

RULES OF
SPINNAKER BAY TOWNHOMES

TABLE OF CONTENTS

ARTICLE I – Use of Units Affecting the Common Elements 1

Section 1.1 - Occupancy Restrictions 1

Section 1.2 - No Commercial Use 1

Section 1.3 - Electrical Devices or Fixtures 1

Section 1.4 - Displays Outside of Units 1

Section 1.5 - Painting Exteriors 1

Section 1.6 - Cleanliness 1

Section 1.7 - Electrical Usage 2

ARTICLE II – Use of Common Elements 2

Section 2.1 - Obstructions 2

Section 2.2 - Storage 2

Section 2.3 - Proper Use 2

Section 2.4 - Trucks and Commercial Vehicles 2

Section 2.5 - Alterations, Additions or Improvements to Common Elements 2

ARTICLE III – Actions of Owners and Occupants 2

Section 3.1 - Annoyance or Nuisance 2

Section 3.2 - Compliance With Law 3

Section 3.3 - Pets 3

Section 3.4 - Indemnification for Actions of Others 3

Section 3.5 - Employees of Management 3

Section 3.6 - Lint Filters on Dryers; Grease Screens on Stove Hoods 3

ARTICLE IV - Insurance 3

Section 4.1 - Increase in Rating 3

Section 4.2 - Rules of Insurance 4

Section 4.3 - Reports of Damage 4

ARTICLE V – Rubbish Removal 4

Section 5.1 - Deposit of Rubbish 4

ARTICLE VI – Motor Vehicles 4

Section 6.1 - Compliance with Law 4

Section 6.2 - Limitations on Use 4

Section 6.3 - Snowmobiles and Unlicensed or Immobile Vehicles 4

Section 6.4 - Limited Use of Trucks, Vans, Trailers and Commercial Vehicles 4

ARTICLE VII – Rights of Declarant 5

ARTICLE VIII – Rule Violations 5

Section 8.1 – Minimum Fines 5

Section 8.2 – Legal Costs 5

ARTICLE IX – General Administrative Rules 5
 Section 9.1 - Consent in Writing 5
 Section 9.2 - Complaint 5

RULES OF
SPINNAKER BAY TOWNHOMES
HOMEOWNERS ASSOCIATION, INC.

(Note: Terms are defined in Article I of the Declaration.)

The following Rules apply to all owners and occupants of Units.

ARTICLE I

Use of Units Affecting the Common Elements

Section 1.1 - Occupancy Restrictions. Units are limited to occupancy by single families, and garages are limited to use for the storage of vehicles and accessory storage, both as defined in the Declaration. Driveways are limited to use for parking of vehicles as defined in the Declaration.

Section 1.2 - No Commercial Use. Except for those activities conducted as a part of the marketing and development program of the Declarant, no industry, business, trade or commercial activities, other than home professional pursuits without employees, public visits or nonresidential storage, mail, or other use of a Unit, shall be conducted, maintained or permitted on any part of the Common Interest Community, nor shall any signs, window displays or advertising except for a name plate or sign not exceeding 9 square inches in area, on the main door to each Unit be maintained or permitted on any part of the Common Elements or any Unit, nor shall any Unit be used or rented for transient, hotel or motel purposes. "For Sale" signs not exceeding five square feet in area may be posted on the yard of the Unit, together with the Unit number so for sale, pursuant to the Unit Owner's permission.

Section 1.3 - Electrical Devices or Fixtures. No electrical device creating electrical overloading of standard circuits may be used. Misuse or abuse of appliances or fixtures within a Unit which affects other Units or the Common Elements is prohibited. Any damage resulting from such misuse shall be the responsibility of the Unit Owner from whose Unit it shall have been caused.

Section 1.4 - Displays Outside of Units. Unit Owners shall not cause or permit anything other than white or beige colored shades or blinds and seasonal holiday decorations to be hung, displayed or exposed at or on the outside of windows or outside of Units without the prior consent of the Executive Board or such committee established by the Executive Board having jurisdiction over such matters, if any.

Section 1.5 - Painting Exteriors. Owners shall not paint, stain, or otherwise change the color of any exterior portion of any building without the prior consent of the Executive Board or such committee then established having jurisdiction over such matters, if any.

Section 1.6 - Cleanliness. Each Unit Owner shall keep his or her Unit in a good state of preservation and cleanliness.

Section 1.7 - Electrical Usage. Total electrical usage in any Unit shall not exceed the capacity of the circuits as labeled on the circuit breaker boxes.

ARTICLE II

Use of Common Elements

Section 2.1 - Obstructions. There shall be no obstruction of the Common Elements, nor shall anything be stored outside of the Units without the prior consent of the Executive Board except as hereinafter expressly provided.

Section 2.2 - Storage. Storage of materials in Common Elements or other areas designated by the Executive Board shall be at the risk of the person storing the materials.

Section 2.3 - Proper Use. Common Elements shall be used only for the purposes for which they were designed. No person shall commit waste on the Common Elements or interfere with their proper use by others, or commit any nuisances, vandalism, boisterous or improper behavior on the Common Elements which interferes with, or limits the enjoyment of the Common Elements by others.

Section 2.4 - Trucks and Commercial Vehicles. Trucks and commercial vehicles larger than a truck or van which would fit in the garage are prohibited in the driveways, except for temporary loading and unloading, or as may be designated by the Executive Board.

Section 2.5 - Alterations, Additions or Improvements to Common Elements. No changes may be made to the Common Elements without the prior consent of the Executive Board or such committee established by the Executive Board having jurisdiction over such matters, if any. No clothes, sheets, blankets, laundry or any other kind or articles, other than seasonal holiday decorations, shall be hung outside or exposed or placed on the outside walls, doors or on trees, and no sign, awning, canopy, shutter or antenna shall be affixed to or placed upon the exterior walls or doors, roof or any part thereof or exposed on or at any window, however, that the restrictions of this paragraph shall not apply to any sign or notice of customary and reasonable dimension which states that the premises are for rent or sale.

ARTICLE III

Actions of Owners and Occupants

Section 3.1 - Annoyance or Nuisance. No noxious, offensive, dangerous or unsafe activity shall be carried on in any Unit, or the Common Elements, nor shall anything be done therein either willfully or negligently, which may be or become an annoyance or nuisance to the other Unit Owners or occupants. No Unit Owner or occupant shall make or permit any disturbing noises by himself or herself, his or her family, servants, employees, agents, visitors and licensees, nor do or permit anything to be done by such persons that will interfere with the rights, comforts or convenience of other Unit Owners or occupants. No Unit Owner or occupant shall play, or suffer to

be played, any musical instrument or operate or suffer to be operated any radio system or television set at such volume or in such other manner that it shall cause unreasonable disturbances to other Unit Owners or occupants.

Section 3.2 - Compliance With Law. No immoral, improper, offensive or unlawful use may be made of the Property and Unit Owners shall comply with and conform to all applicable laws and regulations of the United States and of the State of Alaska, and all ordinances, rules and regulations of the Municipality of Anchorage. The violating Unit Owner shall hold the Association and other Unit Owners harmless from all fines, penalties, costs and prosecutions for the violation thereof or noncompliance therewith.

Section 3.3 - Pets. No animals, birds or reptiles of any kind shall be raised, bred, or kept on the Property or brought on the Common Elements, except for: No more than two dogs of gentle disposition; no more than two cats, or other household pets, licensed by the Municipality of Anchorage and approved by the Executive Board or the Manager as to compatibility with the Common Interest Community. Pets may not be kept, bred or maintained for any commercial purposes. Any pet causing or creating a nuisance or unreasonable disturbance or noise shall be permanently removed from the Property upon three (3) days' written Notice and Hearing from the Executive Board. In no event shall any dog be permitted in any portion of the Common Elements unless carried or on a leash. No dogs shall be left outside a Unit except in the fenced yard area appurtenant to the Unit. Owners shall be responsible to keep their yards free and clear of dog feces. The owner shall hold the Association harmless from any claim resulting from any action of his or her pet. Seeing eye dogs and hearing ear dogs will be permitted for those persons for whom they are a necessity.

Section 3.4 - Indemnification for Actions of Others. Unit Owners shall hold the Association and other Unit Owners and occupants harmless for the actions of their children, tenants, guests, pets, servants, employees, agents, invitees or licensees.

Section 3.5 - Employees of Management. No Unit Owner shall send any employee of the Manager out of the Property on any private business of the Unit Owner, nor shall any employee be used for the individual benefit of the Unit Owner, unless in the pursuit of the mutual benefit of all Unit Owners, or pursuant to the provision of special services for a fee to be paid to the Association.

Section 3.6 - Lint Filters on Dryers; Grease Screens on Stove Hoods. All dryers will have lint filters, which will remain installed and prevent lint from accumulating in the vent duct. All stove hoods will have grease screens, which will remain installed and prevent grease from accumulating in the vent duct. All such filters and screens will at all times be used and kept in clean, good order and repair by the Unit Owner.

ARTICLE IV

Insurance

Section 4.1 - Increase in Rating. Nothing shall be done or kept which will increase the rate of insurance on any of the buildings, or contents thereof, without the prior consent of the Executive

Board. No Unit Owner shall permit anything to be done, or kept on the Property which will result in the cancellation of insurance coverage on any of the buildings, or contents thereof, or which would be in violation of any law.

Section 4.2 - Rules of Insurance. Unit Owners and occupants shall comply with the Rules and Regulations contained in any fire and liability insurance policy on the Property.

Section 4.3 - Reports of Damage. Damage by fire or accident affecting the Property, and persons injured by or responsible for any damage, fire or accident must be promptly reported to the Manager or a Director by any person having knowledge thereof.

ARTICLE V

Rubbish Removal

Section 5.1 - Deposit of Rubbish. No garbage cans or trash barrels shall be placed outside the Units, except in areas designated for trash pick up. No accumulation of rubbish, debris or unsightly materials shall be permitted in the Common Elements, except in trash storage containers approved by the Executive Board, until the next trash pick-up date. Trash pick-up locations will be designated by the Executive Board or the Manager. Pickup will be from those locations only. Trash containers are to be placed at the designated location no earlier than the day prior to the scheduled pick-up day, and the area is to be kept neat, clean and free of debris. Long term storage of rubbish in the Units is forbidden.

ARTICLE VI

Motor Vehicles

Section 6.1 - Compliance with Law. All persons will comply with Alaska State Laws, Department of Motor Vehicle regulations, and applicable local ordinances, on the Property.

Section 6.2 - Limitations on Use. A Unit Owner must garage one of his or her vehicles overnight in his or her garage and not in an outside space. Driveways shall be used for no other purpose than to park motor vehicles, and loading or unloading.

Section 6.3 - Snowmobiles and Unlicensed or Immobile Vehicles. Snowmobiles, motorcycles, and trail bikes may not be stored outside of the Units. All highway vehicles used or parked on the Property will be licensed and properly equipped and in operating condition for safe travel on the public highways of the state. Except for temporary repairs not involving immobility in excess of ten 10 hours, highway vehicles will not be disassembled, repaired, rebuilt, painted or constructed outside of garages on the Property.

Section 6.4 - Limited Use of Trucks, Vans, Trailers and Commercial Vehicles. The following types of vehicles are prohibited in the driveways in excess of eight (8) hours except for temporary loading or unloading, following which the vehicle must be removed from the Property for at least sixteen (16) hours: commercial vehicles carrying a sign advertising a business; trucks,

having more than four tires; vans and vehicles having capacity of more than one ton; trailers of any kind; and vehicles with more than four single-tired wheels. Construction equipment used in the actual repair, construction or maintenance of the Property will not be so restricted during such use.

ARTICLE VII

Rights of Declarant

The Declarant may make such use of the unsold Units and Common Elements as may facilitate completion and sale of the Common Interest Community including, but not limited to, maintenance of a sales office, the showing of the Common Elements and unsold Units, the display of signs, the use of vehicles, and the storage of materials. Interference with workmen or with buildings under construction is prohibited. Entrance into construction or Declarant's restricted areas will be only with representatives of the Declarant.

ARTICLE VIII

Rule Violations

Section 8.1 – Minimum Fines. Association Rules in addition to the provisions of the Declaration and Bylaws, will be enforced with minimum fines of Fifty Dollars (\$50.00) per violation. At the discretion of the Association Manager or Board of Directors, minor “first offenses” may result in a warning before imposition of fines. Violations which are deemed to be “serious” may warrant larger finds, up to any amount deemed “reasonable” for purposes of Alaska Statute 34.08.320(a)(11). Ongoing, recurring or intentional violations will result in progressively server fines which will be levied at the discretion of the Board.

Section 8.2 – Legal Costs. In addition to fines that may be levied, the Board may institute legal proceedings or correct violations (i.e. repairs, restoration, vehicle towing, etc.), charging all associated costs back to the offending owner as a additional assessments. If the association must retain legal counsel to enforce Rules, Declaration or Bylaw provisions, legal costs may be assessed against the Unit Owner as additional fines.

ARTICLE IX

General Administrative Rules

Section 9.1 - Consent in Writing. Any consent or approval required by these Rules must be obtained in writing prior to undertaking the action to which it refers.

Section 9.2 - Complaint. Any formal complaint regarding the management of the Property or regarding actions of other Unit Owners shall be made in writing to the Executive Board or an appropriate committee.

Certified to be the initial rules adopted by the
Executive Board on its date of organization

Printed Name _____,
Title: Secretary