

PHASE I

DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF
EASTRIDGE III
A PLANNED UNIT DEVELOPMENT

THIS DECLARATION, made on the date hereinafter set forth by GAMEL HOMES, INC., an Alaska corporation, having a principal place of business at 2702 Gambell, Suite 202, Anchorage, Alaska 99503, hereinafter referred to as "Declarant."

WITNESSETH:

WHEREAS, Declarant is the owner of the following described real property in the Anchorage Recording District, Third Judicial District, State of Alaska, which is hereinafter called "Phase One Property":

Tracts A, B-1A and B-3; Lots One (1) through Six (6), inclusive, Block One (1), and Lots Seventeen (17) through Forty-two (42), inclusive, Block Two (2), EASTRIDGE III, according to Plat No. 81-253, in the records of the Anchorage Recording District, Third Judicial District, State of Alaska.

NOW, THEREFORE, Declarant hereby declares that all of the Property described above shall be held, sold, conveyed, developed and improved subject to the following easements, restrictions, covenants and conditions which are for the purpose of protecting the value and desirability of, and which shall run with such real property and be binding on all parties having any right, title or interest in such property, or any part thereof, and the heirs, successors and assigns thereof and shall inure to the benefit of, and be binding upon all of the foregoing.

ARTICLE I
DEFINITIONS

Section 1. "Association" shall mean and refer to EASTRIDGE III OWNERS ASSOCIATION, INC., an Alaska nonprofit corporation, its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any "Lot" which is a part of the "Properties," excluding those having such interest merely as security for the performance of an obligation. "Owner" shall not include "Declarant" except as herein is otherwise specified.

Section 3. "Phase One Property" shall mean and refer to the real property described in the introductory paragraph above, and as the same is improved and developed.

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Section 5. "Property" or "Properties" shall mean and refer to that certain real property hereinbefore described as Phase One Property and such additional property as may hereafter be brought within the jurisdiction of the Association by annexation by Declarant or the "Association" under Article X of this Declaration. Nothing herein contained shall obligate Declarant or others to make additions or annexations.

Section 4. "Common Area" shall mean all real property, including the improvements thereto, owned by the "Association," and each "Owner" shall have a nonexclusive easement for the use and enjoyment of such "Common Area" without further words of conveyance of same. The Common Area for each phase of this planned unit development shall be conveyed to the "Association," free and clear of all liens and encumbrances except easements and restrictions of record which will not interfere with its intended use and enjoyment, within ten (10) days following the conveyance of a Lot in that particular phase to an Owner. "Common Area" includes the improvements thereon. The Phase One Common Area to be owned by the Association is described as follows:

Tracts A, B-1A and B-3, EASTRIDGE III, according to Plat No. 81-253, in the Records of the Anchorage Recording District, Third Judicial District, State of Alaska.

Section 6. "Lots."

"Lot," with respect to an "Owner," shall mean and refer to a parcel of land that is part of the "Properties" which has been conveyed to an "Owner." Such lots shall be deemed Class A member lots.

"Lot," with respect to Declarant, shall mean and refer to a lot that is part of the "Properties" not conveyed to an Owner, and shall exclude "Common Area." Those lots not conveyed to an Owner shall be deemed to be owned by the Declarant, and each shall be a Class B member lot.

"Lot," includes the improvements thereon. "Lot" does not refer to the Common Areas, nor does it refer to a parcel of land not part of the "Properties" as herein defined.

There are thirty-two (32) "Lots" in Phase One of this Planned Unit Development. The Phase One lots are Lots one through six and seventeen through forty-two, inclusive, of Eastridge III, as shown on Plat No. 81-253, Records of the Anchorage Recording District, Third Judicial District, State of Alaska.

Section 7. "Declarant" shall mean and refer to GAMEL HOMES, INC., an Alaska corporation, and the successors and assigns thereof, if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 8. Mortgage Defined. Mortgage as used throughout this Declaration shall mean a real property security interest in one or more Lots contained in the project and may be nominally a mortgage or a Deed of Trust. "Mortgagor,"

"mortgagee" and "holder" shall be deemed to be the equivalent of trustor, beneficiary and holder of the beneficial interest under a Deed of Trust, respectively. Where this Declaration requires affirmative actions towards or by "holders," "first mortgagees," etc., such terms shall be deemed to apply only to "institutional" holders of first mortgages (any bank, savings and loan association, corporation, mortgage company, insurance company, or federal or state agency).

Section 9. "Future Phase or Phases Property" shall mean all of the following described real property situate in the Anchorage Recording District, Third Judicial District, State of Alaska:

Tracts C and D, EASTRIDGE III, according to Plat No. 81-253, in the Records of the Anchorage Recording District, Third Judicial District, State of Alaska.

ARTICLE II

PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment. Every Owner shall have a right and easement of use, benefit and enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

A. the right of the Association to suspend the voting rights and right to use the Common Area of an Owner of a Lot for any period during which any assessment against that Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations adopted in accordance with the Bylaws of the Association and this Declaration.

B. the right of the Association to dedicate, sell or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by those members entitled to cast at least seventy-five percent (75%) of the votes of the entire Class A membership, and those members entitled to cast seventy-five percent (75%) of the votes of the entire Class B membership, if any, agreeing to such dedication or transfer has been recorded, together with the written approval required under Article VI below.

Section 2. Delegation of Use. Any Owner may delegate the right of enjoyment to the Common Area to family members, tenants, or contract purchasers who reside on the Lot to which such right of enjoyment is appurtenant. The Owner shall notify the Secretary of the Association in writing of the name of such delegate, and the rights and privileges of such delegate are subject to suspension to the same extent as those of an "Owner." No such notice shall be necessary for members of an Owner's family residing on the property. Anything to the contrary herein or elsewhere notwithstanding, the entitlement to the use and enjoyment of the "common area" shall not be severable from any "Lot."

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Section 3. Leases. Any lease agreement between the Owner of Lot or the Declarant and a lessee shall be subject in all respects to this Declaration, the Articles of Incorporation for the "Association" and the Bylaws of the "Association," and any failure by the Lessee to comply with the terms of such documents shall be a default under the lease. All leases shall be in writing. Other than the foregoing, there is no restriction on the leasing of a lot. As used herein, "Lease" shall include any agreement for the leasing or rental or use of a Lot.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner of a Lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of a Lot. Transfer of a Lot to a different "Owner" automatically transfers membership in the "Association" and all rights of the Transferor, with respect to the "Common Area" to which ownership of such Lot relates.

Section 2. The Declarant shall be a member of the Association in accordance with Section 3 below.

Section 3. The Association shall have two classes of voting membership for Phase One:

Class A. Class A members shall be all "Owners" with the exception of Declarant, and shall be entitled to one vote for each Lot owned. When more than one person is an "Owner" of a Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast per Lot, nor shall fractional votes be cast.

Class B. The Class B member(s) shall be the Declarant and shall be entitled to two (2) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of any of the following events, whichever occurs earlier:

- A. Upon the closing of a sale (conveyance) of a Class B membership lot to an Owner (but only as to the particular lot); or
- B. When the total votes outstanding in the Class A membership equals the total votes outstanding in the Class B membership; or
- C. December 31, 1982.

In the event of annexation by Declarant pursuant to Article X below, there shall be but one class of voting membership for lots in such annexed property, namely Class A above, which for future phases specifically includes Declarant.

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Lease

Section 4. Anything herein or elsewhere notwithstanding, control of the "Association" shall vest in the purchasers ("Owners") of Phase One Lots within not more than 120 days after completion of transfer to purchasers of title to lots representing seventy percent (70%) of said Phase One Lots or 365 days after conveyance of the first Lot to an Owner, whichever shall earlier occur. As used herein, "Control of the Association" shall mean that time when the first annual meeting of the Association takes place and the Directors of the "Association" elected at that meeting take office.

Section 5. The internal affairs of the "Association" shall be controlled by its "Bylaws" and as they may from time to time be amended. A copy of the Bylaws in effect at the time of recording of this Declaration is attached hereto as Exhibit "A" and all terms and provisions thereof are incorporated by reference herein as if fully set forth.

ARTICLE IV

COVENANT FOR ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation for Assessments. The Declarant, except as herein-below provided, for each Lot within the Properties, covenants, and each Owner of any Lot by acceptance of a Deed therefor, whether or not it shall be so expressed in such Deed, is deemed to covenant and agree to pay to the Association a proportionate share of the "Common Expense" of administration of the Properties by the payment of annual and special assessments which the Association, acting through its Board of Directors, shall levy and collect in the manner set forth in the Bylaws of the Association or this Declaration or as reasonably implied from either. "Common expense" as used herein shall mean expenditures for or liabilities incurred by or on behalf of the Association, together with any amounts for the creation and maintenance of reserves within the scope of this Declaration or reasonably implied therefrom and in this regard the decision of the Board of Directors of the Association shall be determinative. The assessment(s) against any Lot, with interest, costs and reasonable attorneys' fees, shall be a continuing lien upon it until paid. Each such assessment, together with interest, costs and a reasonable attorneys' fees, shall also be the personal obligation of the "Owner" of the Lot at the time the assessment fell due. Where there is more than one "Owner" of a Lot, the liability shall be joint and several. The personal obligation for delinquent assessments shall not pass to successors in title or interest to a Lot unless expressly assumed by the same. The lien for such assessment(s) against a particular Lot shall not, however, be affected by any sale or transfer of same, except that a sale or transfer pursuant to a first Deed of Trust or first mortgage foreclosure by an "institutional holder" (including deed in lieu thereof) shall extinguish such lien for assessments which became due and payable prior to transfer pursuant to foreclosure but shall not relieve the purchaser or transferee from liability for, nor the Lot so sold or transferred from the assessment lien for assessments becoming due after such transfer or sale. In the case of regular assessments

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assessed annually and collected monthly, said purchaser or transferee and lot shall be obligated and responsible from and after the date of sale or transfer regardless of any attempted acceleration against the prior owner.

Such annual and special assessments shall be due and payable in monthly installments in advance and the provisions of this section shall apply to each such installment as well as the total annual or the particular special assessment. Where there is a delinquency in the payment of an installment for a period of thirty (30) days after written notice of such delinquency has been mailed to the owner at the address appearing on the Association records, by certified mail, return receipt requested, the Board of Directors of the Association may, at the sole option of the Board, declare the total annual assessment at once due and payable; and shall be entitled to a lien for, and to collect the balance of the annual assessment and an amount totalling twelve times the then monthly installments which amount shall be credited against future installments.

The Board of Directors shall be further authorized and empowered to adopt such other procedures and policies as may be reasonable to enforce payment of all such assessments including an uniform policy of late charges.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the "Properties" by the improvement, repair and maintenance of the individual Lots, the "Common Area" and the improvements on either, as provided for in this Declaration, including as examples and of by way of limitation, payment of insurance, taxes, utilities or other services billed to the Association or otherwise payable by it, administrative expenses, and for such other purposes as are in this Declaration or the Bylaws set forth, or reasonably implied therefrom.

Section 3. Regular (Annual) Assessments. Each year, on or before thirty (30) days after the annual meeting of the Association, the Board of Directors of the Association shall estimate the annual budget of "Common Expense" (the "annual budget") including the total amount required for the cost of wages, taxes, materials, insurance, services and supplies which will be required during the ensuing twelve month period for the rendering of all services, together with a reasonable amount considered by the Board to be necessary as a reserve for contingencies and replacements, and such other expenses as the Board may deem proper, and shall on or before fifteen (15) days thereafter, notify the Owner of each Lot in writing as to the amount of such estimate with reasonable itemization thereof. The proportionate share of the "annual budget" shall be assessed against each Lot in accordance with this Declaration and the Bylaws. Except as modified by Section 5 of this Article, "proportionate share" shall mean in the ratio that one (1) bears to the total number of Lots subject to assessment. Such "Regular Assessment" against each Lot and Owner shall be due and payable one-twelfth (1/12) monthly in advance, except as provided in Section 1. of this Article. As collected the funds shall be allocated and segregated into a

Capital Improvement Reserve Trust Fund, sometimes hereinafter called "reserve fund" and a "working capital fund." The Capital Improvement Reserve Fund shall be used for the periodic maintenance, repair and replacement of the common areas and facilities and the periodic maintenance, repair and replacement to the improvements on the Lots in accordance with Article IX below. It shall be maintained out of the regular assessments herein provided for, and shall be adequate for the purposes set forth. The balance shall be allocated to the "working capital fund" which shall be used to cover routine operating expenses of the Association, including, but not limited to payment for services, insurance and utilities which the Association is to pay in accordance with this Declaration and the Bylaws. No Capital Improvement Reserve Trust Fund shall be established for Phase One prior to the time the elected Board of Directors of the Association take office in accordance with Article III, Section 4, except upon written agreement of Declarant. No Capital Improvement Reserve Trust Fund shall be established for any future phase until 120 days after conveyance of title to "Owners" of 70% of the Lots in the particular phase or 365 days after conveyance of the first Lot in the particular phase to an "Owner" except upon written agreement of Declarant.

The "working capital fund" shall initially be established in an amount equal to at least a two month's estimated regular assessment charge for each Lot. For this purpose a first purchaser of a Lot from Declarant shall be required to deposit with the Association such amount or reimburse Declarant such amount where Declarant has initially made such deposit. No interest shall be due or payable on account of such deposits or other accounts or reserves of the Association. Conveyance of a Lot shall be deemed to transfer all right, title and interest to such reserves and deposits.

A. The initial maximum "Regular Assessment" rate for the Phase One Properties shall be \$540.00 per Lot (\$45.00 per Lot per month) which rate shall apply through November 30, 1982. From and after December 1, 1982, the maximum Regular Assessment for each ensuing twelve month period may be set in an amount up to 7% higher than the maximum permissible Regular Assessment for the immediate preceding assessment period without vote of the membership. The maximum permissible Regular Assessment for a particular twelve month period may be set in an amount greater than 7% above the maximum permissible amount for the preceding assessment period by a vote of the members for each succeeding period of twelve months from the effective date of such increase, provided that any such change shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

B. The maximum assessment rates set forth above shall be increased to cover any utility charges and real property taxes hereafter billed to and paid by the Association. Assessment rates may be reduced in the event Declarant elects to accept responsibility for all or part of the maintenance provided for in this Declaration for a period of time.

C. The Board of Directors of the Association may fix the annual assessment at any amount not in excess of the maximum.

Section 4. Special Assessments.

A. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, and general landscaping, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes cast at a meeting duly called for this purpose.

B. Special Assessments for Improvements or Repairs to Buildings and/or Lots. In addition to the annual assessments and special assessments for capital improvements authorized above, the Association may levy a special assessment for the purpose of defraying, in whole or in part, the cost of construction, reconstruction, repair, replacement, beautification or landscaping of or to any assessable building and/or lot, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes cast at a meeting duly called for this purpose.

Section 5. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Lots within a particular phase upon conveyance of the first Lot within that phase to an Owner and in the case of future phases annexation of the particular phase in accordance with Article X, Section E, below. In the event Declarant elects to accept responsibility for all or part of the maintenance for a period of time, the amount of such assessments may be reduced accordingly. The first annual assessment shall be adjusted according to the number of days remaining in the fiscal year. Unimproved lots shall be assessed at 75% of the assessment rate of improved lots, unless consented to in writing by Declarant and this Section shall not be amended without such written consent. "Unimproved lot" for the purpose of this Article shall mean a Lot upon which no residence has been constructed and also a Lot upon which a residence has been constructed but such residence is not occupied.

The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. Such certificate shall be conclusive evidence of any assessment therein stated to have been paid.

Section 6. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment (or installment thereof) not paid within fifteen (15) days after the due date shall bear interest at the maximum lawful rate of interest

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until paid. When there are lots financed under FHA/VA loans, the interest rate shall not exceed, however, the prevailing rate of interest on FHA insured mortgages. The due date shall be in accordance with Sections 1. and 5. above. The Association may, in addition to other sanctions available to it, bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property; and shall be entitled to collect reasonable costs of collection including attorneys' fees, court costs and duly established late payment penalties. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area, or utilities or other services provided by or paid for by the Association, or abandonment of a Lot. All assessments are due without demand.

Section 7. Subordination of the Lien to Mortgages.
The assessment lien provided for herein shall nevertheless be and hereby is made subordinate to any first mortgage or Deed of Trust owned or held by an "institutional holder" on or against a Lot if the mortgage or Deed of Trust is recorded prior to the date on which such lien in favor of the Association arose, and assessments, liens and charges against a Lot in favor of the Anchorage Municipality. If a mortgagee of a recorded first mortgage or a trustee of a recorded first Deed of trust or other purchaser of a Lot obtains possession of same as a direct result of foreclosure of either, or by deed or assignment in lieu of foreclosure, the possessor, the successors and assigns thereof are not liable for the share of the common expenses or assessments chargeable to the Lot which became due prior to such possession. This unpaid share of common expenses or assessments is a common expense collectable from all of the Lot Owners, including the possessor, his successors and assigns, in accordance with this Article.

Section 8. Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3B, 4A or 4B above, shall be sent to all members not less than fifteen (15) days nor more than sixty (60) days in advance of the meeting, which notice shall set forth the purpose of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at each subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting, but in no event shall such quorum be less than 30% of the members eligible to vote. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

ARTICLE V

ARCHITECTURAL CONTROL

Except as provided for in Article XI below, no building, structure or thing shall be erected, altered, placed or permitted to remain on the properties, nor shall any exterior addition to or change or alteration therein be

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made until the plans and/or specifications, showing the nature, kind, height, materials and location of same shall have been submitted to, and approved in writing by the Board of Directors of the Association as to quality or workmanship and materials, harmony of exterior design with existing buildings and structures, and as to location with respect to topography and finished grade elevation. The Board may appoint an Architectural Control Committee and delegate its powers to it with respect to review and approval of such plans and specifications. The Architectural Control Committee shall be composed of three representatives appointed by the Board and all such members may be members of the Board. In the event said Board or its designated Committee fails to approve or disapprove such design, location, plans and specifications within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this section will be deemed to have been fully complied with.

The Board and its duly authorized Architectural Control Committee shall have full and complete discretion in such approval and disapproval including the right to be arbitrary and capricious.

The Board of Directors is expressly vested with the authority to select colors for exterior surfaces of improvements within the Properties in accordance with the foregoing and shall establish reasonable criteria and procedures for selection and approval.

ARTICLE VI

PROTECTION OF MORTGAGEES

Section 1. Prior Written Approval. Anything herein or in the Bylaws notwithstanding, except upon prior written approval of the institutional holders of first mortgages or Deeds of Trust encumbering at least 75% of the individual "Lots" within the "Properties," neither the "Association" nor the "Owners" shall be entitled to:

A. By act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the common area owned, directly or indirectly, by such Association, except that the Declarant and the Association shall have the right to grant and relocate easements for utilities and similar purposes as elsewhere provided in this Declaration.

B. Change the method of determining the obligations, assessments, dues or other charges which may be levied against a "Lot" or "Owner."

C. By act or omission change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance or the exterior maintenance of the improvements (residences) constructed on Lots, the maintenance of the common area, party walls or common fences and driveways, or the upkeep of lawns and plantings in the Properties.

D. Fail to maintain fire and extended coverage on insurable Common Area on a current replacement cost basis in an amount not less than 100% of the insurable value (based on current replacement cost).

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E. Use hazard insurance proceeds for losses to any Common Area for other than the repair, replacement or reconstruction of such Common Area.

F. Materially amend this Declaration, the Bylaws of the Association or the Articles of Incorporation of the Association.

Section 2. Written Notice to Mortgagees. A holder or insurer (or designee) of a first mortgage on one or more Lots, upon written request to the Association (such request to state the name and address of such holder or insurer or designee and a legal description of the lot or lots) and the filing of a true copy of the mortgage with the Association, will be entitled to timely written notice of:

A. Any default in a Lot mortgagor's obligations under these Declarations, the Bylaws of the Owners Association or Articles of Incorporation thereof, not cured within thirty (30) days of the date of default and the mortgagee, at its option, may pay any delinquent expenses.

B. Any damage to the Common Areas and related facilities that exceeds \$2,000.00 and any damage to a Lot covered by a first mortgage which damages exceed \$1,000.00.

C. All meetings of the Association and such mortgagees may designate a representative to attend all such meetings.

D. Any condemnation proceedings or proposed acquisition by eminent domain affecting the Properties.

Section 3. Information Available to Lienholders. The holders of first mortgages on one or more Lots shall have the right to examine the books and records of the Association and may, upon written request, require the submission of annual reports and other reasonably pertinent financial data to it and such holders shall determine what information is "reasonably pertinent"; provided, however, that any inspection of such books and records shall be during normal business hours. In any event, such holders of first mortgages shall be entitled to receive upon written request to the Association, an annual financial statement for the Association within 90 to 120 days following the end of any fiscal year of the Association.

Section 4. Priority on Damage or Destruction to Lot or Common Area. Anything herein or elsewhere to the contrary notwithstanding, no Owner of a Lot or other party will be entitled to any priority over a holder of a first mortgage on a Lot with respect to any distribution of any insurance proceeds, as a result of or interpretation of this Declaration or the Articles of Incorporation or Bylaws of the Association.

Section 5. Priority on Condemnation Proceeding. If any Lot or portion thereof or the Common Area or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding, no provision of this Declaration nor of the Bylaws of the Association nor of

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the Articles of Incorporation of the Association shall be deemed to entitle the Owner of a Lot or any other party to priority over a holder of a first mortgage on a Lot with respect to distribution of any award or settlement of such proceedings.

Section 6. Cure of Defaults. The institutional holders of first mortgages encumbering Lots may jointly or singly pay taxes or other charges which are in default and which may or have become a charge against the Common Area and may pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage on the lapse of a policy for such Common Area and upon the making of such payments, such "institutional holder" shall be owed immediate reimbursement therefor from the Association.

ARTICLE VII

RESIDENCE AND USE RESTRICTIONS

Section 1. Land Use. No Lot shall be used except for residential purposes. No building shall be erected, altered, placed or permitted to remain on any Lot other than single family townhouses not exceeding three (3) stories in height.

Section 2. Single Family Residences. Lots shall be used exclusively for single family residential purposes. As used herein, "single family" shall mean one or more persons living as a single housekeeping unit, as distinguished from a group occupying a rooming house, club, fraternity house or hotel.

Section 3. Nuisances. No noxious or offensive activities (including, but not limited to, the repair of automobiles) shall be carried on upon the Properties. 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 Properties, and the Board of Directors of the Association shall have the right to determine if any noise or activity producing noise constitutes a nuisance. In this regard, all occupants of Lots shall exercise extreme care to avoid making noise and to not use musical instruments, radios, television sets and amplifiers so as to disturb other occupants. No Owner shall permit or cause anything to be done or kept upon the Properties which will increase the rate of insurance thereon or which will obstruct or interfere with the rights of other Owners, nor will he commit or permit any nuisance on the premises. Each Owner shall comply with all of the requirements of the local or state health authorities and with all other governmental authorities with respect to the occupancy and use of a residence and the Properties.

Section 4. No Signs. No signs, posters, displays, or other advertising devices of any character shall be erected or maintained on, or shown or displayed from, the lots without prior written approval having been obtained from the Board of Directors of the Association; provided, however, that the restrictions of this section shall not apply to any

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sign or notice of customary and reasonable dimension which states that the premises are for rent or sale. The Board of Directors may summarily cause all unauthorized signs to be removed and destroyed. This section shall not apply to any signs used by Declarant or its agents in connection with the original construction and sale of Lots. The type, size, and design of all signs to be used in conjunction with this Planned Unit Development, including temporary construction, real estate and "for sale" signs shall only be erected or posted in accordance with applicable law and regulation approved by the Anchorage Municipality.

Section 5. Outside Installations. No fences or basketball standards or fixed sports apparatus shall be attached to any residence or placed on any lot without approval in accordance with Article V. No wiring for telephone or electrical purposes, nor television antennae, nor machines or air conditioning units, nor other equipment or appurtenances whatsoever shall be installed on the exterior of any residence (including, as example and not by way of limitation, protruding through walls, windows or roofs); nor on any Lot without approval in accordance with Article V.

Section 6. Pet Regulations. No animals, livestock, or poultry shall be kept on any Lot except that domestic dogs, cats, fish and birds in inside bird cages may be kept as household pets within the improvement on a Lot provided they are not kept, bred or raised therein for commercial purposes or in unreasonable quantities. As used in this Declaration, "unreasonable quantities" shall be deemed to limit the number of dogs, cats and birds to two (2) each. The Association shall have the right to prohibit maintenance of any animal which constitutes, in the opinion of the Directors of the Association, a nuisance to any other owner. Dogs and cats belonging to Owners, occupants or their licensees or invitees within the property must be either kept within an enclosure, an enclosed balcony, or on a leash being held by a person capable of controlling the animal. The enclosure must be so maintained that the animal cannot escape therefrom and shall be subject to the approval of the Board of Directors of the Association. Should any dog or cat belonging to an Owner be found unattended out of the enclosure and not being held on a leash by a person capable of controlling the animal, such animal may be removed by Declarant (or other occupant or owner within the Properties), or a person designated by them so to do, to a pound under the jurisdiction of the local municipality in which the property is situated and subject to the laws and rules governing said pound, or to a comparable animal shelter. Furthermore, any Owner shall be absolutely liable to each and all remaining Owners, their families, guests and invitees, for any damage to person or property caused by any pet brought or kept upon the property by an Owner or by members of his family, guests, licensees or invitees.

Section 7. Business or Commercial Activity. No business or commercial activity shall be maintained or conducted on any Lot except that Declarant or a person designated by the Association as the Agent of the Association for purposes of managing the property may maintain management offices

and facilities on a Lot or in a temporary structure constructed on the project. Professional and administrative occupations may be carried on within residences on Lots so long as there exists no external evidence thereof.

Section 8. Temporary Structures. No temporary structure, boat, truck, trailer, camper or recreation vehicle of any kind shall be used as a living area while located on the properties; 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 after completion of construction on the project.

Section 9. Rubbish Removal. Trash, garbage or other waste shall be disposed of only by depositing same, wrapped in a secure package, into designated trash containers. No owner shall permit or cause any trash or refuse to be disposed of on any portion of the property subject to this Declaration, except for such designated trash containers. In this regard, all garbage/trash cans shall be removed from the pick-up area by 6:30 p.m. on collection day and returned to their storage space. No garbage/trash cans shall be stored in such manner so as to be visible from a road or from the common area. No portion of the property 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 therefor.

Section 10. Trees. No trees may be removed from any Lot, except those Lots or that area owned by Declarant. It is the intent of this provision that all Owners shall do their utmost to maintain the trees and the natural surroundings of their respective Lots.

Section 11. Prohibited work. No Owner may do any work which will jeopardize the soundness or safety of the property, reduce its value, or impair any easement or hereditament, without the unanimous written consent of all of the other owners being first obtained.

Section 12. Modifications or Additions to Common Areas. No structures, additions, buildings, fences or any other items shall be placed upon the spaces designated as common areas, without the consent of the Board of Directors of the Association or its duly appointed Architectural Control Committee, and any such consent shall be revocable at any time, with or without cause.

Section 13. Mail Boxes, Address and Identification Signs. The type and location of all mail boxes, address and other identification signs shall be only as originally installed by Declarant (or if not installed by the Declarant, as may be determined by the Board of Directors of the Association or its Architectural Control Committee), shall be generally uniform for all the lots, and shall be maintained by the Association at the expense of each owner.

Section 14. Windows and Facades. No garmets, rugs or other objects shall be hung from the windows or facades of the improvements to the Lots, nor dusted nor shaken nor beaten from or about or upon such windows or facades. Only customary curtains and/or shades and/or draperies visible from the exterior of the improvements to a Lot shall be used. In this regard, and without limiting the foregoing, no newspapers, metal foil, sheets, blankets, etc., shall be used as window coverings.

Section 15. Vehicles and Trailers. No inoperable vehicle shall be kept on the Properties. Vehicles on the Properties shall be moved promptly after a snowfall so snow removal can take place. Vehicles and trailers owned or controlled or in the custody of occupants of the Properties shall be stored in the garage of an improvement to a Lot and not on the Properties or in the street in front of a Lot.

Section 16. House Rules. In order to assure the peaceful and orderly use and enjoyment of the Properties, the Association may from time to time at any meeting duly called for the purpose, adopt, modify and revoke in whole or in part by a simple majority vote such reasonable rules and regulations to be called House Rules, as it may deem necessary to govern the conduct of the persons on and appearance of the project in addition to all other provisions set forth in this Article. Such House Rules upon adoption and every amendment, modification and revocation thereof, shall be delivered promptly to and bind all Owners.

ARTICLE VIII

PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the homes upon the Properties and placed on the dividing line between the Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

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Section 4. Weatherproofing. Notwithstanding any other provisions of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. Right to Contribution Runs with Land. The right of any Owner to contribution from any other owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 6. Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator and the decision shall be made by a majority of all the arbitrators.

ARTICLE IX

EXTERIOR MAINTENANCE

The Association shall provide for the periodic maintenance, repair and replacement of roofs, and the painting (re-painting) of exterior surfaces of the dwellings constructed on the Lots, and shall provide grounds maintenance for the individual "Lots" and the "Common Area" limited to lawn care. Except as hereinabove expressly set forth, all other maintenance or repairs on a Lot shall be the sole responsibility of the Owner thereof.

Every Owner must perform promptly all maintenance and repair work to the exterior of the improvements to his Lot not expressly made the responsibility of the Association by this Declaration or the Bylaws of the Association, which if omitted would affect the project in its entirety or in a part belonging to other owners. Such obligation shall apply to appearance as well as safety.

In the event that the need for maintenance or repair is caused through the willful or negligent act or omission of the Owner, his family, or guests, or invitees, the cost of such maintenance or repairs shall be added to and become a part of the assessment to which such Lot is subject.

In the event an Owner of any Lot in the Properties shall fail to maintain the premises and the improvements situated thereon in a manner satisfactory to the Board of Directors, the Association, after approval by two-thirds (2/3) vote of the Board of Directors, shall have the right, through its agents and employees, to enter upon said Lot and to repair, maintain and restore the Lot and the exterior of the buildings and any other improvements erected thereon. The cost of such exterior maintenance shall be added to and become part of the assessment to which such Lot is subject.

ARTICLE X

ANNEXATION OR EXPANSION

In addition to the Phase One property described above, Declarant owns all of the real property described as Future Phases Property at Article I, Section 9. Declarant

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intends to develop all such property and integrate it into the Planned Unit Development herein established, but shall not, by this Declaration, be obligated to do so. That is, Declarant is entitled to develop all or any part of the "Future Phases" property as one or more additional phases to this Planned Unit Development or as separate projects. Development as separate projects shall only be with the authorization of the duly appointed representatives of the Anchorage Municipality. The following limitations shall apply to any annexation or expansion of the Properties by Declarant to include additional portions of the "Future Phase" property.

A. Prior to December 31, 1985, all or any portion of the "future phase" property may be annexed by the Declarant to the Phase One properties and so add to the membership of the Association and the number of persons entitled to use and enjoy the "common area" without further consent of the Association or any owner or mortgagee, so long as such annexation is generally in accordance with the restrictions of this Article. Declarant may do so within such time period by one or more annexations.

B. The maximum number of Lots to be so created will not be greater than twenty-six (26) Lots as to Tract C, and sixteen (16) Lots as to Tract D, all as shown on the above referred to Plat No. 81-253, for a total of seventy-four (74) Lots in all phases.

C. Additional common area in the event of such annexation(s) will consist of the land in each particular Tract described above immediately contiguous to the Lots created from that Tract, but may include additional land that is presently part of the "future phase" property. The Lot Owners of Phase One and each subsequent phase will have the right to use and enjoy such common area as and when it has been conveyed to the Association.

D. Owners of Lots subsequently annexed pursuant to this Article will be members of the Association and shall have all of the rights, privileges, easements and obligations of Lot Owners who became Owners prior to such annexation, including by way of example the right to use and enjoy the tennis courts and recreational vehicle parking area which are located on the "Phase One Property."

E. Annexation shall be deemed to have occurred when: (i) certificates of occupancy for all the residences in a particular phase have been issued; (ii) an amendment to this Declaration has been recorded identifying the real property annexed to the "properties" and (iii) an appropriate conveyance of the common areas of the new phase to the Association has been recorded in accordance with Article I, Section 4 above.

F. As and when an annexation has occurred, the "Owners" of Lots located within the "Properties" as expanded by such annexation (some or all of whom may be the Declarant) will have the rights, privileges and obligations set forth herein or in the Bylaws of the Association and the assessment responsibilities hereinabove provided.

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The annexation of additional real property by Declarant shall not divest the Owners of Lots in prior phases, together with Owners of Lots in the new phase or phases, from control of the Association, it being the intent of the Declarant that once control has vested in accordance with Article III, Section 4. above, there shall be for voting purposes but one class of membership which shall include Declarant.

G. No improvement shall be constructed on any Lot in a future phase that is not compatible and harmonious in design, quality, exterior appearance, size and value with the improvements constructed on the "Phase One Property."

H. After the date provided in Article X, Section A above, this Planned Unit Development will not be added to or expanded without the express written consent of one hundred percent (100%) of the institutional holders of first mortgages on Lots, the written consent of sixty-five percent (65%) of the Owners of Lots and the approval of the Anchorage Municipality Planning and Zoning Commission.

ARTICLE XI

RESERVED RIGHTS AND EASEMENTS OF DECLARANT

Declarant intends to develop and market the Phase One Property as well as the future phase property. Development may include both site or land development and construction. From time to time real property may be subject to this Declaration either as a "Lot" or as "common area" upon which development, construction or marketing has not been completed. In order to assure Developer's ability and right to develop and market the Phase One Property and the future phase property without hindrance or interference, in addition to all other rights or easements in favor of Declarant herein established or reasonably implied therefrom, and not by way of limitation, the following shall apply but only in accordance with Municipal and State law:

A. Declarant may maintain sales offices, "model homes," signs and other reasonable marketing facilities for the purpose of selling Lots (improved and unimproved) on the Phase One Property as well as future phase property.

B. During actual development and construction, Declarant may use and store development and construction equipment and materials (including temporary storage and construction office space) on or about the "Properties" except Lots owned by an Owner. In the case of "Lots" owned by an "Owner," there must be specific authorization in this Declaration or the Bylaws of the Association or permission from such "Owner."

C. For the purpose of such development, construction and sales, Declarant and duly authorized designees thereof shall have a continuing easement for use and access to the common areas so long as such use does not unreasonably interfere with the use and enjoyment of "Owners."

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D. Without limitation to the foregoing, no portion of Articles V or VII above shall be deemed to hinder, restrict or in any way apply to Declarant so far as the development, construction and marketing of the Phase One Property or the future phase property. To the extent any provision of this Declaration or the Bylaws is inconsistent with this Article the terms and provisions of this Article shall prevail.

ARTICLE XII

CONTRACT PURCHASERS

Anything to the contrary herein or elsewhere notwithstanding, there shall be no substantial changes or amendments to this Declaration, the Bylaws of the Association or the Articles of Incorporation of the Association between the time of a binding written agreement between the Declarant and purchaser for the purchase and sale of a Lot and the time of closing of the purchase without the prior written consent of the purchaser, or upon providing such purchaser the right to rescind such purchaser's obligation to purchase and have any earnest money or deposits previously placed on a Lot returned.

ARTICLE XIII

EVIDENCE OF OWNERSHIP AND REGISTRATION OF MAILING ADDRESS

Section 1. Proof of Ownership. Except for those owners who initially purchase a Lot from Declarant, any person or entity on becoming an Owner shall furnish to the Secretary of the Association and any Managing Agent a machine or a certified copy of the recorded instrument vesting that person or entity with an interest or ownership in the Lot, which copy shall remain in the files of the Association.

Section 2. Registration of Mailing Address. The Owners or several Owners of an individual Lot shall have one and the same registered mailing address to be used by the Association for mailing of statements, notices, demands and all other communications, and such registered address shall be the only mailing address of a person or persons, firm, corporation, partnership, association or other legal entity or any combination thereof to be used by the Association. Such registered address shall be furnished by such Owners to the secretary of the Association and any Managing Agent within fifteen (15) days after transfer of title, or after a change of address, and such registration shall be in written form and signed by all of the Owners of the Lot or by such persons as are authorized by law to represent the interest thereof.

ARTICLE XIV

ANCHORAGE MUNICIPALITY PLANNING DEPARTMENT

This Declaration is for a Planned Unit Development under the authority of the Anchorage Municipality Planning Department and the Anchorage Municipality Planning and Zoning Commission pursuant to Planning and Zoning Commission Resolution No. 19-81, and amendments to such Resolution to the

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date of recording this Declaration, and as such Resolution may in the future be amended from time to time. Upon further amendment to such Resolution No. 19-81, such amendment(s) shall automatically and without further vote or acquiescence of person or entities having an interest in the "Properties" be deemed for all purposes to supersede, amend, and/or supplement said Resolution No. 19-81.

ARTICLE XV

PROFESSIONAL MANAGEMENT

The Association may employ an experienced professional management agent or manager with such duties and at such compensation as the Board of Directors of the Association shall authorize in accordance with this Declaration and the Bylaws of the Association. The duties conferred upon the management agent or manager by the Board of Directors may be at any moment revoked, modified or amplified by the majority of Owners in a duly constituted meeting. All employment agreements for such management and any contract providing for services by the Declarant shall be in writing and shall contain provisions giving effect to the following:

A. The agreement shall be terminable by either party without cause and without payment of termination fee on ninety (90) days or less written notice and by the Association with cause upon five (5) days written notice.

B. The term of any such agreement may not exceed one year, although it may be renewable by the parties for successive one year terms.

ARTICLE XVI

EASEMENTS

Easements for installation and maintenance of utilities, access and drainage facilities are reserved as shown on Plat No. 81-253, referred to above as to the Phase One Properties and will be reserved on plats filed to accomplish annexation in accordance with Article X. Within these easements no structure, planting or other material shall be placed nor permitted to remain, which may damage or interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage facilities in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements. The easement area of each Lot and all improvements in it shall be maintained continuously by the Owner of the Lot, except for those improvements for which a public authority or utility company is responsible, or for those improvements for which the Association is responsible in accordance with this Declaration and as the same may be duly amended.

For the purpose of performing the maintenance, improvement and repair provided for in this Declaration, and for reasonable inspection in connection therewith, the Declarant, the Association and the duly authorized designees of either shall have the right, at reasonable times and upon

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reasonable notice, to enter upon any Lot or the exterior of any structure or improvement thereon, as well as the common area, and such activity by them or any of them shall give rise to no legal or equitable remedy against them or any of them, including an action for trespass. Each Owner agrees to permit such access within and under any building situated upon the Owner's Lot for inspection, alterations, repair, removal, utility shut-off and maintenance.

The "Association" has and shall have a non-exclusive easement for the operation, maintenance and repair of all underground utilities including water service lines, storm drain lines, sanitary sewer lines and landscape watering lines (if any) within the "Properties." Each 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 Owners, excepting, however, any parts of the Common Area designated "Limited Common Area."

All conveyances of Lots 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 any Lot and the residence thereon constructed in case of any emergency originating in or threatening it or other residences, 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 Lot.

In the event that any portion of the common area encroaches upon any Lot, or any Lot or improvement thereon encroaches upon the common area, or any Lot encroaches upon any other Lot as a result of the construction, reconstruction, repair, shifting, settlement or movement of any portion of the Properties, a valid easement for the encroachment or the maintenance of same shall exist so long as the encroachment exists, even though no specific reference to such easement appears in a conveyance instrument. In this regard, no Owner shall maintain any action for removal of a party wall or projection or overhang created by construction, reconstruction or settling, nor any action for damages in connection with any of the foregoing.

XVII

POWERS AND DUTIES OF ASSOCIATION

Section 1. Powers. In addition to any power specified herein, or in the Bylaws of the Association, or in its Articles of Incorporation, the Association, acting through its Board of Directors shall have all powers and authority authorized by law and not reserved to the membership by this Declaration, the Bylaws or the Articles of Incorporation.

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Section 2. Duties. In addition to any other duties specified herein, in the Bylaws or in the Articles of Incorporation of the "Association," or reasonably implied from any of the foregoing, the Association acting through its Board of Directors shall have all duties specified by law and the following:

- A. cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A members who are entitled to vote;
- B. supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- C. procure and maintain such policies of fire and hazard insurance included within the term "extended coverage" on improvements located on the "common area" and owned by the Association, as well as personal property owned by the Association, and adequate liability insurance in behalf of the Association, as may be reasonably required by institutional holders of first mortgages on any Lot, and in any event, liability insurance in the amount of at least ONE MILLION DOLLARS (\$1,000,000.00) shall be maintained to protect the "Association" and the individual Lot owners from liabilities caused by acts and omissions of all officers, agents or employees of the Owners Association, and the condition of the common areas. Notwithstanding any other provisions herein, or in the Bylaws of the Owners Association, so long as the Federal National Mortgage Association or the Federal Housing Administration or the Veterans Administration or Alaska Housing Finance Corporation, or their successors or assigns, is a mortgagee or beneficiary on a mortgage or Deed of Trust constituting a lien on a Lot, or an Owner of a Lot, the Association will carry as a common expense, a master policy of liability insurance and fidelity bonds with such coverages and endorsements and in such amounts as shall be required by such agencies regardless of other or different requirements of the Association, the Owner, other mortgagees or other interested parties.
- D. maintain adequate fidelity coverage to protect against dishonest acts on the part of officers, directors, trustees and employees of such Association and all others who handle or are responsible for handling funds of the Association. Such fidelity bonds shall meet the following requirements:
- (1) all such fidelity bonds shall name the Association as an obligee; and
 - (2) such fidelity bonds shall be written in an amount equal to at least one hundred fifty percent (150%) of the estimated annual operating expenses of the Planned Unit Development, including reserves; and

(3) such fidelity bonds shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression; and

(4) such bonds shall provide that they may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least thirty (30) days prior written notice to the holders of first mortgages or the designees thereof, as such holders are defined in the Declarations.

E. cause the Common Area and the individual Lots to be maintained in accordance with the Declarations.

XVIII

GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of thirty (30) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first thirty (30) year period by an instrument signed by not less than 90% of the members of the Association entitled to vote and thereafter by an instrument signed by not less than 75% of the members entitled to vote. Any amendment must be recorded. No amendment shall be effective to modify, eliminate or in any way affect Declarant's rights under Article X or XI above, or as elsewhere herein or in the Bylaws of the Association may appear unless Declarant gives prior consent in writing thereto. No amendment of Article VI shall be effective except upon the written approval of the institutional holders of first mortgages or Deeds of Trust encumbering at least 75% of the individual Lots within the "Properties."

Section 3. 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 Association, the Owners of all "Lots," their tenants, employees, contractors, and any and all other persons that may use or be on or about the "Properties," or any part of it, in any manner.

The failure of any "Owner" to comply with the provisions of this Declaration, the Bylaws of the Owners' Association provided for herein, or the Articles of Incorporation of the "Association," shall constitute a breach

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Amendment INFO

of contract, and shall give rise to a cause of action by the "Association" and any aggrieved Lot 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 in behalf of the Association or by the duly appointed Manager of the Properties in behalf of the Association.

Section 4. Severability. If any provision of this Declaration or the application thereof to any person or circumstance is held invalid by Judgment or Court Order, the remaining provisions and their application to other persons, or to other circumstances shall not be affected thereby, and shall remain in full force and effect.

Section 5. Conflict. In the case of any conflict between the Articles of Incorporation for the "Association," the Bylaws of the "Association" and these Declarations, the Declarations shall control first, then the Articles of Incorporation and then the Bylaws.

DATED at Anchorage, Alaska, this 6th day of November, 1981.

GAMEL HOMES, INC., Declarant

By: William E. Gamel
Its: President

By: Robert H. Ekin
Its: VICE P.

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this 6th day of November, 1981, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn as such, personally appeared William E. Gamel and Robert H. Ekin known to me to be the President and Vice President, respectively, of GAMEL HOMES, INC., the corporation that executed the within instrument, and known to me to be the individuals who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the same pursuant to its bylaws or a resolution of its board of directors.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first hereinabove written.

81-066041
77.

Luella C. Gilliland
Notary Public in and for Alaska
My commission expires: 7-12-84

RECORDED-FILED
ANCHORAGE REC.
DISTRICT

NOV 10 8 30 AM '81

REQUESTED BY Gamel Homes
ADDRESS 2702 Gambell St # 202
Anch. Ak. 99503

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KAY, CHRISTIE, FULD,
SAVILLE & COFFEY
1000 BEAR, SUITE 1200
ANCHORAGE, AK 99503
(907) 576-4333

(Meas Rec P78-286, P82-45)
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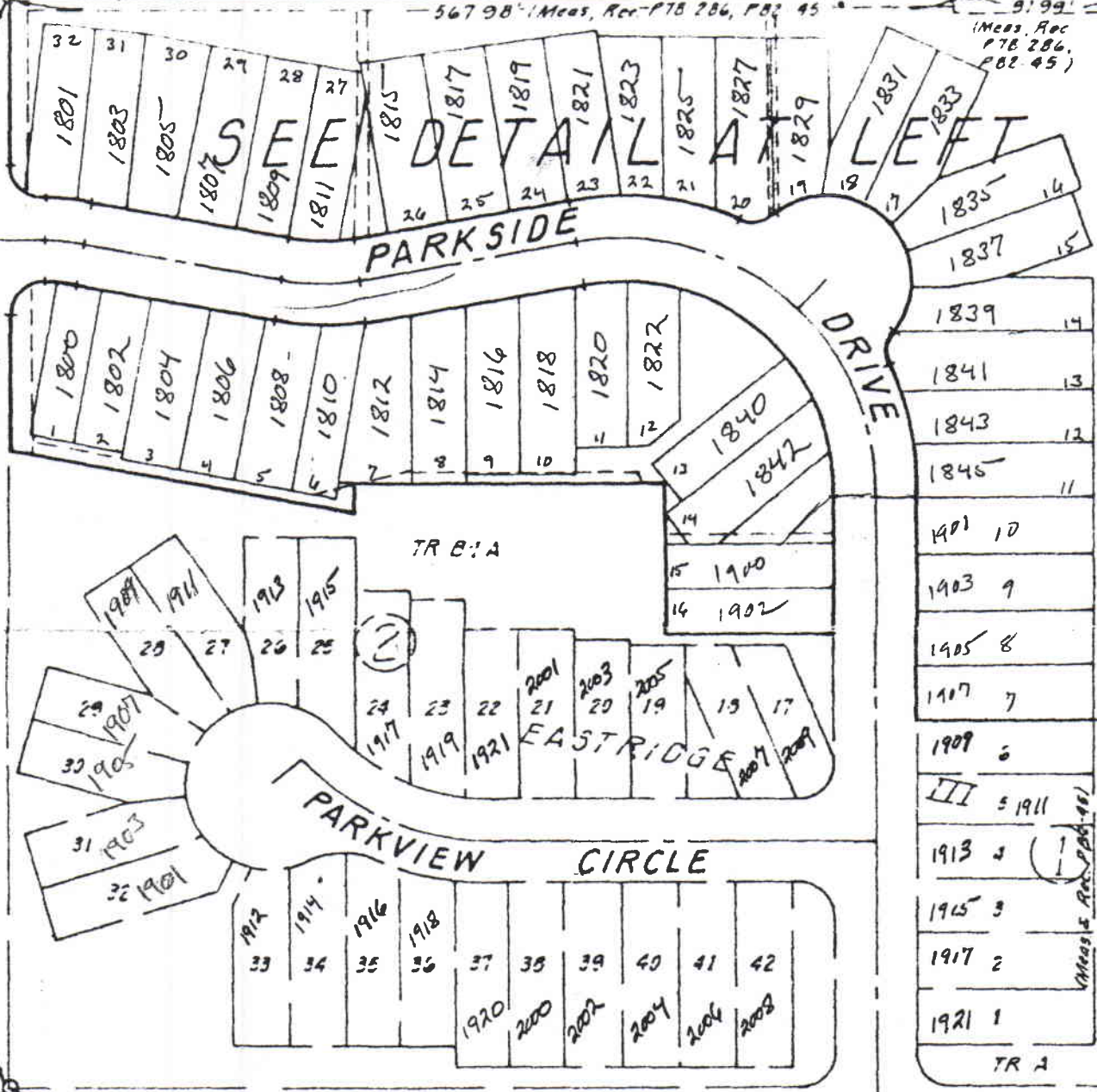
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(Meas, Rec P78-286, P82-45)

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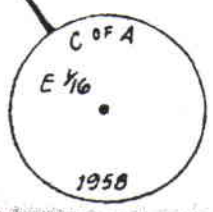
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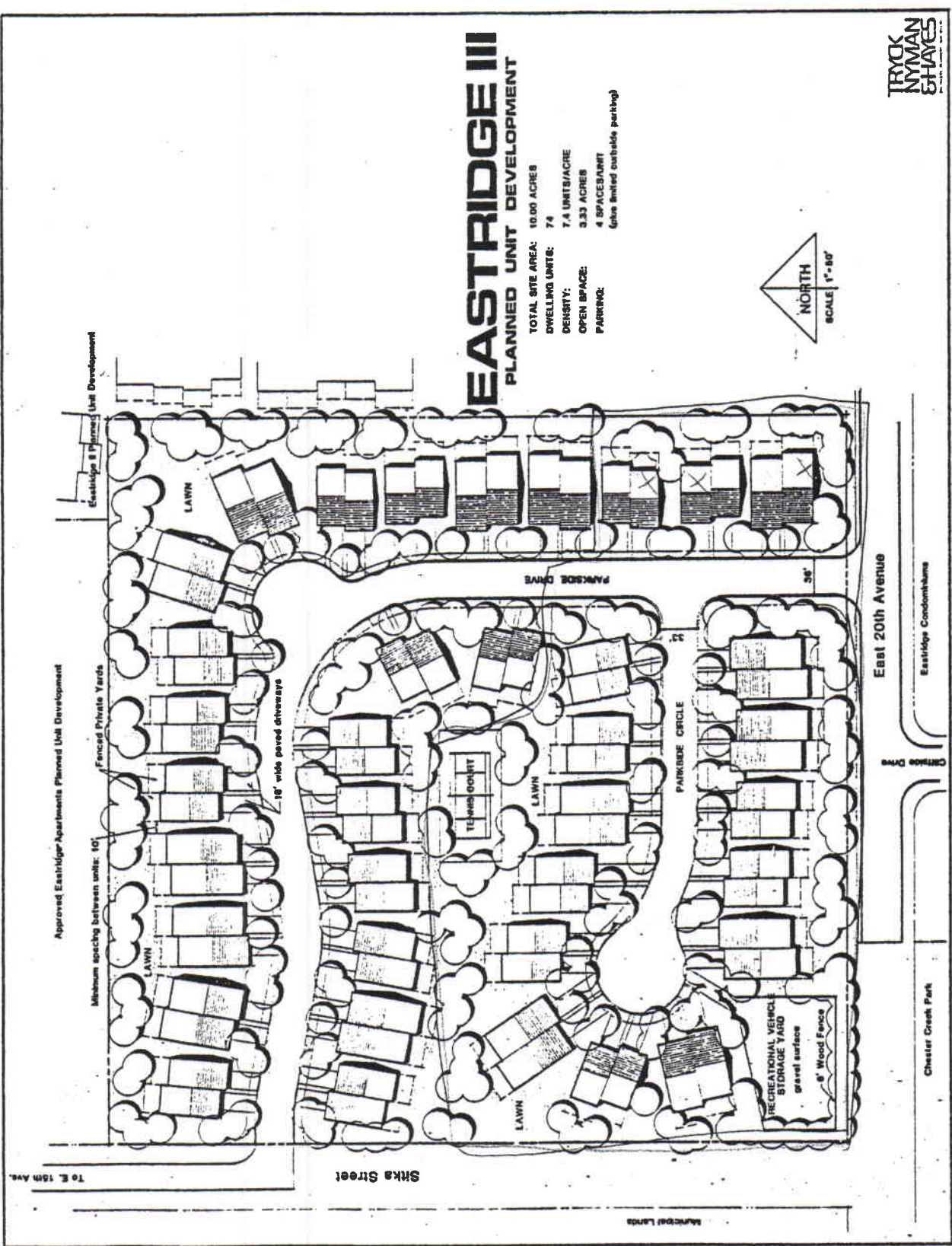
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(Meas & Rec P82-45, P78-286)



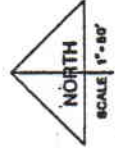
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in 2 1/2" ODIP
1.5' BG

(Meas & Rec P82-45)



EASTRIDGE III PLANNED UNIT DEVELOPMENT

TOTAL SITE AREA: 10.00 ACRES
 DWELLING UNITS: 74
 DENSITY: 7.4 UNITS/ACRE
 OPEN SPACE: 3.33 ACRES
 PARKING: 4 SPACES/UNIT
 (plus limited outside parking)



**TRYCK
NYMAN
SHAYES**
ARCHITECTS

TO E. 15TH AVE.

Shka Street

Municipal Lands

Chester Creek Park

East 20th Avenue

Eastridge Condominiums

Approved Eastridge Apartments Planned Unit Development

Minimum spacing between units: 10'

Fenced Private Yards

18" wide paved driveway

LAWN

LAWN

LAWN

LAWN

LAWN

LAWN

LAWN

LAWN

LAWN

LAWN

LAWN

LAWN

LAWN

LAWN

LAWN

LAWN

LAWN

LAWN

LAWN

LAWN

LAWN

LAWN

RECREATIONAL VEHICLE
STORAGE YARD
gravel surface
8' Wood Fence

TENNIS COURT

PARKSIDE DRIVE

PARKSIDE CIRCLE

Chester Drive

Phase II

BOOK 770

PAGE 0651

**FIRST AMENDMENT TO DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS OF
EASTRIDGE III, A PLANNED UNIT DEVELOPMENT**

THIS FIRST AMENDMENT made on the date hereinafter set forth by GAMEL HOMES, INC., an Alaska corporation, having a principal place of business at 2702 Gambell, Anchorage, Alaska 99503, hereinafter referred to as "Declarant," is an amendment to that certain Declaration of Covenants, Conditions and Restrictions of Eastridge III, a Planned Unit Development, recorded on November 10, 1981, in Book 667, pages 115 to 148, records of the Anchorage Recording District, Third Judicial District, State of Alaska, hereinafter referred to as "Declaration."

The purpose of this First Amendment is to reflect the annexation of the below described Phase Two real property into Eastridge III Planned Unit Development in accordance with Article X of the "Declaration."

The Phase Two real property is situate in the Anchorage Recording District, Third Judicial District, State of Alaska, and more particularly described as follows:

Lots 7 through 32, Block 1, Lots 15 and 16, Block 2, and Tracts C-1 and C-2, EASTRIDGE III, according to Plat 82-230, filed in the Anchorage Recording District, Third Judicial District, State of Alaska.

NOW, THEREFORE, Declarant declares the hereinabove described Phase Two Real Property to be a part of the "Property" of Eastridge III Planned Unit Development as such term is defined in the "Declaration"; that without limiting the foregoing, the Phase Two Real Property shall be held, sold, conveyed, occupied, owned, developed and improved subject to the easements, restrictions, covenants, conditions, terms and provisions set forth in such "Declaration," all of which shall run with the Property, and shall bind and inure to the benefit of every party having any right, title or interest in the Phase Two Real Property or any other part of the "Property" of Eastridge III Planned Unit Development, and the heirs, assigns and other successors in interest of all such parties.

The following described parcel of the Phase Two Real Property shall be additional common area as defined in Article I, Section 4, of the Declaration:

Tracts C-1 and C-2 of EASTRIDGE III, according to Plat 82-230 filed in the Anchorage Recording District, Third Judicial District, State of Alaska.

This First Amendment is executed and recorded for the above purposes only. Except as expressly provided above, no other instrument or modification of the Declaration is intended.

DATED at Anchorage, Alaska, this 25th day of August, 1982.

GAMEL HOMES, INC., an Alaska Corporation, Declarant

By William E. Gamel
Its President

LAW OFFICES OF
KAY, CHRISTIE, FULD,
SAVILLE & COFFEY
2550 DEWEY DRIVE 1500
ANCHORAGE, ALASKA 99503
(907) 576-4931

8-25-82

STATE OF ALASKA
THIRD JUDICIAL DISTRICT

THIS IS TO CERTIFY that on the 25th day of August, 1982, before me, the undersigned, a Notary Public in and for Alaska, duly commissioned and sworn as such, personally appeared William E. Gamel, known to me to be the President, of GAMEL HOMES, INC., the corporation that executed the within instrument and known to me to be the person who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the same pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and seal the day and year last above mentioned.

Dennis R. Conner
Notary Public in and for Alaska
My Commission Expires: 12/7/85

Pa. 050271
11-

FILED
NOTICE RECORDED
THIRD JUDICIAL DISTRICT
AUG 25 3 39 PM '82
REQUESTED BY *Shamuel Homes*
ADDRESS *2702 Gambell St.
#202
Anch, AK 99503*

LAW OFFICES OF
KAY CHRISTIE FULD
SAVILLE & COFFEY
6500 BRILLIANT DRIVE 1000
ANCHORAGE, AK 99503
(907) 576-4335

PHASE III

BOOK 869

PAGE 0680

SECOND AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF EASTRIDGE III, A PLANNED UNIT DEVELOPMENT

THIS SECOND AMENDMENT made on the date hereinafter set forth by GAMEL HOMES, INC., an Alaska corporation, having a principal place of business at 3305 Arctic Blvd., Suite 200, Anchorage, Alaska 99503, hereinafter referred to as "Declarant", is an amendment to that certain Declaration of Covenants, Conditions and Restrictions of Eastridge III, a Planned Unit Development, recorded on November 10, 1981, in Book 667, pages 115 to 148, records of the Anchorage Recording District, Third Judicial District, State of Alaska, hereinafter referred to as "Declaration".

The Phase Three real property is situate in the Anchorage Recording District, Third Judicial District, State of Alaska, and more particularly described as follows:

Lots 1 through 14, Block 2, and Tracts D-1 D-2, D-3 and D-4, EASTRIDGE III, according to Plat 82-230, filed in the Anchorage Recording District, Third Judicial District, State of Alaska.

NOW, THEREFORE, Declarant declares the hereinabove described Phase Three Real Property to be a part of the "Property" of Eastridge III Planned Unit Development as such term is defined in the "Declaration"; that without limiting the foregoing, the Phase Three Real Property shall be held, sold, conveyed, occupied, owned, developed and improved subject to the easements, restrictions, covenants, conditions, terms and provisions set forth in such "Declaration", and in the First Amendment thereto recorded August 25, 1982 in Book 770 at page 651, all of which shall run with the "Property", and shall bind and inure to the benefit of every party having any right, title or interest in the Phase Three Real Property or any other part of the "Property" of Eastridge III Planned Unit Development, and the heirs, assigns and other successors in interest of all such parties.

The following described parts of the Phase Three Property shall be additional common area as defined in Article I, Section 4, of the Declaration:

Tracts D-1 and D-2, D-3 and D-4 of EASTRIDGE III, according to Plat 82-230 filed in the Anchorage Recording District, Third Judicial District, State of Alaska.

This Second Amendment is executed and recorded for the above purposes only. Except as expressly provided above, no other instrument or modification of the Declaration is intended.

LAW OFFICES OF
KAY, CHRISTIE, FULD,
SAVILLE & COFFEY
2430 DENALI, SUITE 2000
ANCHORAGE, AK 99503
(907) 274-4225

3-31-83

DATED at Anchorage, Alaska, this 31 day of March, 1983.

GAMEL HOMES, INC., an Alaska Corporation
Declarant

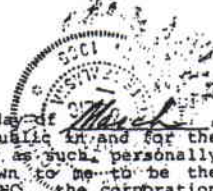
By: [Signature]
Its: Vice President

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this 31st day of March, 1983, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn as such, personally Robert Gamel appeared known to me to be the President of GAMEL HOMES, INC., the corporation which executed the foregoing instrument, and he acknowledged to me that he subscribed name thereto on behalf of said corporation for the uses and purposes therein mentioned, by authority of its bylaws, or a resolution of its board of directors.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year last above written.

[Signature]
Notary Public in and for Alaska
My Commission Expires: 12-7-85



83-021427
11-

MAR 31 1 45 PM '83

Dennis
Comeau
13632 Jarvis Dr.
Anch. AK 99503

Page 2 - Second Amendment
Eastridge III

LAW OFFICES OF
KAT, CHRISTIE, FULD,
SAVILLE & COFFEY
8000 DENALI, SUITE 1200
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(907) 476-4228