

DECLARATION
AND
COVENANTS, CONDITIONS, RESTRICTIONS, AND RESERVATIONS
FOR
CRAWFORD PARK, A CONDOMINIUM

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ARTICLE 1. DEFINITIONS.

Section 1.1 Words Defined. For the purposes of this Declaration and any amendments hereto, the following definitions shall apply.

1.1.1 Apartment shall mean a residential unit composed of a suite of rooms and other enclosed spaces in a building. The boundaries of an apartment are the unfinished interior surfaces of its perimeter walls, floors, ceilings, windows, and doors, and the apartment includes both the portions of the building so described and the air space so encompassed.

1.1.2 Articles shall mean the articles of incorporation of the Association defined below.

1.1.3 Association shall mean the Association described in Article 14 of this Declaration.

1.1.4 Board shall mean the board of directors of the Association.

1.1.5 Bylaws shall mean the bylaws of the Association.

1.1.6 Common Area and Common Areas and Facilities shall mean the common areas and facilities described in Article 6 and in Article 7.

1.1.7 Condominium shall mean the horizontal property regime created by this Declaration.

1.1.8 Condominium Statute shall mean the Horizontal Property Regimes Act, Session Laws of Alaska, 1963, Chapter 44, presently codified in Chapter 34.07, Alaska Statutes, and amendments thereto.

1.1.9 Declarant shall mean Auke Bay Fish & Fruit Co., an Alaska corporation, and its representatives, successors, and assigns.

1.1.10 Declaration shall mean this Declaration and Covenants, Conditions, Restrictions, and Reservations for Crawford Park, a Condominium, as it may from time to time be amended.

1.1.11 First Mortgage and First Mortgagee shall mean, respectively (a) a recorded mortgage on an apartment that has legal priority over all other mortgages thereon, and (b) the holder of a first mortgage.

1.1.12 Institutional Holder of a mortgage shall mean a mortgagee which is a bank of savings and loan association or established mortgage company, or other entity chartered under federal or state laws, any corporation in the business of owning or servicing real estate mortgages, or insurance company, or any federal or state agency.

1.1.13 Managing Agent shall mean the person designated by Declarant under Section 16.2 or by the Board under Section 17.4

1.1.14 Mortgage shall mean a recorded mortgage or deed of trust that creates a lien against an apartment and shall also mean a real estate contract for the sale of an apartment.

1.1.15 Mortgagee shall mean the beneficial owner, or the designee of the beneficial owner, of an encumbrance on an apartment created by a mortgage or deed of trust and shall also mean the vendor, or the designee of a vendor, of a real estate contract for the sale of an apartment.

1.1.16 Owner shall mean the legal owner of an apartment.

1.1.17 Person shall mean an individual, corporation, partnership, association, trustee, or other legal entity.

1.1.18 Property shall mean the land and the buildings and all improvements and structures now or hereafter placed on the land described in Section 3.

1.1.19 Survey Map and Plans shall mean the survey map and the plans recorded simultaneously with this Declaration and any amendments, corrections, and addenda thereto subsequently recorded.

1.1.20 Transition Date is defined in Section 16.1.

Section 1.2 Form of Words. The singular form of words shall include the plural and the plural shall include the singular. Masculine, feminine, and neuter pronouns shall be used interchangeably.

Section 1.3 Statutory Definitions. Some of the terms defined above are also defined in the Condominium Statute. The definitions in this Declaration are not intended to limit or contradict the definitions in the Condominium Statute. If there is any inconsistency or conflict, the definition in the Condominium Statute will prevail.

ARTICLE 2. SUBMISSION OF THE PROPERTY TO THE CONDOMINIUM STATUTE.

Declarant, being the sole owner of the property, makes this Declaration for the purpose of submitting the property to the condominium form of use and ownership and to the provisions of the Condominium Statute. Declarant declares that the property shall be held, used, conveyed, encumbered, leased, occupied, rented, and improved subject to the covenants, conditions, restrictions, reservations, and easements stated in this Declaration, all of which are in furtherance of the division of the property into condominium apartments and common areas and facilities and shall be deemed to run with the land and be a burden and benefit to Declarant and all persons who own or acquire an interest in the property or any part thereof, and their grantees, successors, heirs, executors, administrators, and assigns.

ARTICLE 3. DESCRIPTION OF LAND.

The land on which the buildings and improvements provided for in this Declaration are or will be located is described as follows:

Lot Nineteen "A" (19-A), Block Thirty-Seven (37), of the EAST ADDITION to the TOWNSITE OF ANCHORAGE, according to the official plat thereof, filed under Plat No. 69-92 in the records of the Anchorage Recording District, Third Judicial District, State of Alaska.

ARTICLE 4. DESCRIPTION OF BUILDINGS.

There is one building in the condominium. It is principally of wood frame on a concrete slab on grade keyed into concrete footings on the perimeter with wood and marblecrete siding and a built-up asphalt composition flat roof. The building has 18 apartments, three stories and no basement. The street address of the building is 140 Eagle Street, Anchorage, Alaska 99501. The building is further described and its location is shown in the Survey Maps and Plans.

ARTICLE 5. APARTMENT NUMBERS, LOCATION, AND DESCRIPTION.

Each apartment is identified by an assigned number 101 through 306. Each apartment is on one level. Apartments 101, 106, 201, 206, 301 and 306 contain a combination living room with dining area, kitchen, pantry, entryway, full bathroom, half bathroom, linen closet and two bedrooms, each with a closet. Apartments 102, 105, 202, 203, 204, 205, 302, 303, 304, and 305 contain a combination living room with dining area, kitchen, entryway and pantry, full bathroom, linen closet and two bedrooms each with a closet. Apartments 103 and 104 contain a combination living room with dining area, kitchen, entryway and pantry, full bathroom, linen closet and one bedroom with a closet. The location, configuration and approximate square footage of living space of each apartment is shown in the Survey Map and Plans.

ARTICLE 6. COMMON AREAS AND FACILITIES.

Section 6.1 Description. The common areas and facilities consist of those specified in the Condominium Statute, as well as the following:

- 6.1.1 The land described in Article 3.
- 6.1.2 The roofs, foundations, studding, joists, beams, supports, main walls (excluding non-bearing interior partitions of apartments, if any), and all other structural parts of the buildings, to the unfinished interior surfaces of the apartments' perimeter walls, floors, ceilings, windows and doors.
- 6.1.3 The pipes, wires, conduits, sewer service lines, and other fixtures and equipment for utilities.
- 6.1.4 The grounds, trees, gardens, landscaped areas, exterior fixtures, walkways, and parking areas.
- 6.1.5 Any parking spaces or areas not made limited common areas appurtenant to apartments pursuant to Article 10.
- 6.1.6 The crawl space under the building.
- 6.1.7 The furnace room.
- 6.1.8 The laundry room with clothes washer and dryer in it.
- 6.1.9 The area of the interior storage room not actually consisting of individual storage lockers.
- 6.1.10 The storage shed.
- 6.1.11 Certain items which might ordinarily be considered common areas such as, but not limited to, screen doors, window screens, awnings, planter boxes, and the like, may pursuant to specification in the Bylaws or administrative rules and regulations, be designated as items to be furnished and maintained by apartment owners at their individual expense, in good order, according to standards and requirements set forth in the Bylaws or by rule adopted by the Board.
- 6.1.12 The limited common areas and facilities described in Article 7.

Section 6.2 Use. Each apartment owner shall have the right to use the common areas and facilities (except the limited common areas and facilities reserved for other apartments) in common with all other apartment owners. The right to use the common areas and facilities shall extend not only to each apartment owner, but also to his agents, servants, tenants, family members, invitees, and licensees. The right to use the common areas and facilities, including the limited common areas and facilities, shall be governed by the provisions of the Condominium Statute, this Declaration, the Bylaws, and the rules and regulations of the Association. The owners shall not by act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer the common areas and facilities and no other person shall have the right to have them partitioned or divided. The granting of easements for utilities or for other purposes consistent with the intended use of the common areas and facilities by the apartment owners and occupants shall not be deemed a partition or division. A subdivision of a limited common area as an incident of an authorized subdivision of an apartment pursuant to Article 27 will not be deemed a violation of this provision.

ARTICLE 7. LIMITED COMMON AREAS AND FACILITIES.

Section 7.1 Description. Some common areas and facilities, called limited common areas and facilities, are reserved for the exclusive use of the apartment or apartments to which they are adjacent or assigned. They consist of the following:

7.1.1 One open parking space made appurtenant to each apartment pursuant to Article 10.

7.1.2 The storage locker located in the interior storage room that is assigned to each apartment.

7.1.3 The interior entryways as shown on the Survey Map and Plans.

Section 7.2 Appurtenant to Apartments. Conveyance of an apartment includes the exclusive rights to the use of the limited common areas and facilities appurtenant to that apartment.

ARTICLE 8. ACCESS.

Each apartment has direct access to the common area adjacent to the apartment entrance and thence across the common areas to the public streets and sidewalks. The right of ingress to and egress from each apartment shall be perpetual and appurtenant to the apartment.

ARTICLE 9. VALUE OF PROPERTY AND EACH APARTMENT AND PERCENTAGE OF UNDIVIDED INTEREST IN COMMON AREAS AND FACILITIES.

Each apartment described herein is valued as set forth in Exhibit A, the total value of such apartments being the value of the property comprising the project. The owner of each apartment shall have an undivided interest in the common areas and facilities appurtenant to each apartment for all purposes, including voting, as set forth in Exhibit A.

The values do not necessarily reflect the amount for which an apartment will be sold by Declarant, or others, and will not be altered by variations in selling prices.

ARTICLE 10. PARKING AND STORAGE.

Section 10.1 Assignment to Apartments. The owner of each apartment has the unqualified right to use at least parking space in the condominium sufficient to accommodate an automobile. Each apartment is assigned one open parking space which is a limited common area appurtenant to that apartment. Each parking space so assigned is designated by a number corresponding to the apartment to which it is assigned. Parking spaces that have not been assigned to an apartment may either be held for common parking or rented to an owner in accordance with such rules or regulations as the Board may from time to time adopt.

Section 10.2 Rental of Parking Space or Storage Locker. The owner of an apartment may rent an appurtenant parking space or storage locker to the occupant of another apartment in the condominium or to the Association, but such rental shall be subject to termination upon 15 days' notice. Rental of a parking space or storage locker shall be terminated automatically and without notice upon the transfer of title of the apartment to which it is appurtenant.

Section 10.3 Use of Parking Spaces. Parking spaces may be used for the parking of operable passenger motor vehicles, and use of parking spaces for parking trucks, trailers, or recreational vehicles, or for other purpose shall be permitted only to the extent expressly allowed by rules and regulations adopted by the Board. The Board may prohibit or restrict the parking of automobiles owned by apartment owners or their tenants in the parking spaces held for common parking. The Board may direct that any vehicle or other thing improperly parked in parking space be removed, and if it is not removed within 10 days the Board may cause it to be removed at the risk and cost of the owner thereof.

ARTICLE 11. PERMITTED USES; MAINTENANCE OF APARTMENTS; CONVEYANCES.

Section 11.1 Residential Use. The building and apartments are intended for and restricted to use as single family residences only, on an ownership, rental, or lease basis, and for social, recreational, or other reasonable activities normally incident to such use, and for the purposes of operating the Association and managing the condominium if required. In addition to the foregoing, Declarant may use apartments it owns as sales offices and models for sales of apartments.

Section 11.2 Leases. With the exception of a mortgagee in possession of an apartment following a default in a first mortgage, a foreclosure proceeding, or any deed or other arrangement in lieu of foreclosure, no apartment owner or other person shall be permitted to lease or otherwise rent an apartment for a term less than 30 days. No

lease or rental of an apartment may be of less than the entire apartment. Any lease or rental agreement must provide that its terms shall be subject in all respects to the provisions of this Declaration and the Bylaws and rules and regulations of the Association and that any failure by the tenant to comply with the terms of such documents, rules, and regulations shall be a default under the lease or rental agreement and that the apartment owner grants to the Board and managing agent the authority to evict the tenant on the apartment owner's behalf for such default, upon only such notice as is required by law; if any lease does not contain the foregoing provisions, such provisions shall nevertheless be deemed to be a part of the lease and binding upon the apartment owner and the tenant by reason of their being stated in this Declaration. Neither the Board nor the managing agent shall be liable to the apartment owner or the tenant for any eviction under this section that is made in good faith. All leases and rental agreements shall be in writing. Copies of all leases and rental agreements shall be delivered to the Association before the tenancy commences. Other than as stated in this Section 11.2, there is no restriction on the right of any apartment owner to lease or otherwise rent his apartment.

Section 11.3 Maintenance of Apartments. Each apartment owner shall, at the owner's sole expense, keep the interior of the apartment and its equipment, appliances, and appurtenances in a clean and sanitary condition, free of rodents and pests, and in good order, condition, and repair and shall do all redecorating and painting at any time necessary to maintain the good appearance and condition of his apartment. Each owner shall be responsible for the maintenance, repair, or replacement of any plumbing fixtures, water heaters, fans, heating equipment, electrical fixtures, or appliances which are in the apartment or portions thereof that serve that apartment only, and shall replace any glass in the windows and in the exterior doors of the apartment that becomes cracked or broken.

Section 11.4 Maintenance of Limited Common Areas. Each apartment owner will be responsible for care, maintenance, cleanliness, and orderliness of the limited common areas that are appurtenant to the apartment, except that sweeping and maintenance of the parking areas shall be the responsibility of the Association. Owners may not, however, modify, paint, or otherwise decorate, or in any way alter their respective limited common areas without prior written approval of the Board.

Section 11.5 Exterior Appearance. In order to preserve a uniform exterior appearance of the buildings, the Board shall provide for the painting or staining of the buildings and prescribe the type and color of paint or stain. No owner may modify or decorate the exterior of the buildings, carports, or screens, doors, awnings, or other portions of any apartment visible from outside the apartment without the prior written consent of the Board or in accordance with rules or regulations of the Board. No exterior radio or television antennae may be installed without the prior written consent of the Board.

Section 11.6 Effect on Insurance: Nothing shall be done or kept in any apartment or in any common area that will increase the rate of insurance on the property without the prior written consent of the Board. Nothing shall be done or kept in any apartment or in any common area that will result in the cancellation of insurance on any part of the property, or that would be in violation of any laws.

Section 11.7 Alteration of Common Area. Nothing shall be altered or constructed in or removed from any common area or facility except upon the prior written consent of the Board.

Section 11.8 Signs. No sign of any kind shall be displayed to the public view on or from any apartment or common area or limited common area without the prior consent of the Board; provided, that the Board shall designate an area or areas for display of "For Sale" signs. This section shall not apply to Declarant.

Section 11.9 Pets. The keeping of animals, birds, reptiles, or living creatures of any kind (herein referred to as "pets") in any apartment or in the common or limited common areas may be restricted by rules and regulations adopted by the Board, or Bylaws adopted by the Association. The Board may at any time require the removal of any pet which it finds is disturbing other owners unreasonably, and may exercise this authority for specific pets even though other pets are permitted to remain.

Section 11.10 Offensive Activity. No noxious or offensive activity shall be carried on in any apartment or common area, nor shall anything be done therein that may be or become an annoyance or nuisance to other owners.

Section 11.11 Conveyances; Notice Required. The right of an apartment owner to sell, transfer, or otherwise convey the apartment shall not be subject to any right of approval, disapproval, first refusal, or similar restriction by the Association or the Board, or anyone acting on their behalf. An owner intending to sell an apartment shall deliver a written notice to the Board, at least two weeks before closing, specifying the apartment being sold; the name and address of the purchaser, of the closing agent, and of the title insurance company insuring the purchaser's interest; and the estimated closing date. The Board shall have the right to notify the purchaser, the title insurance company, and the closing agent of the amount of unpaid assessments and charges outstanding against the apartment, whether or not such information is requested.

ARTICLE 12. ENTRY FOR REPAIRS.

The Association and its agents or employees may enter any apartment and limited common areas appurtenant thereto to effect repairs, improvements, replacements, or maintenance deemed by the Board to be necessary in the performance of its duties, to do necessary work that the apartment owner has failed to perform, or to prevent damage to the common areas and facilities or to another apartment. Except in cases of great emergency that preclude advance notice, the Board shall cause the apartment occupant to be given notice and an explanation of the need for entry as far in advance of entry as is reasonably practicable. Such entry shall be made with as little inconvenience to the owners and occupants as practicable. Any damage caused by such entry

shall be repaired by the Association as a common expense unless the repairs or maintenance were necessitated by the acts or default of the owner or occupant of the apartment entered, in which event the costs of the repairs or maintenance shall be specially assessed to that apartment.

ARTICLE 13. SERVICE OF PROCESS.

Miles S. Schlosberg, 510 West Fireweed Lane, Anchorage, Alaska 99503, is the person upon whom process may be served as provided for in the Condominium Statute. After organization of the Association, service of process for the purposes provided in the Condominium Statute shall be made upon the registered agent of the Association. The Board may at any time designate a different person for such purpose by filing an amendment to this Declaration limited to the sole purpose of making such change, and such amendment need be signed and acknowledged only by the president of the Association.

ARTICLE 14. ASSOCIATION.

Section 14.1 Form of Association. The owners of apartments shall constitute an Association as defined in the Condominium Statute. The Association will be a nonprofit corporation formed under the laws of the state of Alaska. It will be governed by a board of directors of not fewer than three nor more than seven directors elected from the apartment owners. The initial board will have four directors. The rights and duties of the members and of the corporation shall be governed by the provisions of the Condominium Statute and of this Declaration.

Section 14.2 Articles and Bylaws. Before the Transition Date Declarant will adopt Articles of Incorporation and Bylaws to supplement this Declaration and to provide for the administration of the Association and the property and for other purposes not inconsistent with the Condominium Statute or this Declaration. Declarant may amend the Bylaws from time to time until the Transition Date. After the Transition Date the Bylaws may be amended by the affirmative vote of 60% of the voting power at any duly called regular or special meeting of the Association. However, no material amendment of the Articles or Bylaws may be made without the prior written approval of the holders of 75% of the first mortgages on apartments held by institutional holders.

Section 14.3 Qualification for Membership. Each fee owner of an apartment (including Declarant) shall be a member of the Association and shall be entitled to one membership for each apartment owned; provided, that if an apartment has been sold on contract, the contract purchaser shall exercise the rights of the apartment owner for purposes of the Association, this Declaration, and the Bylaws, except as herein-after limited, and shall be the voting representative unless otherwise specified. Ownership of an apartment shall be the sole qualification for membership in the Association.

Section 14.4 Transfer of Membership. The Association membership of each apartment owner (including Declarant) shall be appurtenant to the apartment giving rise to such membership, and shall not be transferred in any way except upon the transfer of title to the apartment and then only to the transferee of title to the apartment. Any attempt

to make a prohibited transfer shall be void. Any transfer of title to an apartment shall operate automatically to transfer the membership in the Association to the new owner.

Section 14.5 Number of Votes. The total voting power of all owners shall be 100% and the voting power available to the owner of any one apartment, including the Declarant as to those apartments not sold, shall be equal to the percentage of undivided interest in the common areas and facilities appertaining to the apartment as set forth in Exhibit A. A person (including Declarant) who owns more than one apartment shall have the votes appertaining to each apartment owned.

Section 14.6 Voting Representative. An apartment owner may, by written notice to the Board, designate a voting representative for the apartment. The voting representative need not be an owner. The designation may be revoked at any time by written notice to the Board from a person having an ownership interest in an apartment, or by actual notice to the Board of the death or judicially declared incompetence of any person with an ownership interest in the apartment, except in cases in which the person designated is a mortgagee of the apartment. This power of designation and revocation may be exercised by the guardian of an apartment owner, the attorney-in-fact for the owner under a durable power of attorney, and the personal representatives, administrators or executors of an owner's estate. If no designation has been made, or if a designation has been revoked and no new designation has been made, the voting representative of each apartment shall be the group composed of all of its owners. If an apartment is owned by husband and wife and only one of them is at a meeting, the one who is present will represent the marital community.

Section 14.7 Joint Owner Disputes. The vote for an apartment must be cast as a single vote. Fractional votes shall not be allowed. If joint owners are unable to agree how their vote shall be cast, they shall lose their right to vote on the matter in question.

Section 14.8 Pledged Votes. If an owner is in default under a first mortgage on the apartment for 90 consecutive days or more, the mortgagee shall automatically be authorized to declare at any time thereafter that the apartment owner has pledged his or her vote on all issues to the mortgagee during the continuance of the default. If the Board has been notified of any such pledge to a mortgagee, only the vote of the mortgagee will be recognized on the issues that are subject to the pledge.

Section 14.9 Annual and Special Meetings. There shall be an annual meeting of the members of the Association in the first quarter of the fiscal year at such reasonable place and time as may be designated by written notice from the Board delivered to the owners no less than 30 days before the meeting. The audited financial statement for the preceding year and the budget the Board has adopted for the current year shall be presented at the annual meeting for the information of the members. Special meetings of the members of the Association may be called at any time, in the manner provided in the Bylaws, for the purpose of considering matters which require the approval of all or some of the owners, or for any other reasonable purpose. Any first mortgagee of an apartment may attend or designate a representative to attend the meetings of the Association.

Section 14.10 Audits. As soon as is convenient after the close of each fiscal year the Board shall have an audited financial statement prepared for that year. The audit shall be made by a certified

or licensed public accountant who is not a member of the board or an apartment owner. The audit shall be completed in time for the Association's annual meeting and in any event within 90 days following the end of the fiscal year. Any mortgagee of an apartment will, upon request, be entitled to receive the annual audited financial statement within 90 days following the end of the fiscal year. The Board, or persons having 35% of the voting power of the Association, may require that an audit of the Association and management books be presented at any special meeting. An apartment owner, at his or her expense, may at any reasonable time conduct an audit of the books of the Board and Association.

Section 14.11 Books and Records. The Board shall cause to be kept complete, detailed, and accurate books and records of the receipts and expenditures of the Association, in a form that complies with generally accepted accounting principles.

Section 14.12 Inspection of Condominium Documents, Books, and Records. During normal business hours and at other reasonable times this Declaration, the Articles, the Bylaws, and other rules governing the operation of the condominium shall be available for inspection by the apartment owners, apartment mortgagees, prospective purchasers and their prospective mortgagees, and the agents or attorneys of any of them and, in addition, at such times the books and records, authorizations for payment of expenditures, and all contracts, documents, papers, and other records of the Association shall be available for inspection by the apartment owners, apartment mortgagees, and the agents or attorneys of either of them.

ARTICLE 15. NOTICES:

Section 15.1 Form and Delivery of Notice. All notices given under the provisions of this Declaration or the Bylaws or rules or regulations of the Association shall be in writing and may be delivered either personally or by mail. If delivery is made by mail, the notice shall be deemed to have been delivered on the third day of regular mail delivery after it has been deposited in the United States mail in Anchorage, Alaska, first class, postage prepaid, addressed to the person entitled to such notice at the most recent address known to the Board. Notice to the owner of any apartment shall be sufficient if mailed to the apartment if no other mailing address has been given to the Board. Mailing addresses may be changed by notice in writing to the Board. Notices to the Board shall be given to Declarant until the Transition Date and thereafter shall be given to the president or secretary of the Association.

Section 15.2 Notices to Mortgagees. Any mortgagee of an apartment may file with the secretary of the Board a written request that it be given copies of notices. Until such time thereafter as the mortgagee withdraws the request or satisfies the mortgage of record, the Board shall send to the requesting mortgagee a copy of (1) all notices of meetings of the Association; (2) all other notices sent to the owner of the apartment covered by the mortgagee's mortgage; (3) within 90 days following the end of any fiscal year, audited financial statements prepared pursuant to Section 14.10; and (4) notices of any intention of the Association to transfer any part of the common areas or facilities, abandon condominium status, or terminate professional management of the condominium. Holders of first mortgages on apartments shall be entitled to prompt notice of any default in an apartment

ner's obligations under any of the documents that create or govern
condominium, or its rules and regulations, that is not cured within
days of the date of default and to notices under Article 24 (Damage
Repair of Damage to Property) and Article 25 (Condemnation) irre-
spective of whether they have filed requests for notices. When the
ser of a first mortgage so designates by notice to the secretary of
Board, all notices to that mortgagee shall instead be sent to
at mortgagee in care of the bank or financial institution acting
mortgage serficer at the servicer's address. The provisions of
is Section 15.2 shall prevail over any inconsistent or contrary
ovisions in this Declaration or in the Articles or Bylaws.

ARTICLE 16. ADMINISTRATION OF PROPERTY; RIGHTS RETAINED BY DECLARANT.

Section 16.1 Transition Date. The "Transition Date" shall be
ne date upon which the authority and responsibility to administer and
manage the Association and the condominium, subject to this Declaration
and the Bylaws, passes to the Association. The Transition Date will be
either (1) the date designated by Declarant in a written notice to the
ers, which date may at Declarant's election be any date after this
laration has been recorded; or (2) the point at which title to
enty-five percent (75%) of the apartments has passed to individual
rchasers.....; or (3) the third annivers-
ary of the recording of this Declaration; whichever of the foregoing
ccurs first.

Section 16.2 Declarant's Powers Until Transition Date. Until
he Transition Date, Declarant shall have the full power and authority
o exercise all of the rights, duties, and functions of the Board of
irectors and the officers of the Association, including but not
imited to the adoption of rules and regulations, contracting for the
urchase of goods and services, buying insurance, and collecting and
xpending all assessments and other Association funds. Declarant shall
ave the power to contract with an experienced professional managing
gent and delegate to the managing agent all of the powers and duties
of the Board that the Board is authorized to delegate under Section
17.4. All such management contracts made by Declarant shall be subject
o the same requirements as are set forth in Section 17.4 for manage-
ent contracts made by the Board. Declarant may at such times as it
eems appropriate select and from time to time replace an interim board
of three to five directors, who need not be apartment owners or pur-
chasers, who shall have all the powers, duties, and functions of the
board of Directors. Any contract made by Declarant, its managing
gent, or the interim board (including management contracts) that would
herwise extend beyond the Transition Date shall be terminable by the
Board after the Transition Date upon 30 days' notice.

ARTICLE 17. AUTHORITY OF THE BOARD.

Section 17.1 Adoption of Rules and Regulations. The Board is
empowered to adopt, amend, and revoke on behalf of the Association
detailed administrative rules and regulations necessary or convenient
from time to time to insure compliance with the general guidelines of
this Declaration and to promote the comfortable use and enjoyment of
the property. The rules and regulations of the Association shall be
binding upon all apartment owners and occupants and all other persons
claiming any interest in the condominium.

Section 17.2 Enforcement of Declaration, Etc. The Board (or
Declarant, Declarant's managing agent, or the interim board of director
until the Transition Date) shall have the power and the duty to enforce

the provisions of this Declaration, the Articles, the Bylaws, and the rules and regulations of the Association, as the same may be lawfully amended from time to time, for the benefit of the Association. If a legal action is brought to interpret or enforce compliance with the provisions of this Declaration, the Articles, the Bylaws, or the rules or regulations of the Association, the prevailing party shall be entitled to judgment against the other party for its reasonable expenses, court costs, and attorney's fees in the amount awarded by the court.

Section 17.3 Goods and Services. The Board shall acquire and pay for as common expenses of the Association all goods and services reasonably necessary or convenient for the efficient and orderly functioning of the condominium. The goods and services shall include (by way of illustration and not limitation) utility services for the common areas and facilities; policies of insurance and fidelity bonds; legal and accounting services; maintenance, repair, landscaping, gardening, and general upkeep of the common and limited common areas and facilities; and all supplies, materials, fixtures, and equipment that are in the Board's judgment necessary or desirable for the operation of the condominium and enjoyment of it by the owners. The Board may hire such full-time or part-time employees as it considers necessary.

Section 17.4 Managing Agent. The Board may, but shall not be required to, contract with an experienced professional managing agent to assist the Board in the management and operation of the condominium and may delegate such of its powers and duties to the managing agent as it deems to be appropriate, except as limited herein. If a managing agent is employed by the Board, the prior written approval of the holders of 75% of the first mortgages held by institutional holders on apartments shall be required before the Board may terminate professional management and assume self-management. The managing agent shall not enter any apartment (directly or through agents) without the consent of the occupant unless entry has been directed by the Board. Only the Board can approve an annual budget or a supplemental budget, and only the Board can impose a special assessment on an apartment or authorize foreclosure of an assessment lien. Any contract with a managing agent shall have a term no longer than one year (but may be renewable by agreement of the parties for successive one-year periods) and shall be terminable by the Board without payment of a termination fee, either (1) for cause, on 30 days' written notice, or (2) without cause, on not more than 90 days' written notice.

Section 17.5 Protection of Property. The Board may spend such funds and take such action as it may from time to time deem necessary to preserve the property, settle claims, or otherwise act in what it considers to be the best interests of the condominium or the Association.

ARTICLE 18. BUDGET AND ASSESSMENT FOR COMMON EXPENSES.

Section 18.1 Fiscal Year. The Board may adopt such fiscal year for the Association as it deems to be convenient. Unless another year is adopted, the fiscal year will be the calendar year.

Section 18.2 Preparation of Budget. Not less than 30 days before the end of the fiscal year the Board shall prepare a budget for the Association for the coming year. In preparing its budget the Board shall estimate the common expenses of the Association to be paid during the year, make suitable provision for accumulation of reserves, and

1. Take into account any surplus or deficit carried over from the preceding year and any expected income to the Association. Declarant the interim Board shall prepare a budget for the remainder of the 1 year in which this Declaration is recorded and for subsequent until the Transition Date. If during the year the budget proves to be inadequate for any reason, including nonpayment of any owner's assessment, the Board may prepare a supplemental budget for the remainder of the year.

Section 18.3 Monthly Assessments for Common Expenses. The assessments required by the Association for common expenses as reflected by the annual budget and any supplemental budgets shall be divided into 12 equal installments to be paid each month over the period of time covered by the budget or supplemental budget. The monthly installments shall be assessed to the apartments (including apartments owned by Declarant) and their respective owners in proportion to the apartments' percentages of undivided interest in the common areas and facilities. Assessments begin accruing with respect to each apartment upon the closing of the initial sale of that apartment by Declarant and, in any event, with respect to all apartments within 30 days after the closing of the first sale of any apartment by Declarant. During such time as mortgage collection charges and any other utility or service charges are assessed on the number of occupied apartments, any apartments owned by Declarant and not occupied shall be exempt from assessment for such charges. However, Declarant will commence payment of the full assessment for each apartment it owns no later than one hundred and twenty (120) days after title has passed to the first individual purchaser of an apartment.

Section 18.4 Special Assessments. If a special assessment comes chargeable against an apartment under the authority of this Declaration or the Bylaws, the Board shall determine the amount of such special assessment and fix the month or months in which it is to be paid. The special assessment shall be added to the apartment's monthly installment of common expenses and be included in the assessment against the apartment.

Section 18.5 Notice of Assessment. The Board shall notify each apartment owner in writing of the amount of the monthly assessments to be paid for his apartment and shall furnish copies of each budget on which the assessments are based to all apartment owners and, if so requested, to their respective mortgagees.

Section 18.6 Payment of Monthly Assessments. On or before the first day of each calendar month each apartment owner shall pay or cause to be paid to the treasurer of the Association the assessment against the apartment for that month. Any assessment not paid by the first day of the calendar month for which it is due shall be delinquent and subject to late charges, interest charges and collection procedure provided in Article 19.

Section 18.7 Proceeds Belong to Association. All assessments and other receipts received by the Association on behalf of the condominium shall belong to the Association.

Section 18.8 Failure to Assess. Any failure by the Board or the Association to make the budget and assessments hereunder before the expiration of any year for the ensuing year shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of the owners from the obligation to pay assessments during that or any subsequent year, and the monthly assessment amount established for the preceding year shall continue until a new assessment is established.

Section 18.9 Certificate of Unpaid Assessments. Upon the request of any owner or mortgagee of an apartment, the Board will furnish a certificate in recordable form stating the amount, if any, of unpaid assessments charged to the apartment. The certificate shall be conclusive upon the Board and the Association as to the amount of such indebtedness on the date of the certificate in favor of all purchasers and mortgagees of the apartment who rely on the certificate in good faith. The Board may establish a reasonable fee to be charged to reimburse it for the cost of preparing the certificate.

ARTICLE 19. LIEN AND COLLECTION OF ASSESSMENTS.

Section 19.1 Assessments Are a Lien; Priority. All unpaid sums assessed by the Association for the share of the common expenses chargeable to any apartment and any sums specially assessed to any apartment under the authority of this Declaration or the Bylaws (together with interest, late charges, costs, and attorneys' fees in the event of delinquency) shall constitute a continuing lien on the apartment and all its appurtenances from the date the assessment became due until fully paid. The lien for such unpaid assessments shall be subordinate to tax liens on the apartment in favor of any assessing unit and/or special district, and to all sums unpaid on all mortgages of record, but shall have priority over all other liens against the apartment. A first mortgagee of an apartment that obtains title through a mortgage foreclosure or deed of trust sale, or by taking a deed in lieu of foreclosure or sale, or a purchaser at a foreclosure sale, shall take the apartment free of any claims for the share of common expenses or assessments by the Association chargeable to the apartment that became due before taking title, but will be liable for the common expenses and assessments that accrue after taking title; in which event the apartment's past-due share of common expenses or assessments shall become new common expenses chargeable to all of the apartment owners, including the mortgagee or foreclosure sale purchaser and their successors and assigns, in proportion to their respective percentages of undivided interest in the common areas and facilities; however, the owner and any contract purchaser shall continue to be personally liable for such past-due assessments, as provided in Section 19.3. For the purpose of this section, the terms "mortgages" and "mortgagee" shall not mean real estate contracts or a vendor or a designee or assignee of a vendor under a real estate contract.

Section 19.2 Lien May be Foreclosed. The lien for delinquent assessments may be foreclosed by suit by the managing agent or the Board, acting on behalf of the Association, in like manner as the foreclosure of a mortgage of real property. The managing agent or the Board, acting on behalf of the Association, shall have the power to bid in the apartment at the foreclosure sale, and to acquire and hold, lease, mortgage, and convey the same.

Section 19.3 Assessments are Personal Obligations. In addition to constituting a lien on the apartment and all its appurtenances, all sums assessed by the Association chargeable to any apartment (together with interest, late charges, costs and attorneys' fees in the event of delinquency) shall be the joint and several personal obligations of the owner and any contract purchaser of the apartment when the assessment is made and their grantees. Suit to recover personal judgment for any delinquent assessments shall be maintainable without foreclosing or waiving the liens securing them.

Section 19.4 Late Charges and Interest on Delinquent Assessments. The Board may from time to time establish late charges and a rate of interest to be charged on assessments that may thereafter become delinquent. In the absence of another established non-usurious rate, delinquent assessments shall bear interest at the rate of 15% per annum. If a monthly assessment against an apartment is not paid when due the Board may elect to declare all monthly assessments against that apartment for the remainder of the fiscal year to be immediately due and payable.

Section 19.5 Recovery of Attorneys' Fees and Costs. In any action to collect delinquent assessments, the prevailing party shall be entitled to recover as a part of its judgment a reasonable sum for attorneys' fees and expenses reasonably incurred in connection with the action, in addition to taxable costs permitted by law.

Section 19.6 Termination of Utility Service. If an assessment becomes delinquent the Board may give notice to the delinquent apartment owner to the effect that unless the delinquent assessment is paid within ten days (or such longer time as is specified in the notice) any or all utility services furnished to the apartment by the Association or under the Association's control will be severed and shall remain severed until the delinquent assessment has been paid. If the delinquency is not cured in the time specified the Board may take the action described in the notice.

Section 19.7 Remedies Cumulative. The remedies provided herein are cumulative and the Board may pursue them, and any other remedies which may be available under law although not expressed herein, either concurrently or in any order.

Section 19.8 Security Deposit. An apartment owner who has been delinquent in paying his monthly assessments for three of the five preceding months may be required by the Board, from time to time, to make and maintain a security deposit not in excess of three months' estimated monthly assessments, which shall be collected and shall be subject to penalties for nonpayment as are other assessments. The deposit shall be held in a separate fund, credited to such owner, and may be resorted to at any time when such owner is ten days or more delinquent in paying his assessments.

ARTICLE 20. FAILURE OF BOARD TO INSIST ON STRICT PERFORMANCE
NO WAIVER.

The failure of the Board in any instance to insist upon the strict compliance with this Declaration or the Bylaws or rules and regulations of the Association, or to exercise any right contained in such documents, or to serve any notice or to institute any action, shall not be construed as a waiver or a relinquishment for the future of any term, covenant, condition, or restriction. The receipt by the Board of payment of an assessment from an owner, with knowledge of a breach by the owner, shall not be a waiver of the breach. No waiver by the Board of any requirement shall be effective unless expressed in writing and signed for the Board. This Article also extends to the Declarant, Declarant's managing agent, and the interim board of directors, exercising the power of the Board before the Transition Date.

ARTICLE 21. LIMITATION OF LIABILITY.

Section 21.1 Liability for Utility Failure, Etc. Except to the extent covered by insurance obtained by the Board, neither the Association nor the Board (nor the Declarant, Declarant's managing agent, or the interim board of directors) shall be liable for: the failure of any utility or other service to be obtained and paid for by the Board; or for injury or damage to person or property caused by the elements, or resulting from electricity, water, rain, dust, or sand which may lead or flow from outside or from any parts of the buildings, or from any of their pipes, drains, conduits, appliances, or equipment, or from any other place; or for inconvenience or discomfort resulting from any action taken to comply with any law, ordinance, or orders of a governmental authority. No diminution or abatement of common expense assessments shall be claimed or allowed for any such utility or service failure, or for such injury or damage, or for such inconvenience or discomfort.

Section 21.2 No Personal Liability. So long as a Board member, or Association committee member, or Association officer, or Declarant or the managing agent has acted in good faith, without willful or intentional misconduct, upon the basis of such information as is then possessed by such person, no such person shall be personally liable to any owner, or to any other person, including the Association, for any damage, loss, or prejudice suffered or claimed on account of any act, omission, error, or negligence of such person; provided, that this section shall not apply where the consequences of such act, omission, error, or negligence is covered by insurance obtained by the Board.

ARTICLE 22. INDEMNIFICATION.

Each Board member and Association committee member and Association officer, and Declarant and the managing agent shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed in connection with any proceeding to which he or she may be a party, or in which he may become involved, by reason of holding or having held such position, or any settlement thereof, whether or not he or she holds such position at the time such expenses or liabilities are incurred, except to the extent such expenses and liabilities are covered by any type of insurance and except in such cases wherein such person is adjudged guilty of willful misfeasance in the performance of his or her duties; provided, that in the event of a settlement, the indemnification shall apply only when the Board approves such settlement and reimbursement as being for the best interests of the Association.

ARTICLE 23. INSURANCE.Section 23.1 General Requirements.

The Association shall maintain at all times a policy or policies and bonds necessary to provide casualty insurance; comprehensive liability insurance; fidelity bonds; worker's compensation insurance to the extent required by applicable laws; insurance against loss of personal property of the Association by fire, theft, or other causes with such deductible provisions as the Board deems advisable; insurance, if available, for the protection of the Association's directors, officers, and representatives from personal liability in the

management of the Association's affairs; and such other insurance as the Board deems advisable. The Board shall review at least annually the adequacy of the Association's insurance coverage. All insurance shall be obtained from an insurance carrier rated Triple B Plus or better by Best's Insurance Reports or equivalent rating service, and licensed to do business in the state of Alaska. Notwithstanding any other provisions herein, the Association shall continuously maintain in effect casualty, and liability insurance and a fidelity bond that meet the insurance and fidelity bond requirements for condominium projects established by the Federal National Mortgage Association and the Government National Mortgage Association, so long as either is a mortgagee or owner of an apartment within the condominium, except to the extent such coverage is not available or has been waived in writing by the Federal National Mortgage Association or Government National Mortgage Association. All such insurance policies and fidelity bonds shall provide that coverage may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least 30 days' prior written notice to any and all insureds named therein, including apartment owners, mortgagees, and designated servicers of mortgagees.

Section 23.2 Casualty Insurance. The casualty insurance shall, at the minimum, consist of a standard form of fire insurance policy with extended coverage endorsement in an amount equal to the full replacement value (i.e., 100% of current replacement cost exclusive of land, foundation, excavation, and other items normally excluded from coverage) of the common areas and facilities, apartments, and all fixtures and equipment belonging to the Association with an "Agreed Amount Endorsement" or its equivalent, if available, or an Inflation Guard Endorsement, and, if required by Federal National Mortgage Association, a "Demolition and Contingent Liability from Operation of Building Laws Endorsement," an "Increased Cost of Construction Endorsement," an "Earthquake Damage Endorsement," and such other endorsements as Federal National Mortgage Association deems necessary and are available. In addition to protection against loss or damage by fire and other hazards covered by the standard extended coverage endorsement, the policy shall provide protection against loss or damage from sprinkler leakage, debris removal, cost of demolition, vandalism, malicious mischief, windstorm, water damage, and such other risks as are customarily covered with respect to residential condominium projects of similar construction in the Anchorage area. The policy or policies shall provide for separate protection for each apartment to the full insurable replacement value thereof (limited as above provided), and a separate loss payable endorsement in favor of the mortgagee or mortgagees of each apartment. The insurance proceeds may be made payable to any trustee with which the Association may enter into an insurance trust agreement, or any successor trustee, who shall have exclusive authority to negotiate losses under the policies. The policy or policies shall provide that, notwithstanding any provisions thereof which give the carrier the right to elect to restore damage in lieu of making a cash settlement, such option shall not be exercisable without the prior written approval of the Association (or any insurance trustee) or when in conflict with the provisions of any insurance trust agreement to which the Association may be a party, or any requirement of law.

Section 23.3 Comprehensive Public Liability Insurance. The comprehensive policy of public liability insurance shall insure the Board, the Association, the apartment owners, Declarant, and the managing agent, and cover all of the common areas and facilities in the condominium, with a "Severability of Interest Endorsement" or

equivalent coverage which would preclude the insurer from denying the claim of an apartment owner because of the negligent acts of the Association or of another apartment owner, and shall include protection against water damage liability, liability for non-owned and hired automobiles, liability for property of others, and such other risks as are customarily covered with respect to residential condominium projects of similar construction in the Juneau area. The limits of liability shall be not less than \$1,000,000 covering all claims for personal injury and/or property damage arising out of a single occurrence.

Section 23.4 Additional Policy Provisions. The insurance obtained pursuant to Sections 23.2 and 23.3 shall contain the following provisions and limitations:

23.4.1 The named insured shall be the Association, as trustee for each of the apartment owners in accordance with their respective percentages of undivided interest in the common areas and facilities. The insurance proceeds may be made payable to any trustee with which the Association may enter into an insurance trust agreement, or any successor trustee, who shall have exclusive authority to negotiate losses under the policies.

23.4.2 Such policies shall not provide for contribution by or assessment against mortgagees or become a lien on the property superior to the lien of a first mortgage.

23.4.3 In no event shall the insurance coverage be brought into contribution with insurance purchased by the owners of the apartments or their mortgagees.

23.4.4 Coverage shall not be prejudiced by (a) any act or neglect of the owners of apartments when such act or neglect is not within the control of the Association, or (b) failure of the Association to comply with any warranty or condition with regard to any portion of the premises over which the Association has no control.

23.4.5 A waiver of subrogation by the insurer as to any and all claims against the Association, the owner of any apartment, and/or their respective agents, employees, or tenants, and of any defenses based upon co-insurance or upon invalidity arising from the acts of the insured.

23.4.6 A standard mortgagee clause which shall:

(a) Provide that any reference to a mortgagee in the policy shall mean and include all holders of mortgages of any apartment or apartment lease or sublease in their respective order of preference, whether or not named therein;

(b) Provide that such insurance as to the interest of any mortgagee shall not be invalidated by any act or neglect of the Board or apartment owners or any persons under any of them;

(c) Waive any provision invalidating such mortgage clause by reason of the failure of any mortgagee to notify the insurer of any hazardous use or vacancy, any requirement that the mortgagee pay any premium thereon, and any contribution clause; and

(d) Provide that, without affecting any protection afforded by such mortgagee clause, any proceeds payable under such policy shall be payable to the Board or the insurance trustee.

Section 23.5 Fidelity Bonds. The required fidelity bonds shall afford coverage to protect against dishonest acts on the part of officers, directors, trustees, and employees of the Association or the managing agent and all other persons who handle or are responsible for handling funds of the Association and be in an amount that will provide a level of coverage generally considered adequate by prudently managed business concerns in Anchorage, Alaska, but not less than 50% of the estimated annual operating expenses of the condominium, including reserves. In determining the level of coverage, the Board may rely on the advice of a competent, independent insurance broker. All such fidelity bonds shall name the Association as an obligee and contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression.

Section 23.6 Owners' Individual Insurance. Each owner may obtain additional insurance on his apartment and its contents at his own expense but only if the owner's insurance does not decrease the amount that the Board, or any trustee for the Board, on behalf of all of the owners, will realize under any insurance policy that the Board may have in force on the property. Each owner shall notify the Board of all improvements by the owner to his apartment the value of which is in excess of \$5,000. Any owner who obtains individual insurance policies covering any portion of the property other than personal property belonging to him shall file a copy of his individual policy or policies with the Board within 30 days after he buys it, and the Board shall immediately review its effect with the Board's insurance broker, agent, or carrier.

ARTICLE 24. DAMAGE AND REPAIR OF DAMAGE TO PROPERTY

Section 24.1 Initial Board Determination. In the event of damage to any part of the property, the Board shall promptly, and in all events within 30 days after the date of damage, make the following determinations with respect thereto, employing such advice as the Board deems advisable:

24.1.1 The nature and extent of the damage, together with an inventory of the improvements and property directly affected thereby.

24.1.2 A reasonably reliable estimate of the cost to repair the damage, which estimate shall, if reasonably practicable, be based upon two or more firm bids obtained from responsible contractors.

24.1.3 The expected insurance proceeds, if any, to be available from insurance covering the loss based on the amount paid or initially offered by the insurer.

24.1.4 The amount, if any, by which the estimated cost of repair exceeds the expected insurance proceeds, and the amount of the assessments that would have to be made against each apartment if the excess cost were to be paid as a maintenance expense and specially assessed against all the apartments in proportion to their percentages of undivided interest in the common areas and facilities.

24.1.5 The Board's recommendation whether the damage should be repaired.

Section 24.2 Notice of Damage. If, damage exceeds \$10,000, then the Board shall promptly, and in all events within 30 days after the date of damage, provide each owner and each holder of a first mortgage on an apartment with a written notice describing the damage and summarizing the initial Board determinations made under Section 24.1. If the Board fails to do so within said 30 days, any owner or mortgagee may make the determinations required under Section 24.1 and give the notice required under this Section 24.2.

Section 24.3 Definitions: Damage, Substantial Damage, Repair, Emergency Work. As used in this Article 24:

24.3.1 Damage shall mean all kinds of damage, whether of slight degree or total destruction.

24.3.2 Substantial Damage shall mean that in the judgment of a majority of the Board the estimated special assessment determined under subsection 24.1.4 for any one apartment exceeds ten percent of the full, fair market value of the apartment before the damage occurred, as determined by the then current assessment for the purpose of real estate taxation.

24.3.3 Repair shall mean restoring the improvements to substantially the condition they were in before they were damaged, with each apartment and the common areas and facilities having substantially the same vertical and horizontal boundaries as before. Modifications to conform to applicable governmental rules and regulations or available means of construction may be made.

24.3.4 Emergency Work shall mean work that the Board deems reasonably necessary to avoid further damage or substantial diminution in value to the improvements and to protect the owners from liability from the condition of the site.

Section 24.4 Execution of Repairs.

24.4.1 The Board shall promptly repair the damage and use the available insurance proceeds therefor unless before the repairs (other than emergency work) are begun the owners decide in accordance with this Article not to repair. If the cost of repair exceeds the available insurance proceeds the Board shall impose a special assessment against all apartments in proportion to their percentages of undivided interest in the common areas in an amount sufficient to pay the excess costs.

24.4.2 The Board shall have the authority to employ architects and engineers, advertise for bids, let contracts to contractors and others, and take such other action as is reasonably necessary to make the repairs. Contracts for the repair work shall be awarded when the Board, by means of insurance proceeds and sufficient assessments, has provided for paying the cost. The Board may authorize the insurance carrier to make the repairs if the Board is satisfied that the work will be done satisfactorily, and if such authorization does not contravene any insurance trust agreement or requirement of law.

24.4.3 The Board may enter into a written agreement with a reputable financial institution or trust or escrow company that the institution or company shall act as an insurance trustee to adjust and settle any claim for casualty loss in excess of \$50,000, or for the

institution or company to collect the insurance proceeds and carry out the provisions of this Article 24.

Section 24.5 Damage not Substantial. If the damage as determined under subsection 24.3.2 is not substantial, the provisions of this Section 24.5 shall apply.

24.5.1 Either the Board or the requisite number of owners, within 15 days after the notice required under Section 24.2 has been given, may but shall not be required to, call a special owners' meeting in accordance with Section 14.9 and the Bylaws to decide whether to repair the damage.

24.5.2 Except for emergency work, no repairs shall be commenced until after the 15-day period and until after the conclusion of the special meeting if such a special meeting is called within the 15 days.

24.5.3 A unanimous decision of the apartment owners and the holders of first mortgages on apartments will be required to elect not to repair the damage. The failure of the Board and the owners within the 15-day period to call a special meeting shall be deemed a decision to repair the damage.

Section 24.6 Substantial Damage. If the damage determined under subsection 24.3.2 is substantial, the provisions of this Section 24.6 shall apply.

24.6.1 The Board shall promptly, and in all events within 30 days after the date of damage, call a special owners' meeting to consider repairing the damage. If the Board fails to do so within 30 days, then notwithstanding the provisions of Section 14.9 and the Bylaws, any owner or first mortgagee of an apartment may call and conduct the meeting.

24.6.2 Except for emergency work, no repairs shall be commenced until the conclusion of the special owners' meeting.

24.6.3 A concurring vote of owners, other than Declarant, holding at least two-thirds of the undivided percentage interest in the common areas and facilities held by owners other than Declarant will be required to elect not to repair the damage. Failure of the Board, the owners, and the first mortgagees to conduct the special meeting provided for under subsection 24.6.1 within 90 days after the date of damage shall be deemed a unanimous decision not to repair the damage.

Section 24.7 Effect of Decision Not to Repair. In the event of a decision under either subsection 24.5.3 or 24.6.3 not to repair the damage, the Board may nevertheless expend so much of the insurance proceeds and common funds as the Board deems reasonably necessary for emergency work (which emergency work may include but is not necessarily limited to removal of the damaged improvements and clearing, filling, and grading the land), and the remaining funds, if any, and the property shall thereafter be held and distributed as follows:

24.7.1 The property shall be owned in common by the apartment owners and shall no longer be subject to this Declaration or to condominium ownership.

24.7.2 Each apartment owner's percentage of undivided interest in the property shall be the same as the percentage of undivided interest he previously owned in the common areas and facilities.

24.7.3 Any mortgages or liens affecting any of the apartments shall be deemed transferred in accordance with the existing priorities to the apartment owner's percentage of the undivided interest in the property.

24.7.4 The property shall be subject to an action for partition at the suit of any apartment owner, in which event the net proceeds of sale, together with the net proceeds of the insurance on the property, if any, shall be considered as one fund. The fund shall be divided into separate shares, one for each apartment owner in a percentage equal to the percentage of undivided interest owned by each such owner in the property. After first paying out of the respective share of each apartment owner, to the extent sufficient for the purpose, all mortgages and liens on the owner's interest, the balance remaining in each share shall be distributed to the owner.

ARTICLE 25. CONDEMNATION.

Section 25.1 Consequences of Condemnation; Notices. If any apartment or portion thereof or the common areas and facilities or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority (referred to herein as a "taking") notice of the proceeding or proposed acquisition shall promptly be given to each apartment owner and to each holder of a first mortgage and the provisions of this Article 25 shall apply.

Section 25.2 Proceeds. All compensation, damages, or other proceeds of the taking, the sum of which is hereinafter called the "Condemnation Award," shall be payable to the Association.

Section 25.3 Complete Taking. If the entire property is taken the condominium ownership shall terminate. The Condemnation Award shall be apportioned among the owners in proportion to their respective percentages of undivided interest in the common areas and facilities; provided, that if a standard different from the value of the property as a whole is employed to measure the Condemnation Award in the taking, then in determining such shares the same standard shall be employed to the extent it is relevant and applicable. On the basis of the foregoing principle, the Board shall as soon as practicable determine the share of the Condemnation Award to which each owner is entitled. Each owner's share shall be applied first to the payment of all mortgages and liens on the owner's interest in accordance with the existing priorities and the balance of each share shall be distributed to the owner.

Section 25.4 Partial Taking. If less than the entire property is taken the condominium ownership shall not terminate. Each owner shall be entitled to a share of the Condemnation Award determined in the following manner:

25.4.1 As soon as practicable the Board shall, reasonably and in good faith, allocate the Condemnation Award among compensation for property taken, severance damages, or other proceeds.

25.4.2 The Board shall apportion the amounts so allocated to taking of or injury to the common areas and facilities, which in turn shall be apportioned among owners in proportion to their respective undivided interests in the common areas and facilities.

25.4.3 The total amount allocated to severance damages shall be apportioned to the apartments that were not taken.

25.4.4 The amounts allocated to the taking of or injury to a particular apartment and/or improvements an owner had made within the apartment shall be apportioned to the apartment.

25.4.5 The amount allocated to consequential damages and any other takings or injuries shall be apportioned as the Board determines to be equitable in the circumstances.

25.4.6 If an allocation of the Condemnation Award has already been established in negotiation, judicial decree, or otherwise, then in apportioning the Condemnation Award the Board shall employ that allocation to the extent it is relevant and applicable.

25.4.7 Distribution of apportioned proceeds shall be made to the owners and their respective mortgagees in the manner provided in section 25.3.

Section 25.5. Reconstruction and Repair. Any reconstruction and repair necessitated by condemnation shall be governed by the procedures specified in Article 24 for repair of damage, provided that the Board may retain and apply such portion of each owner's share of the Condemnation Award as is necessary to discharge the owner's liability for any special assessment arising from the operation of Article 24.

ARTICLE 26. EASEMENTS.

Section 26.1 In General. Each apartment has an easement in and through each other apartment and the common areas and facilities for all support elements and utility, wiring, heat, and service elements, and for reasonable access thereto, as required to effectuate and continue proper operation of the condominium. The Association will have an easement for access to each boiler room over the limited common area adjacent to the boiler room. In addition, each apartment and all the common areas and facilities are specifically subject to easements as required for the electrical wiring and plumbing for each apartment. The specific mention or reservation of any easement in this Declaration does not limit or negate the general easement for common facilities reserved by law.

Section 26.2 Encroachments. Each apartment and all common areas and facilities are hereby declared to have an easement over all adjoining apartments and common areas and facilities for the purpose of accommodating any present or future encroachment as a result of engineering errors, construction, reconstruction, repairs, settlement, shifting, or movement of any portion of the property, or any other similar cause, and any encroachment due to building overhang or projection. There shall be valid easements for the maintenance of the encroaching apartments, areas, and facilities so long as the encroachments shall exist, and the rights and obligations of owners shall not be altered in any way by the encroachment; provided, however, that in

no event shall a valid easement for encroachment be created in favor of an apartment if the encroachment was caused by the willful act with full knowledge of the apartment owner. The encroachments described in this Section 26.2 shall not be construed to be encumbrances affecting the marketability of title to any apartment.

Section 26.3 Easement Specifically Reserved by Declarant. Declarant reserves an access easement over, across, and through the common areas and facilities of the condominium for the purpose of completing any unfinished apartments or other improvements and exhibiting and preparing apartments for sale.

ARTICLE 27. PROCEDURES FOR SUBDIVIDING OR COMBINING APARTMENTS.

Section 27.1 Submission of Proposal. No apartment or apartments or common areas and facilities shall be subdivided and/or combined either by agreement or legal proceedings, except as provided in this Article. An apartment owner may propose subdividing and/or combining of an apartment or apartments, or common areas and facilities by submitting the proposal in writing to all other apartment owners and the mortgagees of the apartments to be subdivided or combined. If the proposal contemplates the subdivision of an apartment, the proposal must also be given to every first mortgagee of any apartment in the condominium. The proposal must include complete plans and specifications for accomplishing the subdivision or combination and proposed amendments of this Declaration and, if necessary, the Survey Map and Plans.

Section 27.2 Approval Required for Subdivision. A proposal that contemplates subdivision of an apartment will be accepted only if approved in writing by all owners, other than Declarant, and mortgagees of the apartment or apartments to be subdivided, the owners of 80% of the undivided interest in the common areas and facilities held by owners other than Declarant, and every first mortgagee.

Section 27.3 Approval Required for Combination. A proposal that contemplates only combination of apartments without subdividing any of them will be accepted if approved in writing by the owners of 60% of the total undivided interest in the common areas and facilities and all owners and mortgagees of the apartments to be combined.

Section 27.4 Procedure After Approval. Upon approval of the proposal, the owner making it may proceed according to the proposed plans and specifications; provided that the Board may in its discretion require that the Board administer the work or that provisions for the protection of other apartments or common areas and facilities or that reasonable deadlines for completion of the work be inserted in the contract for the work. The changes in the Survey Map and Plans, if any, and the changes in the Declaration shall be placed of record as amendments thereto.

ARTICLE 28. AMENDMENTS OF DECLARATION OR SURVEY MAP AND PLANS.

Section 28.1 Amendments by the Association. An apartment owner may propose amendments to this Declaration or the Survey Map and Plans to the Board. A majority of the members of the Board may cause a proposed amendment to be submitted to the members of the Association

for their consideration. If an amendment is proposed by owners of 20% or more of the apartments in the condominium, then, irrespective of whether the Board concurs in the proposed amendment, it shall be submitted to the members of the Association for their consideration at their next regular or special meeting for which timely notice may be given. Notice of a meeting at which an amendment is to be considered shall include the text of the proposed amendment. Amendments may be adopted at a meeting of the Association or by written consent of the requisite number of persons entitled to vote, after notice has been given to all persons (including mortgagees) entitled to receive notice of a meeting of the Association. The unanimous consent of all apartment owners shall be required for adoption of either (1) an amendment altering the value of the property and of each apartment or the percentages of undivided interest in the common areas and facilities, or (2) a decision that the property be removed from condominium status, or (3) an amendment of Section 14.8 or of this Article 28. All other amendments shall be adopted if approved by 60% of the apartment owners and there is compliance with Section 28.2. Once an amendment has been adopted by the Association and any necessary approval of mortgagees has been obtained, the amendment will become effective when a certificate of the amendment, executed by two officers of the Association, has been recorded in the public records.

Section 28.2 Requirement of Mortgagee Approval. In addition to other requirements of this Declaration and of the Condominium Statute, the prior written approval of institutions holding 75% of the first mortgages that are held on apartments will be required for any material amendment of this Declaration or the Bylaws, including, but not limited to, any amendment that would change the percentages of undivided interest in the common areas and facilities of the apartment owners.

ARTICLE 29. ABANDONMENT OR TERMINATION OF CONDOMINIUM STATUS.

Except in cases of substantial damage to the property as provided in Article 24, the condominium status of the property shall not be abandoned or terminated by reason of any act or omission by the owners or the Association except with the consent of all apartment owners by an instrument to that effect duly recorded, and then only if the mortgagees and holders of all liens affecting any of the apartments consent thereto or agree, in either case by an instrument duly recorded, that their mortgages and liens be transferred to the percentage of the undivided interest of the apartment owner in the property.

ARTICLE 30. SEVERABILITY.

The provisions of this Declaration shall be independent and severable, and the unenforceability of any one provision shall not affect the enforceability of any other provision, if the remainder complies with the Condominium Statute or, as covenants, effect the common plan.

ARTICLE 31. EFFECTIVE DATE.

This Declaration shall take effect upon recording.

ARTICLE 32. REFERENCE TO SURVEY MAP AND PLANS.

The Survey Map and Plans were filed with the Recorder of Anchorage Recording District, Anchorage, Alaska, simultaneously with the recording of this Declaration under File No. 81-219.

ARTICLE 33. ASSIGNMENT BY DECLARANT.

Declarant reserves the right to assign, transfer, sell, lease, or rent all or a portion of the property then owned by it and reserves the right to assign all or any of its rights, duties, and obligations created under this Declaration.

DECLARANT

AUKE BAY FISH & FRUIT CO., an Alaska Corporation

By M.S. Schlosberg, President

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

On this 28th day of September, 1981, personally appeared Miles S. Schlosberg, to me known to be the President of Auke Bay Fish & Fruit Co., the corporation that executed the foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned and on oath stated that he was authorized to execute said instrument.

In Witness Whereof, I have hereunto set my hand and affixed my official seal the day and year first above written.

Notary Public of Alaska
My commission expires 10-19-83

CRAWFORD PARK, A CONDOMINIUM

CORRECTIVE AMENDMENT TO THE CONDOMINIUM DECLARATION

Whereas Exhibit A to that Declaration creating a horizontal property regime recorded at Book 648 Pages 816 through 847, and Exhibit A to that First Amendment to said Declaration recorded at Book 688 Pages 883 and 884, all in the records of the Anchorage Recording District, Alaska, on September 30, 1981 and November 13, 1981, respectively, erroneously misstates the values of the apartments and the property and undivided interests of the apartments in the common areas and facilities, said Exhibit A is hereby amended by substituting the Exhibit A attached hereto and incorporated herein by reference.

Consent of all apartment owners and mortgagees has been received under Article 28 of said Declaration. Declarant is the party authorized to execute this amendment in its capacity under Section of 16.2 of said Declaration since the "Transition Date" to the Association of Condominium Apartment Owners under Section 16.1 of said Declaration has not yet occurred.

Dated: 19 November 1981.

DECLARANT:

AUKE BAY FISH & FRUIT CO.

M.S. Schlosberg, president

STATE OF ALASKA) ss.

THIS IS TO CERTIFY that on this ____ day of _____, 1981 before me, the undersigned, a Notary Public, in and for Alaska, duly commissioned and sworn as such, personally appeared _____ of the corporation named in the foregoing instrument, and he acknowledged to me that he had in his official capacity aforesaid executed the foregoing instrument as his free and voluntary act and deed of the said corporation for the uses and purposes therein mentioned.

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

NOTARY PUBLIC in and for Alaska
My commission expires:

We consent to the changes as presented.

By: *James P. Jernick*
Alaska Housing Finance Corporation

VALUE OF PROPERTY AND EACH APARTMENT AND PERCENTAGE OF UNDIVIDED INTEREST IN COMMON AREAS AND FACILITIES

<u>Apartment</u>	<u>Value</u>	<u>Undivided Interest in Common Areas & Facilities</u>
101	\$ 78,000	.06291
102	70,000	.05298
103	56,000	.04637
104	56,000	.04637
105	70,000	.05298
106	78,000	.06291
201	78,000	.06291
202	70,000	.05298
203	70,000	.05298
204	70,000	.05298
205	70,000	.05298
206	78,000	.06291
301	78,000	.06291
302	70,000	.05298
303	70,000	.05298
304	70,000	.05298
305	70,000	.05298
306	78,000	.06291
TOTAL	\$ 1,280,000.00	100.0000%

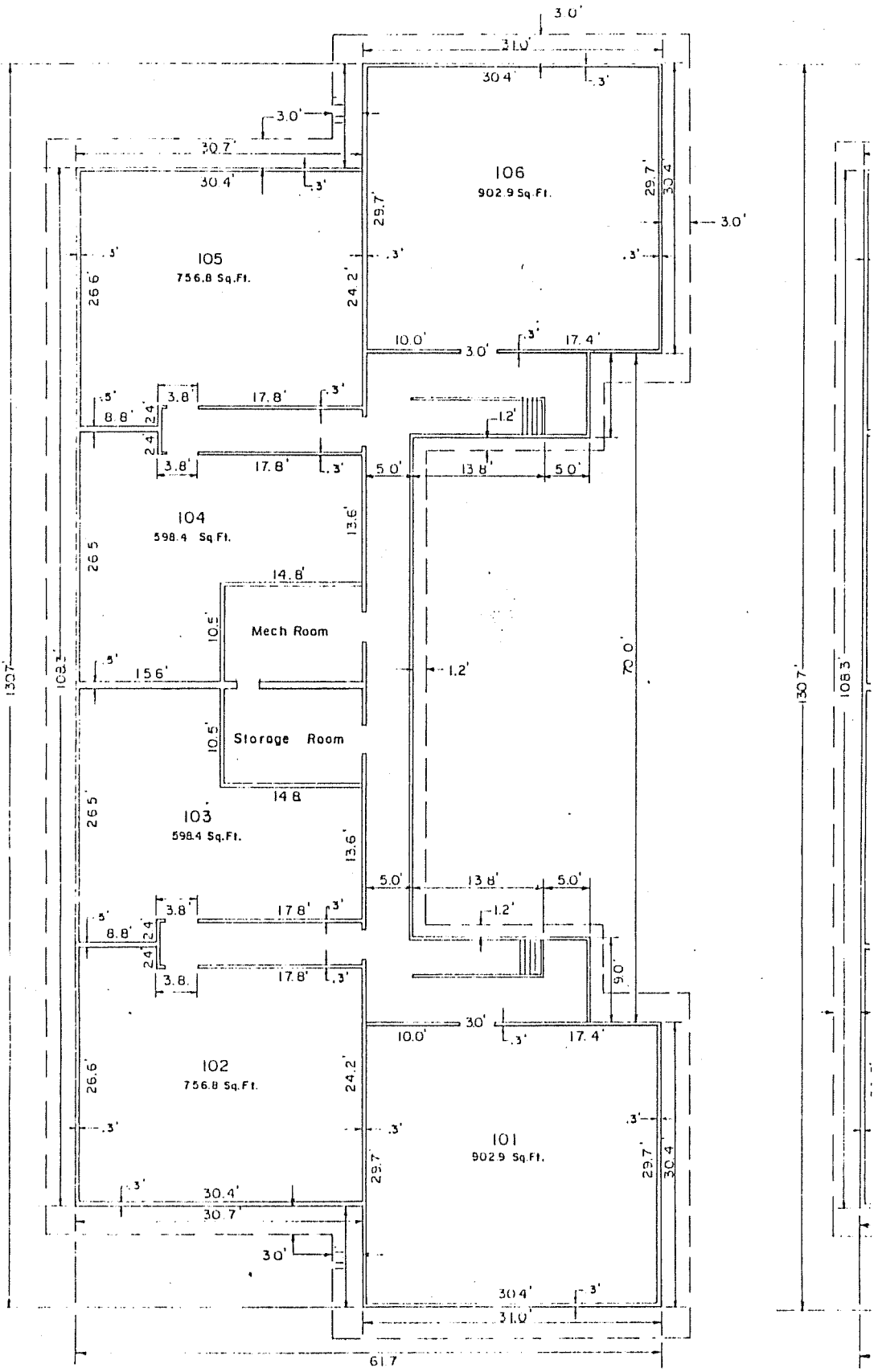
81- 055511
101⁰⁰

RECORDED FILED
ANCHORAGE REC.
DISTRICT

SEP 30 11 47 AM '01

REQUESTED BY: AB
ADDRESS: BT

Crawford Bank



FIRST FLOOR

LOT 2

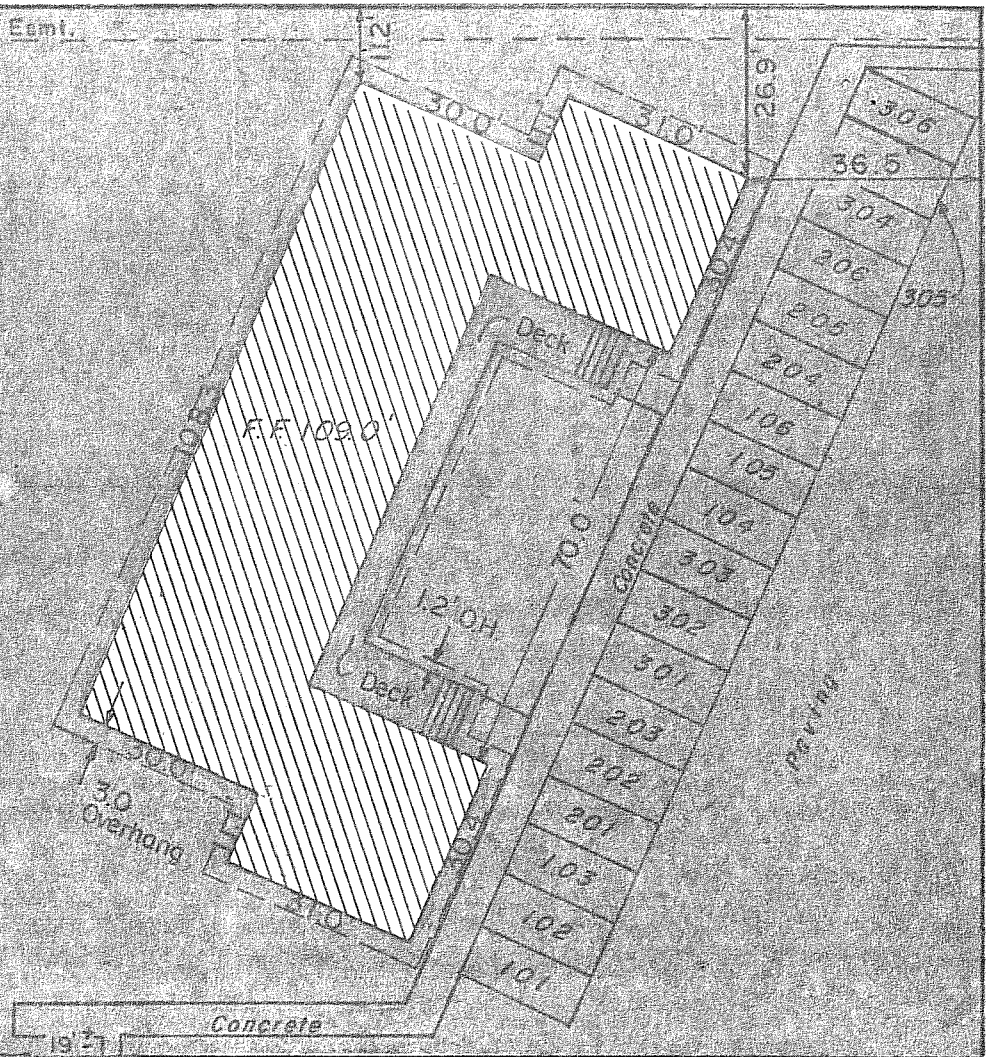
ACRE LOT 1

N 89° 59' 00" W 204.00'

5' Utility Easmt.

30'

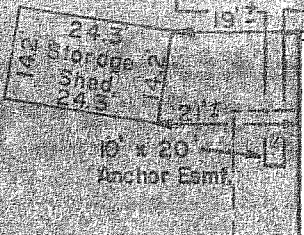
18.5'



NORTH 165.00'

EAGLE STREET

S 89° 59' 00" E 6.00'



NORTH 33.00'

S 89° 59' 00" E 132.00'

ACRE LOT 1
U.S. GOVERNMENT

18.5'

S 89° 59' 00" E 66.00'

30'

9

8

PLOT PLAN

Scale 1" = 30'

NOTES

1. The condominium depicted hereon is subject to the provisions of the Horizontal