall have all the rights, powers and obligations of the Board herein provided for, and in the Bylaws provided for, to administer the project; provided for in these Declarations and in the Bylaws, and provided, further, that control of the Owners' Association will become vested in the purchasers of the units within not more than thirty (30) days after completion of transfer to purchasers of title to units representing seventy-five percent (75%) of the votes of all unit owners, exclusive of the votes of owners of units within any future expansion of the unit or on December 31, 1985, whichever is sooner.

11. Sale and Retention of Condominium Units by Declarant. Declarant contemplates sale of one hundred percent (100%) of the condominium units; however, Declarant reserves the right to retain unsold condominium units and sell, lease or rent them without the approval of other condominium unit owners.

12. Warranty. Declarant disclaims any intent to warrant or make representations by virtue of this Declaration, except as is set forth herein.

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13. Partition Not Permitted. Common areas and facilities shall be owned in common by the owners of condominium units, and no owner may bring any action for partition thereof.

14. Owner's Right To Ingress and Egress. Each owner shall have the right to ingress and egress over, upon and across the common areas necessary for access to his condominium unit, and shall have the right to the horizontal and lateral support of his unit, and such rights shall be appurtenant to and pass with the title to each condominium unit.

15. Easements Deemed Created. Each unit owner has a non-exclusive easement for and may use the common areas and facilities in accordance with the purpose for which they were intended without hindering or encroaching upon the lawful right of the other unit owners. All conveyances of condominium units hereafter made, whether by the Declarant, or otherwise, shall be construed to grant and reserve such reciprocal easements as shall give effect to the provisions hereof and of the Bylaws of the Association, even though no specific reference to such easements appears in any such conveyance.

Without limitation to the foregoing, the Association, its agents, employees and contractors, shall have the right to enter each unit in case of any emergency originating in or threatening such unit, or other units, and to effect maintenance and repairs which an owner is required to make but fails to make, and to maintain all improvements on the project, all regardless of any present or future encroachment(s) of the common elements upon another unit.

In the event that any portion of the common elements encroaches upon any unit, or any unit encroaches upon the common elements, or any unit encroaches upon any other unit as a result of the construction, reconstruction, repair, shifting, settlement or movement of any portion of the project, a valid easement for the encroachment or the maintenance of same shall exist so long as the encroachment exists.

16. Assessments and Taxation. Each condominium unit shall be assessed and taxed separately for all taxes, assessments and other charges of the State of Alaska, or any political subdivision, or any special improvement district, or any other taxing assessing authority, including, without limitation, special ad valorem levies and special assessments. No forfeiture or sale of any condominium unit for delinquent taxes, assessments, or other governmental charges shall divest, or in any way, affect the title to any other condominium unit.

17. Labor and Material Liens. No labor performed or materials furnished for use in connection with any condominium unit with the consent of, or at the request of, an owner, or his agent, or subcontractor thereof, shall create any rights against any other condominium unit or against any interest in the common elements, except as to the undivided interest therein appurtenant to the condominium unit of the owner for whom such labor shall have been performed, and such materials shall have been furnished. Each owner shall indemnify and hold harmless the other owners from and against liability or loss arising from the claim of any lien against the project, or any part thereof, for labor performed, or for materials furnished on or for such owner's condominium unit.

18. Exclusive Ownership & Possession by Owner. Each owner shall be entitled to exclusive ownership and possession of his unit. Each owner shall be entitled to an undivided interest in the common area in the percentage expressed in Exhibit "D" of this Declaration. The percentage of the undivided interest of each owner in the common area as expressed in Exhibit "D" shall have a permanent character and shall not be altered without the consent of all owners expressed in an amended declaration duly

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recorded. The percentage of the undivided interest in the common area shall not be separated from the unit to which it appertains and shall be deemed to be conveyed or encumbered or released from liens with the unit even though such interest is not expressly mentioned or described in the conveyance or other instrument. Each owner may use the common area in accordance with the purpose for which it is intended, without hindering or encroaching upon the lawful rights of the other owners.

An owner shall not be deemed to own the undecorated and/or unfinished surfaces of the perimeter walls, basement floors, (upper) top story ceilings, windows and doors bounding his unit, nor shall the owner be deemed to own the utilities running through his unit which are utilized for, or serve more than one unit, except as a tenant in common with the other owners. An owner, however, shall be deemed to own and shall have the exclusive right to paint, repaint, tile, wax, paper or otherwise re-finish and decorate the inner surfaces of the walls, basement floors, (upper) top story ceilings, windows and doors bounding his unit.

19. Owner's Obligation to Repair. Except for those portions which the Board of Directors is required to maintain and repair hereunder (if any), each owner shall, at the owner's expense, keep the interior of his unit and its equipment and appurtenances in good order, condition and repair in a clean and sanitary condition, and shall do all redecorating, painting and varnishing which may at any time be necessary to maintain the good appearance and condition of his unit. In addition to decorating and keeping the interior of the unit in good repair, the owner shall be responsible for the maintenance, repair or replacement of any plumbing fixtures, water heaters, furnaces, lighting fixtures, refrigerators, air conditioning equipment, dishwashers, disposals or ranges that may be in, or connected with the unit. It is expressly understood that there may be, appurtenant to some units, air conditioners which are located in the patios appurtenant to the units. An easement is hereby reserved in favor of each such unit for the purpose of maintenance, repair or replacement of the said air conditioners by the respective owners as required hereinabove. An easement is hereby reserved in favor of each unit owner for the purpose of cleaning and/or replacing window and/or door glass as may from time to time be required.

The owner shall also, at the owner's own expense, keep the balcony and the interior of the patio, storage shed and carports which have been assigned to his unit in a clean and sanitary condition. Neither the Board of Directors nor the Manager shall be responsible to the owner for loss or damage by theft or otherwise of articles which may be stored by the owner in the balcony, patio, storage shed, carports or unit.

The owner shall promptly discharge any lien which may hereafter be filed against his condominium.

20. Prohibition Against Structural Changes by Owner. The owner shall not, without first obtaining written consent of one hundred percent (100%) of the Board of Directors make or permit to be made any structural alteration, improvement or addition in or to his unit or in or to the exterior of the buildings or other common area. The owner shall do no act nor any work that will impair the structural soundness or integrity of the buildings or safety of the property or impair any easement or hereditament without the written consent of all owners. The owner shall not paint or decorate any portion of the exterior of the buildings or other common area or any portion of the patio fences, storage sheds or carports, without first obtaining written consent of the Board of Directors.

21. Limitation on Use of Units and Common Area. The units and common area shall be occupied and used as follows:

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(a) No owner shall occupy or use his unit, or permit the same or any part thereof to be occupied or used for any purpose other than as a private residence for the owner and the owner's family or the owner's lessees or guests.

(b) There shall be no obstruction of the common area. Nothing shall be stored in the common area without the prior consent of the Board of Directors of the Owners' Association.

(c) Nothing shall be done or kept in any unit or in the common area which will increase the rate of insurance on the common area, without the prior written consent of the Board of Directors. No owner shall permit anything to be done or kept in his unit or in the common area which will result in the cancellation of insurance on any unit or any part of the common area, or which would be in violation of any law. No waste will be committed in the common area.

(d) No sign of any kind shall be displayed to the public view on or from any unit or the common area, without the prior consent of the Board of Directors;

(e) No animals, livestock or poultry of any kind shall be raised, bred, or kept in any unit or in the common area, except that dogs, cats or other household pets may be kept in units, subject to rules and regulations adopted by the Board of Directors.

(f) No noxious or offensive activity shall be carried on in any unit or in the common area, nor shall anything be done therein which may be or become an annoyance or nuisance to the other owners;

(g) Nothing shall be altered or constructed in or removed from the common area, except upon the written consent of the Board of Directors of the Owners' Association.

(h) There shall be no violation of rules for the use of the common area adopted by the Board of Directors of the Owners' Association and furnished in writing to the owners, and the Board of Directors is authorized to adopt such rules.

(i) None of the rights and obligations of the owners created herein, or by the deed creating the condominiums shall be altered in any way by encroachments due to settlement or shifting of structures or any other cause. There shall be valid easements for the maintenance of said encroachments so long as they shall exist; provided, however, that in no event shall a valid easement for encroachment be created in favor of an owner or owners if said encroachment occurred due to the willful conduct of said owner or owners.

22. Entry for Repairs. The Board of Directors of the Owners' Association or its agents may enter any unit when necessary in connection with any maintenance, landscaping or construction for which the Board of Directors is responsible. Such entry shall be made with as little inconvenience to the owners as practicable, and any damage caused thereby shall be repaired by the Board of Directors out of the common expense fund.

23. Failure of Board of Directors to Insist on Strict Performance No Waiver. The failure of the Board of Directors or manager to insist in any one or more instances, upon the strict performance of any of the

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terms, covenants, conditions or restrictions of this Declaration, or to exercise any right or option herein contained, or to serve any notice of default, or to institute any action shall not be construed as a waiver or a relinquishment for the future, of such term, covenant, condition or restriction but such term, covenant, condition or restrictions shall remain in full force and effect. The receipt by the Board of Directors or manager of any assessment from an owner, with knowledge of the breach of any covenant hereof shall not be deemed as a waiver of such breach, and no waiver by the Board of Directors or manager of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Board of Directors or manager.

24. Limitation of Board of Directors Liability. The Board of Directors shall not be liable for any failure of water supply or other service to be obtained and paid for by the Board of Directors hereunder, or for injury or damage to person or property caused by the elements or by another owner or person in the project, or resulting from electricity, water, rain, dust or sand which may leak from any of its pipes, drains, conduits, appliances, or equipment, or from any other place unless caused by gross negligence of the Board of Directors. No diminution or abatement of common expense assessments shall be claimed or allowed for inconveniences or discomfort arising from the making of repairs or improvements to the common area or from any action taken to comply with any law, ordinance or orders of a governmental authority.

25. Indemnification of Board of Directors. Each member of the Board of Directors shall be indemnified by the owners against all expenses and liabilities including attorneys' fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a member of the Board of Directors, or any settlement thereof, whether or not he is a member of the Board of Directors at the time such expenses are incurred, except in such cases wherein the member of the Board of Directors is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement the indemnification shall apply only when the Board of Directors approves such settlement and reimbursement as being for the best interests of the Board of Directors.

26. Prior Approval. Nothing in this Declaration or the Bylaws of the Association provided for herein to the contrary withstanding, prior written approval of the holders of first mortgages covering all or any portion of the project shall be a condition precedent to the effectiveness of any of the following action:

(a) Removal of all of any portion of the property or project from the provisions of the Horizontal Property Regime Act pursuant to Alaska Statutes 34.07.330, or as said statute may be amended from time to time.

(b) The partition or subdivision of any unit, or of the common elements.

(c) A change in the percentage interests of the unit owners, including, without limitation, such changes due to periodic reappraisal pursuant to Alaska Statutes 34.07.130(b) and the Bylaws.

(d) Any material amendment to this Declaration or to the Bylaws of the Owners' Association.

27. Condemnation. In case at any time or times the project or any part thereof shall be taken or condemned by any authority having the

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power of eminent domain, all compensation and damages for or on account of any land and improvements of the project shall be payable to such bank or trust company authorized to do business in the State of Alaska as the Board shall designate as trustee for all unit owners and mortgagees according to the loss or damage to their respective units and appurtenant common interest and shall be used promptly by the Association to the extent necessary for restoring or replacing such improvements on the remaining land according to plans therefor first approved as herein provided; provided, however, that in case a condominium building shall be substantially damaged and the condemnation proceeds are insufficient for restoration thereof, or in case restoration of the building to substantially its same size and function as immediately prior to such damage shall be prevented by any laws or ordinances then in effect, the determination as to whether to rebuild, repair or restore said building and the extent and manner thereof shall be determined by vote in accordance with Article 5 above, subject to written approval as to any modified plans by all owners of the common interests and mortgagees thereby directly affected.

Restoration of the project with less than all of the units after condemnation may be undertaken by the Association only pursuant to an amended Declaration, duly executed by the owners representing not less than one hundred percent (100%) of the common interests under the amended declaration. Such restoration shall be consented to in writing by all holders of first mortgages affecting any of the units, (the owners of which are executing such amended declaration). The instrument shall also require agreement for removing the project from the horizontal property regime established hereby; reconstituting all of the remaining units and common elements to be restored as a new horizontal property regime; and providing for payment to each owner of a unit not to be restored of the agreed value of such unit and its common interest, which payment shall include, without prejudice to the generality of the foregoing, all of the proceeds of condemnation award payable for or on account of such condominium unit and the proportionate share of the working capital fund and reserve fund of the Association provided for in the Bylaws of the Association without deduction for the cost of such restoration except for proportionate share of the cost of debris removal.

Nothing in the foregoing to the contrary withstanding, if any unit or portion thereof or the common elements or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding, or is otherwise sought to be acquired by a condemning authority, then the institutional holder of any first mortgage on a unit will be entitled to timely written notice of any such proceeding or proposed acquisition and no provision of any document establishing the project will entitle the owner of a unit or other party to priority over such institutional holder with respect to the distribution to such unit of the proceeds of any award or settlement.

28. Binding Effect of Declarations, Bylaws, and Articles of Incorporation of Owners' Association. All provisions of this Declaration, the Bylaws of the Owners' Association provided for herein, and the Articles of Incorporation of said Owners' Association provided for herein shall bind and be effective upon the owners of all units of this project, their tenants, employees, contractors, and any and all other persons that may use or be on or about the project, or any part of it, in any manner.

The failure of any unit owner to comply with the provisions of this Declaration, the Bylaws of the Owners' Association provided for herein, and the Articles of Incorporation of said Owners' Association provided for herein, shall constitute a breach of contract, and shall give rise to a cause of action in the Association and any aggrieved unit owner for the recovery of damages or injunctive relief or both. Any such action may be brought by the Board of Directors of the Association, or the manager, in behalf of the Association.

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29. Assessment for Common Expenses.

(a) All owners shall be obligated to pay the estimated common expense assessments (hereinafter sometimes referred to as "Assessments") imposed by the Association to meet the common expenses and reserves. The assessments shall be made in proportion to each owner's interest in and to the common elements. Subject to specific provisions elsewhere provided in this Declaration, the limited common elements shall be maintained as general common elements, (except, however, this shall not impose upon the Association the obligation to clean balconies and interior storage lockers, if any, and owners having exclusive use thereof shall not be subject to any special charges or assessments for the repair or maintenance thereof. Assessments for the estimated common expenses shall be due in advance on the first day of each calendar month. The Board shall cause to be prepared, delivered or mailed to each owner at least once each year a payment statement setting forth the estimated common expense assessments. Regarding any special assessments, the Board may implement such procedure as they deem appropriate.

(b) In the event the ownership of a condominium unit, title to which is derived from Declarant, commences on a day other than the first day of the assessment period, the assessments for that period will be prorated.

(c) Assessments shall be based upon the cash requirements deemed to be such aggregate sum as the Board shall from time to time determine is to be paid by all of the condominium unit owners, including Declarant, to provide for the payment of all estimated expenses growing out of or connected with the maintenance, repair, operation, additions, alterations and improvements of and to the common elements and personal property owned by the Association, which sum may include, but shall not be limited to, expenses of management; taxes and special assessments until separately assessed; premiums for insurance; landscaping and care of grounds; common lighting and heating; repairs and renovations; trash collections; wages, common water and sewer charges; legal and accounting fees; management fees; expenses and liabilities incurred by the Board on behalf of the unit owners under or by reason of this Declaration and the Articles of Incorporation and Bylaws of the Association; for any deficit remaining from a previous period; for the creation of a reasonable contingency, reserve, working capital and sinking funds as well as other costs and expenses relating to the common elements.

(d) The omission or failure to fix the assessment or deliver or mail a statement for any period shall not be deemed a waiver, modification or a release of the owners from their obligations to pay the same.

(e) The Association shall establish a reserve fund for replacement of the common elements and such reserve fund shall be funded through the monthly payments of the common expenses and not by extraordinary special assessments.

30. Insurance.

(a) The Association shall obtain and maintain, to the extent obtainable, policies involving standard premium rates, and written with companies licensed to do business in Alaska and having insured with a Best's insurance report rating of AAA or better. The Association shall not obtain any policy where: (i) under the terms of the insurance company's charter, bylaws or policy, contributions or assessments may be made against the mortgagor or mortgagee's designee; or (ii) by the terms of carrier's charter, bylaws or policy, loss payments are contingent upon action by the company's Board of Directors, policyholders, or members; or (iii) the policy includes any limiting clauses (other than insurance conditions) which could prevent mortgagees or the mortgagor from collecting insurance proceeds.

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(1) Fire insurance with extended coverage and all risk endorsements, which endorsements shall include endorsements for vandalism, malicious mischief, boiler explosion and machinery, with a minimum endorsed amount of \$50,000.00 per accident per location, insuring the entire condominium project and any other property, the nature of which is a common element (including all of the units, fixtures therein initially installed by the Declarant but not including furniture, furnishings or other personal property supplied by or installed by unit owners) together with all service equipment contained therein in an amount equal to the full replacement value, without deduction for depreciation, and which shall contain a standard non-contributory mortgage clause in favor of each mortgagee of a condominium unit which shall provide that the loss, if any, thereunder, shall be payable to the Association for the use and benefit of mortgagees as their interest may appear. If the condominium project is located in an area identified by the Secretary of Housing and Urban Development as an area having special flood hazards and the sale of Flood Insurance has been made available under the National Flood Insurance Act of 1968, a "blanket" policy of flood insurance on the condominium project must be obtained in an amount which is the lesser of the maximum amount of insurance available under the Act or the aggregate of the unpaid principal balances of the mortgages on the condominium units comprising the condominium project. The Board of Managers may acquire additional insurance protection, but not less than the foregoing.

(2) Public liability and property damage insurance in such limits as the Association may from time to time determine, but not in an amount less than \$300,000.00 per injury, per person, per occurrence and umbrella liability limit of \$1,000,000.00 per occurrence, covering all claims for bodily injury or property damage. Coverage shall include, without limitation, liability for personal injuries, operation of automobiles on behalf of the Association, and activities in connection with the ownership, operation, maintenance and other use of the project. Said policy shall also contain a "severability of interest endorsement".

(3) Workmen's Compensation and employer's liability insurance and all other similar insurance in respect to employees of the Association in the amounts and in the forms not or hereafter required by law.

(4) Fidelity Insurance. The Association shall purchase, in an amount not less than one hundred fifty percent (150%) of the Association's estimated annual operating expenses and reserves, fidelity coverage against dishonesty of employees, destruction or disappearance of money or securities and forgery. Said policy shall also contain endorsements thereto covering any persons who serve the Association without compensation.

(5) Other. The Association may obtain insurance against such other risks, of a similar or dissimilar nature, as it shall deem appropriate with respect to the project, including plate or other glass insurance and any personal property of the Association located thereon.

(b) All policies of insurance to the extent obtainable shall contain waivers of subrogation and waivers of any defense based on invalidity arising from any acts of a condominium unit owner and shall provide that such policies may not be cancelled or modified without at least ten (10) days prior written notice to all of the insured, including mortgagees. Duplicate originals of all policies and renewals thereof, together with proof of payments of premiums, shall be delivered to all mortgagees at least ten (10) days prior to expiration of the then current policies. The insurance shall be carried in blanket form naming the Association as the insured, as attorney-in-fact for all of the condominium unit owners, which policy or policies shall identify the interest of each condominium unit owner (owner's name and unit number designation).

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& MAHONEY

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(c) Prior to obtaining any policy of fire insurance or renewal thereof, the Association shall obtain an appraisal from a duly qualified real estate or insurance appraiser, which appraisal shall reasonably estimate the full replacement value of the entire condominium improvements, without deduction for depreciation, for the purpose of determining the amount of the insurance to be effected pursuant to the provisions of this insurance paragraph. In no event shall the insurance policy contain a co-insurance clause for less than eighty percent (80%) of the full replacement cost. Determination of maximum replacement value shall be made annually by one or more written appraisals to be furnished by a person knowledgeable of replacement cost, and each mortgagee shall be furnished with a copy thereof within thirty (30) days after receipt of such written appraisals. Such amounts of insurance shall be contemporized annually in accordance with their currently determined maximum replacement value.

(d) Unit owners may carry other insurance for their benefit and at their expense, provided that all such policies shall contain waiver of subrogation, and provided further that the liability of the carriers issuing insurance obtained by the Board of Managers shall not be affected or diminished by reason of any such additional insurance carried by any unit owner.

(e) Insurance coverage on furnishings, including carpet, draperies, oven, range, refrigerator, wallpaper, disposal and other items of person or other property belonging to an owner and public liability coverage within each unit shall be the sole and direct responsibility of the unit owner thereof, and the Association shall have no responsibility therefor.

(f) In the event that there shall be any damage or destruction to, or loss to a condominium unit which exceeds \$1,000.00 or any damage or destruction to, or loss to the common elements which exceeds \$10,000.00, then notice of such damage, loss or taking shall be given by the Association to each first mortgagee of said unit within ten (10) days after the occurrence of such event.

31. Owner's Personal Obligation for Payment of Assessments.

The amount of the common expenses assessed against each condominium unit shall be the personal and individual debt of the owner thereof. No owner may exempt himself from liability for his contribution for the common expenses by waiver of the use or enjoyment of any of the common elements or by abandonment of his unit. The Board shall have the responsibility to take prompt action to collect any unpaid assessment which remains unpaid for more than twenty (20) days from the due date for payment thereof. In the event of default in the payment of the assessment, the unit owner shall be obligated to pay interest at the rate of ten percent (10%) per annum on the amount of the assessment from due date thereof, together with all incurred expenses, including attorney's fees, together with such late charges as shall be provided by the bylaws of the Association. In addition to the foregoing, the Association shall have the right to bring an action for an injunction. Said injunction shall require a defaulting owner to pay any unpaid assessment. A suit to obtain a money judgment or an action for injunctive relief, for unpaid common expenses shall be maintainable without constituting an election of remedies or waiving the lien securing said debt.

32. Assessment Lien.

(a) All sums assessed but unpaid for the share of common expenses chargeable to any condominium unit shall constitute a lien on such unit superior to all other liens and encumbrances, except only for real estate taxes and special assessments liens on the condominium unit in favor of any public or quasi-public assessing entity, and all sums unpaid on a first mortgage or first deed of trust of record, including advances and all

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unpaid obligatory sums as may be provided by such encumbrances. To evidence such lien, the Board or the Managing Agent shall prepare a written notice of lien assessment setting forth the amount of such unpaid indebtedness, the amount of the accrued interest and late charges thereon, the name of the owner of the condominium unit and a description of the condominium unit. Such a notice shall be signed by one of the Board or by one of the officers of the Association and shall be recorded in the records of the Anchorage Recording District. Such lien shall attach on the date and Notice of Assessment is recorded. Such lien may be enforced by the foreclosure of the defaulting owner's condominium unit by the Association in like manner as a mortgage on real property upon the recording of a notice or claim thereof.

(b) The owner shall be required to pay the costs, expenses and attorney's fees incurred in regard to any such default by an owner and for preparation and filing the lien and, in the event of foreclosure proceedings, all additional costs, expenses and attorney's fees incurred. The owner of the condominium unit being foreclosed shall be required to pay to the Association the monthly common expense assessment for the condominium unit during the period of foreclosure, and the Association shall be entitled to a receiver to collect the same. The Association shall have the power and authority to bid for the condominium unit at a foreclosure or other legal sale and to acquire and hold, lease, mortgage, vote the votes appurtenant to, convey or otherwise deal with the same during such proceeding and its ownership thereof.

(c) Any encumbrancer holding a lien on a condominium unit may pay, but shall not be required to pay, any unpaid common expenses payable with respect to such unit, and upon such payment, such encumbrancer shall have a lien on such unit for the amounts paid of the same rank as the lien of his encumbrance without the necessity of having to record a notice or claim of such lien. Upon request of a mortgagee, the Association shall report to the mortgagee of a condominium unit any unpaid assessment remaining unpaid for longer than thirty (30) days after the same is due, or other default of any covenant, condition, obligation or term of this Declaration not cured within thirty (30) days; provided, however, that a mortgagee shall have furnished to the Managing Agent, if any, and to the Board of Managers, notice of such encumbrance.

(d) The recorded lien may be released by recording a Release of Lien to be executed by an officer of the Association or by a duly authorized representative of the Board on behalf of the Association.

33. Liability for Common Expenses Upon Transfer of Condominium
is Joint.

(a) The grantee of a condominium unit shall be jointly and severally liable with the grantor for all unpaid assessments against the latter for the unpaid common assessments up to the time of the grant or conveyance, without prejudice to the grantee's rights to recover from the grantor the amounts paid by the grantee therefor; provided, however, that upon payment of a reasonable fee periodically established by the Board of Managers, and upon written request, any such prospective grantee shall be entitled to a statement from the Managing Agent or Board of Managers of the Association, setting forth the amount of the current monthly assessment, the date that such assessment becomes due and credits for any advanced payments of common expenses and prepaid items, such as insurance premiums, but not including accumulated amounts for reserves, if any, which statement shall be conclusive upon the Association. Unless such request for such a statement shall be complied with within twenty (20) days from receipt thereof, then such requesting grantee shall not be liable for, nor shall the unit conveyed be subject to a lien therefor, together with all costs of collection, interest, penalties and reasonable attorney's fees.

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(b) Upon payment of a reasonable fee periodically established by the Board and upon the written request of any owner or any mortgagee or prospective mortgagee or a condominium unit, the Association, by its officer of the Association, shall issue a written statement setting forth the amount of the unpaid common expenses, if any, with respect to the subject unit, the amount of the current monthly assessment and the date that such assessment becomes due, credit for any advanced payments of common assessments and for prepaid items (such as insurance premiums, but not including accumulated amounts for reserves, if any), which statement shall be conclusive upon the Association in favor of all persons who rely thereon in good faith. Unless such request for a statement in indebtedness shall be complied with within twenty (20) days from receipt thereof, all unpaid common expenses which become due prior to the date of making such request shall be subordinate to the rights of the person requesting such statement.

(c) Notwithstanding the other terms and conditions of this Declaration, in the event of any default on the part of any owner under any first mortgage or first deed of trust which entitles the holder thereof to foreclose the same, any sale under such foreclosure, including delivery of a deed to the first mortgagee in lieu of such foreclosure, shall be made free and clear of the liability of a grantee for the unpaid assessments of his grantor. Further, no first mortgagee shall be liable for any unpaid common expense assessments accruing prior to the time such mortgagee becomes the owner of any condominium unit.

34. Encumbrances - Priority. The owner of a condominium unit may create a junior mortgage (junior to the lien, deed of trust or other encumbrance of the first mortgagee), liens or encumbrances on his condominium unit; provided, however, that any such junior mortgages, liens or encumbrances shall always be subordinate to the prior and paramount lien of the Association for common expenses and all of the terms, conditions, covenants, restrictions, uses, limitations and obligations under this Declaration, Association Articles of Incorporation and By-Laws, and provided further that such junior encumbrancer(s) shall release, for purposes of restoration of any improvements upon the encumbered condominium unit, all of his right, title and interest in and to the proceeds under all insurance policies upon said premises by the Association. Such release shall be furnished forthwith by a junior mortgagee upon written request of the Association, and if such report is not granted, such release may be executed by the Association as attorney-in-fact for such junior mortgagee.

35. Assessment Reserves. Each owner, other than the Declarant, shall be required to deposit at time of initial purchase and thereafter to maintain with the Association an amount equal to two months estimated operating expenses of the Association, as deferred by the Association (but in no event less than \$100.00), which sum shall be used by the Association as a reserve for paying such owner's monthly common assessment, for capital repairs and/or replacements, purchase of equipment and for extraordinary common expenses. Such advance payment shall not relieve an owner from making the regular monthly common assessment as the same come due. Upon the sale of his condominium unit, an owner shall be entitled to a credit from his grantee for any unused portion thereof. Failure to so maintain said fund shall constitute a default on behalf of an owner. Said funds may be co-mingled and/or invested in common investments. Any interest accruing on such deposit shall not be required to be distributed by the Association. However, such interest, if any, for tax purposes is hereby recognized and declared to be a constructive receipt received by an owner.

36. No Partition. There shall be no judicial partition of the project or any part thereof, nor shall Declarant or any person acquiring any interest in the project or any part thereof seek any such judicial

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partition, until the happening of the conditions set forth in Paragraph 37 hereof in the case of damage or destruction or unless the property has been removed from the provisions of the Horizontal Properties Regimes Act as provided in Article 5 thereof; provided, however, that if any condominium shall be owned by two or more co-tenants as tenants-in-common or as joint tenants, nothing herein contained shall be deemed to prevent a judicial partition as between such co-tenants. But such partition shall not affect any other condominium.

37. Damage and Destruction. In case of fire, casualty or any other disaster, the insurance proceeds, if sufficient to reconstruct the buildings, shall be applied to such reconstruction. Reconstruction of the buildings, as used in this paragraph means restoring the buildings to substantially the same condition in which they existed prior to the fire, casualty or other disaster, with each unit and the common area having the same vertical and horizontal boundaries as before. Such reconstruction shall be accomplished by the manager or Board of Directors.

If the insurance proceeds are insufficient to reconstruct the building, damage to or destruction of the building shall be promptly repaired and restored by the manager or Board of Directors, using proceeds of insurance, if any, on the buildings for that purpose, and the unit owners shall be liable for assessment for any deficiency. However, if three-fourths or more of the buildings are destroyed or substantially damaged and if the owners, by a vote of at least three-fourths (3/4) of the voting power, do not voluntarily, within one hundred (100) days after such destruction or damage, make provision for reconstruction, the manager or Board of Directors shall record, with the District Recorder, a notice setting forth such facts, and upon the recording of such notice:

(1) The property shall be deemed to be owned in common by the owners;

(2) The undivided interest in the property owned in common which shall appertain to each owner shall be the percentage of undivided interest previously owned by such owner in the common area;

(3) Any liens affecting any of the condominiums shall be deemed to be transferred in accordance with the existing priorities to the undivided interest of the Owner in the property; and

(4) The property shall be subject to an action for partition at the suit of any owner, in which event the net proceeds of sale, together with the net proceeds of the insurance on the property, if any, shall be considered as one fund and shall be divided among all the owners in a percentage equal to the percentage of undivided interest owned by each owner in the common area, after first paying out of the respective shares of the owners, to the extent sufficient for the purposes, all liens on the undivided interest in the property owned by each owner.

Notwithstanding all other provisions hereof, the owners may, by an affirmative vote of at least three-fourths (3/4) of the voting power, at a meeting of unit owners duly called for such purpose, elect to sell or otherwise dispose of the property. Such action shall be binding upon all unit owners and it shall thereupon become the duty of every unit owner to execute and deliver such instruments and to perform all acts in manner and form as may be necessary to effect the sale.

38. Enforcement. Each owner shall comply strictly with the provisions of this Declaration and with the administrative rules and regulations drafted pursuant thereto as the same may be lawfully amended from

time to time and with decisions adopted pursuant to said Declaration and administrative rules and regulations, and failure to comply shall be grounds for an action to recover sums due for damages or injunctive relief or both, maintainable by the Board of Directors or manager on behalf of the owners, or in a proper case, by an aggrieved owner.

39. Personal Property. The Board of Directors or manager may acquire and hold, for the benefit of the owners, tangible and intangible personal property and may dispose of the same by sale or otherwise; and the beneficial interest in such personal property shall be owned by the owners in the same proportion as their respective interests in the common area, and shall not be transferable except with a transfer of a condominium. A transfer of a condominium shall transfer to the transferee ownership of the transferor's beneficial interest in such personal property.

Within thirty (30) days following the recording of this Declaration, the Declarant shall execute and deliver a bill of sale to the Board of Directors in behalf of all the owners, transferring all items of personal property located on the project and furnished by the Declarant, which property is intended for the common use and enjoyment of the owners.

40. Audit. Any owner may at any time at his own expense cause an audit or inspection to be made of the books and records of the manager or Board of Directors. The Board of Directors, as a common expense, shall obtain an audit of all books and records pertaining to the project at no greater than annual intervals and furnish copies thereof to the owners.

41. Interpretation. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of a condominium project. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce said provisions or any other provision hereof.

42. Amendment. Except as otherwise provided herein, the provisions of this Declaration may be amended by an instrument in writing signed and acknowledged by record owners holding seventy-five percent (75%) of the total vote hereunder, which amendment shall be effective upon recordation in the Office of the Recorder of the Anchorage Recording District, State of Alaska.

43. Severability. The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion thereof shall not affect the validity or enforceability of any other provision hereof.

44. Effective Date. This Declaration shall take effect upon recording.

IN WITNESS WHEREOF, the undersigned has executed this instrument this 14th day of June, 1979.

PHILLIPS CONSTRUCTION CO., INC.

By: [Signature]

STATE OF ALASKA)

THIRD JUDICIAL DISTRICT)

: ss..

THIS IS TO CERTIFY that on the 14th day of June, 1979, before me, the undersigned, a Notary Public in and for the State of

COLE, HARTIG,
RHODES, NORMAN
& MAHONEY

SUITE 501
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ANCHORAGE, ALASKA
99501

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Alaska, duly commissioned and sworn as such, personally appeared E. BRADFORD PHILLIPS, to me known to be the President of PHILLIPS CONSTRUCTION CO., INC., a corporation, and known to me to be the person who executed the within instrument on behalf of the corporation herein named, and acknowledged to me that the same was signed as a free act and deed of the said corporation for the uses and purposes therein stated and pursuant to its Bylaws or a resolution of its Board of Directors.

WITNESS my hand and notarial seal the day and year first above written.

Geoffrey Monroe
Notary Public in and for Alaska
My commission expires: 12-31-79



CONSENT OF HOLDERS OF SECURITY INTEREST

The undersigned, Alaska Mutual Savings Bank, holder of the beneficial interest under a Deed of Trust covering all or part of the above-described real property, hereby consents and joins in the foregoing Declaration Submitting Real Property to Horizontal Regime (Chapter 34.07, Alaska Statutes).

By Robert W. Sullivan

STATE OF ALASKA)
) ss.
THIRD DISTRICT)

THIS IS TO CERTIFY, that on this 14th day of June, 1979, before me the undersigned Notary Public, personally appeared ROBERT W. SULLIVAN, the VICE PRESIDENT of Alaska Mutual Savings Bank, known to me and to me known to be the individual described in and who executed the foregoing instrument; he acknowledged to me that he signed the same freely and voluntarily on behalf of said corporation for the uses and purposes therein set forth.

WITNESS my hand and official seal.

Charles H. [Signature]
Notary Public in and for Alaska
My commission expires: 3-31-80

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& MAHONEY
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EXHIBIT ADESCRIPTION OF CONDOMINIUM BUILDINGS:

The building is located at 9115, 9121, 9125, and 9129 Emerald Drive, Anchorage, Alaska, and is a two story building with basements in each unit. There are a total of four apartments. The building is constructed of wood framing with poured concrete foundations and slab, redwood sidings, and hand split cedarshake roof. Each unit has attached wood decking on the lake side and carports with storage lockers on the street side. Access to all units is at ground level on the street side through individual front entrance doors. The building is situated on the lot within appropriate setbacks and faces east toward Jewel Lake.

EXHIBIT "B"

DESCRIPTION OF UNITS ONE THROUGH FOUR

UNIT ONE, identified as 9129 Emerald, is located on the extreme south side of the building. The unit contains approximately 1600 square feet consisting of two bedrooms, two baths, a kitchen, living-dining room combination, a pantry and basement. The basement has concrete floor, sheet rock walls, unfinished ceiling, natural gas forced air furnace with built-in humidifier, 75 gallon water heater and all facilities for laundry hookup. One bedroom and bath is on the top floor, the other on the entrance level.

There is a fireplace in the main living room, and an 8 x 16 patio deck on the lakeside, and a paved parking area for two cars including a one-car carport. All rooms have tract lighting, R-30 insulation, 2 hour fire walls between units and sound proofing between units. All units are wired for HiFi, T.V. and phone in all rooms. Floor coverings are carpet in all areas except ceramic tile in the entrance hall, vinyl in the kitchen, teak stair treads and concrete in the basement.

UNIT ONE shares water, T.V. antenna system, and sewer (septic tank and drain field), with the other three units, but has its own gas supply. CHUGACH ELECTRIC ASSOCIATION provides electric service.

All units are the same except reverse floor plans in alternate units and are similarly equipped and constructed.

UNIT TWO, identified as 9125 Emerald Drive, is located immediately north of UNIT ONE, and is identical to UNIT ONE, except that the floor plan is reversed or "flipped".

UNIT ONE is identical to UNIT THREE and UNIT TWO is identical to UNIT FOUR.

EXHIBIT CDESCRIPTION OF LIMITED COMMON AREAS AND FACILITIES:

Each unit has two limited paved parking spaces, one of which is covered by a carport and contains associated storage lockers. Each Unit has an attached deck, as follows:

<u>DECKS</u>	<u>STORAGE</u>	<u>CARPORTS</u>	<u>PARKING</u>
D-1	S-1	CP-1	P-1
D-2	S-2	CP-2	P-2
D-3	S-3	CP-3	P-3
D-4	S-4	CP-4	P-4

BOOK 410

EXHIBIT "D"

UNIT THREE, identified as 9121 Emerald Drive, is identical to UNIT ONE, and is located north and west of UNIT TWO, being attached to UNIT TWO by a short commonwall.

UNIT FOUR, identified as 9115 Emerald Drive, is located immediately north of UNIT THREE and is identical to UNIT TWO.

Percentage of undivided interest in common areas and facilities for all purposes, including voting.

UNIT ONE	25%
UNIT TWO	25%
UNIT THREE	25%
UNIT FOUR	<u>25%</u>
TOTAL	100%

BOOK 410

EXHIBIT "E"

VALUE OF EACH UNIT:

UNIT ONE	\$ 98,000.00
UNIT TWO	98,000.00
UNIT THREE	98,000.00
UNIT FOUR	<u>98,000.00</u>
TOTAL	\$392,000.00

ANCHORAGE RECORDING DISTRICT

AMENDMENT TO DECLARATION
SUBMITTING REAL PROPERTY TO
THE HORIZONTAL PROPERTY REGIMES ACT
AND SPECIFYING COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

JEWEL LAKE CONDOMINIUM OWNERS' ASSOCIATION, INC.

Part # 79-78

This Amendment to Declaration Submitting Real Property to the Horizontal Property Regimes Act and Specifying Covenants, Conditions and Restrictions (hereinafter "the Declaration"), recorded at Book 410, Page 0764, *et seq.*, records of the Anchorage Recording District, Third Judicial District, State of Alaska, is made for Jewel Lake Condominium Owners' Association, Inc.

The purpose of this Amendment is to add a new paragraph to Section 38 by designating the first paragraph of Section 38 as Section 38(a) and adding a new paragraph as Section 38(b), such that Section 38 shall read as follows:

38. **Enforcement.** (a) Each owner shall comply strictly with the provisions of this Declaration and with the administrative rules and regulations drafted pursuant thereto as the same may be lawfully amended from time to time and with decisions adopted pursuant to said Declaration and administrative rules and regulations, and failure to comply shall be grounds for an action to recover sums due for damages or injunctive relief or both, maintainable by the Board of Directors or manager on behalf of the owners, or in a proper case, by an aggrieved owner.

(b) In the event the parties to a dispute agree to arbitrate then, in that event, the parties shall pursue arbitration pursuant to the rules of the American Arbitration Association or such other arbitration rules and procedures as they may agree to consistent with the Uniform Arbitration Act, AS 09.43.010-180, and amendment thereto. Once agreed to, the arbitration shall commence within thirty days.

BK D 2538 PG 407

Section 42 of the Declaration requires that all amendments be in writing executed by seventy five per cent (75%) of the total vote, which shall be effective upon recording.

DATED this 17 day of November, 1993.

JEWEL LAKE CONDOMINIUM OWNERS' ASSOCIATION, INC.

By: Laura M. Mitchell
Its: President and owner of 25% of the voting rights

JEWEL LAKE CONDOMINIUM OWNERS' ASSOCIATION, INC.

By: William V. Fox
Its: Secretary and owner of 25% of the voting rights

JEWEL LAKE CONDOMINIUM OWNERS' ASSOCIATION, INC.

By: KEVIN AUKU
Its: sole owner of Unit 4129 and owner of 25% of the voting rights

STATE OF ALASKA

THIRD JUDICIAL DISTRICT) ss.

THIS IS TO CERTIFY that on the 17th day of November, 1993, before me, the undersigned, a Notary Public in and for the State of Alaska, personally appeared Laura M. Mitchell, known to me to be the President of JEWEL LAKE CONDOMINIUM OWNERS' ASSOCIATION, INC., and known to me to be the individual named in and who executed the foregoing document and he acknowledged to me that he executed the foregoing document as his free and voluntary act and deed and that he was authorized to execute the foregoing document on behalf of JEWEL LAKE CONDOMINIUM OWNERS' ASSOCIATION, INC. for the uses and purposes therein set forth.

WITNESS my hand and notarial seal the day and year first above written.

Dennis K. Pidd
Notary Public in and for Alaska
My commission expires: July 12, 1994

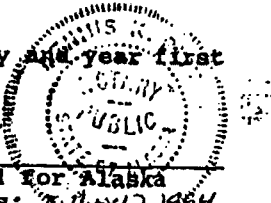


STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the 16th day of November, 1993, before me, the undersigned, a Notary Public in and for the State of Alaska, personally appeared William Knox, known to me to be the Secretary of JEWEL LAKE CONDOMINIUM OWNERS' ASSOCIATION, INC., and known to me to be the individual named in and who executed the foregoing document and he acknowledged to me that he executed the foregoing document as his free and voluntary act and deed and that he was authorized to execute the foregoing document on behalf of JEWEL LAKE CONDOMINIUM OWNERS' ASSOCIATION, INC. for the uses and purposes therein set forth.

WITNESS my hand and notarial seal the day and year first above written.

Dennis K. Pidd
Notary Public in and for Alaska
My commission expires: July 12, 1994



STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the 17 day of November 1993, before me, the undersigned, a Notary Public in and for the State of Alaska, personally appeared Keenan Powell, known to me to be the sole owner of JEWEL LAKE CONDOMINIUM OWNERS' ASSOCIATION, INC., and known to me to be the individual named in and who executed the foregoing document and he acknowledged to me that he executed the foregoing document as his free and voluntary act and deed and that he was authorized to execute the foregoing

BK02538PG409

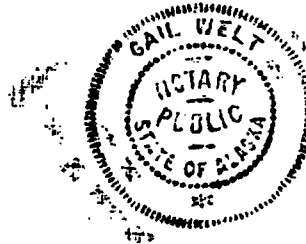
document on behalf of JEWEL LAKE CONDOMINIUM OWNERS' ASSOCIATION, INC. for the uses and purposes therein set forth.

WITNESS my hand and notarial seal the day and year first above written.

Gail Welt

Notary Public in and for Alaska

My commission expires: July 22, 1997



AB- 068224

ANCHORAGE REC. DISTRICT
REQUESTED BY

'93 NOV 17 PM 12 43

24 CC
David Zabotowski
POB 104087
Anch AK 99510

After recording, please return to:

McNall & Associates, P.C.
921 W. 6th Avenue, Suite 100
Anchorage, AK 99501-2044