

ALYESKA CHALETS CONDOMINIUM ASSOCIATION

January 1, 2002

I would like to welcome prospective owners and associates to the Alyeska Chalets. Whether you are looking for a home, weekend getaway or personal income investment, the Alyeska Chalets provides a unique and comfortable experience. The Chalets are situated on U. S. Survey 3044, about Mile 1.6 on the Alyeska Highway in Girdwood. The Association comprises approximately 2.35 acres, which is the setting for 15 alpine styled chalets, each privately owned. While this is a condominium association, and enjoys many of the typical services of a condominium association, each chalet is free standing and private providing a more relaxed and pleasant take on the usual apartment styled condos.

The Alyeska Chalets are managed by the owners and meetings are held quarterly. The next meeting is scheduled for 11:00 a.m. on February 24, 2002 at Chalet 5, and we would like to invite you to attend. The meetings are informal and an open forum in which each member is encouraged to speak out and be involved. Each owner is a member of the Board of Directors and shares equally in the duties and responsibilities of maintaining and perpetuating the association's solvency. From this 15-member board, a 3 member Executive Board is elected to form policy, procedures and set direction for the association. Officers are elected from the 15-member board of directors and these offices include President, Vice-President, Treasurer and Secretary. Each office has specific responsibilities, but is free to delegate duties to other members. Each position is volunteer and everyone is expected to contribute.

The services provided by the Association include: Water Supply and Testing, Sewage, Structure Insurance (up to \$60,000 per unit), Dumpster Rental and Refuse Collection (once a week), Driveway and Common ground maintenance and Driveway snow plowing. Each Chalet and its appurtenances are the responsibility of the Chalet owner, as are the related limited common elements. Limited common elements are defined in the Articles of Incorporation, but are basically Association provided elements that serve a single unit (such as one unit's parking places or electrical lines going to one unit from the breaker box). Each owner is required to maintain their chalet in good condition and to keep the area free and clean of materials, garbage, clutter, etc...

Association dues at this time (January 1, 2002) are \$150.00 per unit per month.

Our covenants are typical for condominium associations, but you are required to know and understand these policies. Due to past problems, this association aggressively enforces its Articles and By-Laws.

Policies and Procedures for Enforcement of the Articles of Incorporation, the By Laws and Additional Use Restrictions for the Alyeska Chalets Condominium Association

- Occupancy of Units is restricted to four (4) persons. Page 9 of Public Offering Statement, Section 14, paragraph 2.
A Notice of Violation will be issued by a member of the Executive Board. The owner will have 72 hours to respond, at which time a fine of \$100 per day will be assessed until the violation is corrected.
- Rent or lease term can be no less than 30 days. Page 9 of Public Offering Statement, Section 14, paragraph 3.
A Notice of Violation will be issued by a member of the Executive Board for the first offense.
2nd Offense will incur a \$100 fine.
3rd Offense will incur a \$200 fine.
4th Offense will incur a \$500 fine.
- No more than four (4) overnight occupants. Page 9 of Declaration for Alyeska Chalets Condominium, Article VIII, Section 8.1, subsection a.
A Notice of Violation will be issued by a member of the Executive Board. The owner will have 72 hours to correct the problem, at which time a fine of \$100 per day will be assessed until the violation is corrected.
- Parking is restricted to the unit it is assigned. Park only in assigned parking spaces (refer to parking plan, Exhibit "2" to the Declaration). Exhibit "4" to Declaration for Alyeska Chalets Condominium, Additional Use Restrictions.
Vehicles parked inappropriately will be towed at that time.
- No vehicle repair on Association grounds. Vehicles must be kept in operable condition. Exhibit "4" to Declaration for Alyeska Chalets Condominium, Additional Use Restrictions. Any vehicles on Association grounds that are not in operable condition or abandoned (meaning the owner isn't living in the Association) will be towed at the owner's expense.
Inoperable or abandoned vehicles will be towed at the time they are inoperable or become abandoned.
- Vehicles can not be used for storage. Exhibit "4" to Declaration for Alyeska Chalets Condominium, Additional Use Restrictions.
Vehicles used for storage will be towed at the time they have been determined as being used for storage.
- There shall be no exterior fires whatsoever, except barbecue fires contained within receptacles therefor. Exhibit "4" to Declaration for Alyeska Chalets Condominium, Additional Use Restrictions.

- No portion of the Association grounds shall be used for the storage of building materials, refuse or any other materials. Exhibit "4" to Declaration for Alyeska Chalets Condominium, Additional Use Restrictions.
A Notice of Violation will be issued by a member of the Executive Board. The unit will have one week to comply at which time a fine of \$100 per week will be assessed against the unit.
- Each unit is restricted to two pets (restricted to a dog, cat, fish or bird in a birdcage) and the pet must be kept on a leash by a person capable of controlling the animal. Should any dog or cat be found unattended and not being held on a leash by a person capable of controlling the animal, such animal may be removed by the Executive Board or a person designated by them to a pound under the jurisdiction of the Municipality of Anchorage. Any owner shall be liable to each and all remaining Owners, their families, guests and invitees, for any damage to person or property caused by any pets brought or kept upon the property by an Owner or by members of their family, guests, licensees or invitees. Exhibit "4" to Declaration for Alyeska Chalets Condominium, Additional Use Restrictions.
See pet policies.
- No temporary structure, boat, truck, trailer, camper or recreational vehicle of any kind shall be used as a living area while located on the Association grounds. Exhibit "4" to Declaration for Alyeska Chalets Condominium, Additional Use Restrictions.
A Notice of Violation will be issued by a member of the Executive Board. The unit will have 24 hours to respond at which time the unit will be assessed a fine of \$50 per day till the violation is corrected.
- Trash, garbage or other waste shall be disposed of only by depositing same, wrapped in a secure package, into a designated trash container or garbage disposal. No Unit shall permit or cause any trash or refuse to be disposed of on any portion of the Association. Exhibit "4" to Declaration for Alyeska Chalets Condominium, Additional Use Restrictions.
A Notice of Violation will be issued by a member of the Executive Board. The unit will have 24 hours to correct the violation at which time a fine of \$25 per day until the violation is corrected.
- No loud noises shall be permitted on the property, and the Executive Board shall have the right to determine if any noise or activity producing noise constitutes a nuisance. Exhibit "4" to Declaration for Alyeska Chalets Condominium, Additional Use Restrictions. It has been the position of the Executive Board that if another unit can hear the noise inside their unit at a level that disturbs them, it is then considered a nuisance.
 - 1st Offense: A warning and Notice of Violation
 - 2nd Offense: A \$25 fine
 - 3rd Offense: A state trooper will be called and a statement given.

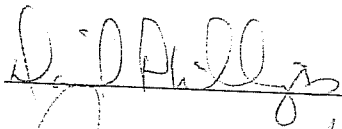
- No unit shall permit or cause anything to be done or kept upon the property which will increase the rate of insurance thereon or which will obstruct or interfere with the rights of other units, nor will commit or permit any nuisance on the premises, or commit or cause any illegal act to be committed thereon. Exhibit "4" to Declaration for Alyeska Chalets Condominium, Additional Use Restrictions.

These are some of the policies and rules of the Alyeska Chalets Condominium Association. Enforcement of these rules and policies are in the interest of the Association and any breach of these policies should be brought to the attention of an Executive Board member. The Executive Board is delegated the responsibility to determine if the complaint is valid and if a breach of policy has occurred. The Executive Board will issue a Notice of Violation within 10 days for the complaint to be valid, except as stated above.

For each offense a fine amount has been assessed and will be levied as stated above. The person liable for the offense will be allowed a hearing and consideration if so requested. The request must be submitted within 15 days upon receiving the Notice of Violation. If no request is made within 15 days the Violation and any fines will stand, in fact.

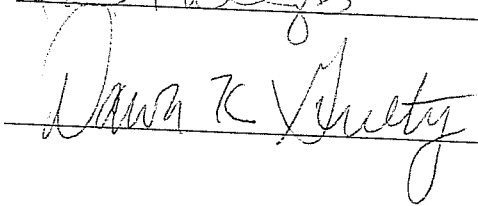
Any fines placed on the unit owner's account will be added to the balance owed on the unit's general account ledger and will be susceptible to any fees or interest incurred on that balance.

Signed:



President

Date: 7-18-2000



Secretary

Date: 7-18-00

ALYESKA CHALETS CONDOMINIUM ASSOCIATION
P.O. BOX 240865, ANCHORAGE, AK 99524

ALYESKA CHALETS CONDOMINIUM ASSOCIATION

Pet Policies

- Each unit is restricted to two pets (restricted to a dog, cat, fish or bird in a birdcage) and the pet(s) must be kept on a leash by a person capable of controlling the animal. Should any dog or cat be found unattended and not being held on a leash by a person capable of controlling the animal, such animal may be removed by the Executive Board or a person designated by them to a pound under the jurisdiction of the Municipality of Anchorage. Any owner shall be liable to each and all remaining Owners, their families, guests and invitees, for any damage to person or property caused by any pets brought or kept upon the property by an Owner or by members of their family, guests, licensees or invitees. Exhibit "4" to Declaration for Alyeska Chalets Condominium, Additional Use Restrictions.
- Excessive barking or other noise and/or commotion caused by pets on the Association grounds constitutes a violation of the nuisance policy. Exhibit "4" to Declaration for Alyeska Chalets Condominium, Additional Use Restrictions.
- Other complaints, such as pets urinating or defecating in the driveway, parking spaces or limited common elements of another unit is also considered a violation of the nuisance policy.

Pet Complaint Policy

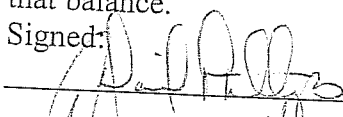
Enforcement of these rules and policies are in the interest of the Association and any breach of these policies should be brought to the attention of an Executive Board member. The Executive Board is delegated the responsibility to determine if the complaint is valid and if a breach of policy has occurred. The Executive Board will issue a Notice of Violation within 10 days for the complaint to be valid, except as stated above.

- 1st Offense will result in a written warning.
- 2nd Offense will result in a twenty-five dollar (\$25.00) fine.
- 3rd Offense will result in a twenty-five dollar (\$25.00) fine and the animal being removed from the Association permanently to a pound under the jurisdiction of the Municipality of Anchorage.
- If the animal is aggressive or threatening in any manner to any member of the Association, their family, guests or pets, the animal will be removed from the Association grounds immediately and permanently to a pound under the jurisdiction of the Municipality of Anchorage.

For each offense a fine amount has been assessed and will be levied as stated above. The person liable for the offense will be allowed a hearing and consideration if so requested. The request must be submitted within 15 days upon receiving the Notice of Violation. If no request is made within 15 days the Violation and any fines will stand, in fact.

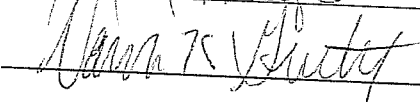
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Signed:



President

Date: 7 / 18 / 2000



Secretary

Date: 7 / 18 / 00

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LANDLORD/TENANT INFORMATION FORM

This is verification that the landlord has provided to and the tenant has received a copy of the House Rules for Alyeska Chalets Condominium Association. The tenant has read and understands the rules and understands that the House Rules are incorporated into the lease, so that a violation of the House Rules is also a violation of the lease.

Landlord Name: _____

Landlord Mailing Address: _____

Unit Address: _____

Landlord's Phone Numbers: (Day) _____ (Evening) _____

Tenant Name(s): _____

Tenant Mailing Address: _____

Tenant Phone Number(s): (Day) _____ (Evening) _____

(Day) _____ (Evening) _____

LANDLORD Signature: _____

TENANT Signature: _____

Date: ____ / ____ / ____

Return to:
Alyeska Chalets Condominium Association
P.O. Box 240865
Anchorage, AK 99524