

DECLARATION OF CASTAWAY COVE TOWNHOMES

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**DECLARATION SUBMITTING
CASTAWAY COVE TOWNHOMES
TO THE UNIFORM COMMON INTEREST OWNERSHIP ACT (AS 34.08)**

ARTICLE I - Definitions

In this document, the following words and phrases shall have the following meanings:

Section 1.1 - Act.

The Uniform Common Interest Ownership Act, AS 34.08, as it may be amended from time to time.

Section 1.2 - Allocated Interests.

The undivided interest in the Common Elements, and the Common Expense liability, and Votes in the Association, allocated to Units in the Common Interest Community. The Allocated Interests are described in Article VII of this Declaration and are shown on Exhibit "A."

Section 1.3 - Association.

CASTAWAY COVE TOWNHOMES, INC., a non-profit corporation organized under Chapter 10.20 of the statutes of the State of Alaska. It is the Association of Unit Owners pursuant to Section 34.08.310 and Section 34.08.990(3) of the Act.

Section 1.4 - Bylaws.

The Bylaws of the Association, as they may be amended from time to time. The Bylaws and any amendments to the Bylaws must be recorded in the property records.

Section 1.5 - Common Elements.

Each portion of the Common Interest Community other than a Unit as defined herein and as more fully described in Section 5.1.

Section 1.6 - Common Expenses.

The expenditures made by, or financial liabilities of, the Association, together with any allocations to reserves. These include, without limitation:

(a) Expenses of administration, maintenance, repair or replacement of the Common Elements;

(b) Expenses declared to be Common Expenses by the Governing Instruments or by the Act;

(c) Expenses agreed upon as Common Expenses by the Association; and

(d) Such reasonable reserves as may be established by the Association, whether held in trust or by the Association, for repair, replacement or addition to the Common Elements or any other real or personal property acquired or held by the Association or for which the Association has maintenance or repair responsibilities.

Section 1.6 - Common Expense Liability.

The liability for common expenses allocated to each unit under AS 34.08.150.

Section 1.7 - Common Interest Community.

The real property subject to the Declaration for CASTAWAY COVE TOWNHOMES. Pursuant to AS 34.08.990(7), persons subject to the Declaration, by virtue of ownership of a unit, are obligated to pay for Common Expenses of other real estate described in the Declaration.

Section 1.8 - Declaration.

This document, including any amendments.

Section 1.9 - Director.

A member of the Executive Board.

Section 1.10 - Eligible Insurer.

An insurer or guarantor of a first Security Interest in a Unit which has notified the Association in writing of its name and address and that it has insured or guaranteed a first Security Interest in a Unit. Such notice shall be deemed to include a request that the Eligible Insurer be given the notices and other rights described in Article XV.

Section 1.11 - Eligible Mortgagee.

The holder of a first Security Interest in a Unit which has notified the Association in writing of its name and address and

that it holds a first Security Interest in a Unit. Such notice shall be deemed to include a request that the Eligible Mortgagee be given the notices and other rights described in Article XV.

Section 1.12 - Executive Board.

The board of directors of the Association, designated to act on behalf of the Association pursuant to AS 34.08.330.

Section 1.13 - Floor Plans.

Those floor plans on file in the office of the Recorder, Anchorage, Alaska and attached hereto as Exhibit B to the Declaration as may be from time to time amended.

Section 1.14 - Governing Instruments.

The Declaration, Plat and Plans which have been recorded and filed, the Articles of Incorporation which have been filed, Bylaws which have been recorded and filed, and the Rules, if any, as they may be amended from time to time. Any exhibit, schedule, or certification accompanying a Governing Instrument is a part of that Governing Instrument.

Section 1.15 - Improvements.

Any construction, structure, fixture or facility existing or to be constructed on the land included in the Common Interest Community including, but not limited to, buildings, fences, trees and shrubbery planted by the Association, paving, utility wires, pipes, and light poles.

Section 1.16 - Limited Common Elements.

The portion of the Common Elements allocated for the exclusive use of one or more but fewer than all the unit owners by the Declaration or by operation of AS 34.08.100(2) or AS 34.08.100(4). Limited Common Elements are described in Section 5.2 of this Declaration.

Section 1.17 - Majority or Majority of Unit Owners.

The owners of more than 50% of the votes in the Association, as described in Section 7.2 of this Declaration.

Section 1.18 - Manager.

A person, firm or corporation employed or engaged to perform management services for the Common Interest Community and the Association.

Section 1.19 - Notice.

The procedure by which the Association shall notify the Unit Owner of proposed action or changes in rights held by the Unit Owner, pursuant to Section 20.1 of this Declaration.

Section 1.20 - Notice and Hearing.

The right of a Unit Owner to receive notice of an action proposed to be taken by the Association, and the right to be heard thereon. The procedures for Notice and Hearing are set forth in Section 21.2 of this Declaration.

Section 1.21 - Person.

An individual, corporation, limited liability company, business trust, estate, trust, partnership, association, joint venture, government, government subdivision or agency, or other legal or commercial entity.

Section 1.22 - Property.

The land and all Improvements, easements, rights and appurtenances which have been submitted to the provisions of the Act by this Declaration.

Section 1.23 - Residential Purposes.

Use for dwelling or recreational purposes, or both, as described in AS 34.08.990(28).

Section 1.24 - Rules.

Rules for the use of the Units and Common Elements and for the conduct of persons within the Common Interest Community, adopted by the Executive Board pursuant to this Declaration.

Section 1.25 - Security Interest.

An interest in real estate or personal property, created by contract or conveyance, which secures payment or performance of an obligation. The term includes a lien created by mortgage, deed of trust, trust deed, security deed, contract for deed, land sales contract, lease intended as security, assignment of lease or rents intended as security, pledge of an ownership interest in an Association, and any other consensual lien or title retention contract intended as security for an obligation.

Section 1.26 - Trustee.

The entity which may be designated by the Executive Board as the Trustee for the receipt, administration, and disbursement of funds derived from insured losses, condemnation awards, special assessments for uninsured losses, and other like sources as defined in the Bylaws. If no Trustee has been designated, the trustee will be the Executive Board from time to time constituted, acting by majority vote, as executed by the President and attested by the Secretary.

Section 1.27 - Unit.

A physical portion of the Common Interest Community designated for separate ownership or occupancy, the boundaries of which are described under AS 34.08.130(a)(5).

Section 1.28 - Unit Owner.

The Person who owns a Unit. A Person owning multiple Units shall be treated as a separate Unit Owner with respect to each Unit. Unit Owner does not include a Person having an interest in a Unit solely as security for an obligation.

ARTICLE II - Name and Type of Common Interest Community & Association

Section 2.1 - Common Interest Community.

The name of the Common Interest Community is CASTAWAY COVE TOWNHOMES, a condominium regime.

Section 2.2 - Association.

The name of the Association is CASTAWAY COVE TOWNHOMES, INC., a non-profit corporation organized under the laws of the State of Alaska.

ARTICLE III - Description of Land

The entire Common Interest Community is situated in the Anchorage Recording District, Third Judicial District, State of Alaska, and is located on land described as:

Lot Six "A" (6A), Block Sixty-Two (62), ORIGINAL TOWNSITE OF ANCHORAGE, according to the official plat thereof, filed under Plat No. 67-30, books and records of the Anchorage

Recording District, Third Judicial District,
State of Alaska.

ARTICLE IV - Maximum Number of Units: Boundaries

Section 4.1 - Maximum Number of Units.

The Common Interest Community contains four (4) units located in two duplex buildings.

Section 4.2 - Boundaries.

The boundaries of each Unit are as shown on the Plat and Floor Plans for the project and are described as follows:

(a) Upper Boundary: The horizontal or sloping plane or planes of the unfinished lower surfaces of the ceiling bearing structure surfaces, beams and rafters and of closed fireplace dampers, extended to an intersection with the vertical perimeter boundaries.

(b) Lower Boundary: The horizontal plane or planes of the undecorated or unfinished upper surfaces of the floor bearing structure surfaces, beams and joists, extended to an intersection with the vertical perimeter boundaries and open horizontal unfinished surfaces of trim, sills, and structural components.

(c) Vertical Perimeter Boundaries: The planes defined by the inner surfaces of the studs and framing of the perimeter walls; the unfinished inner surfaces of poured concrete walls; fireplaces; the unfinished outer surfaces of closed windows and closed perimeter doors; and the innermost unfinished planes of all interior bearing studs and framing of bearing walls, columns, bearing partitions, and partition walls between separate Units.

(d) Inclusions: Each Unit includes the spaces and improvements lying within the boundaries described in Section 4.2 (a), (b) and (c) above, and also includes the spaces and improvements within such spaces containing any space heating, water heating and air switches, wiring, pipes, ducts, conduits, smoke detector system and television, telephone, and electrical receptacles and light fixtures and boxes serving that Unit exclusively, the surface of the foregoing being the boundaries of such Unit, whether or not such spaces are contiguous. Sheetrock, carpeting, subflooring, interior painting, interior trim and all doors, thresholds and windows are a part of each Unit.

(e) Exclusions: Except when specifically included by other provisions of this Section 4.2, the following are excluded from each Unit: The spaces and improvements lying outside of the

boundaries described in Section 4.2 (a), (b) and (c) above; and all chutes, pipes, flues, ducts, wires, conduits and other facilities running through or within any interior wall or partition for the purpose of furnishing utility and similar services to other Units and/or Common Elements.

(f) Non-Contiguous Portions: Certain Units may include special portions, pieces or equipment such as air conditioning compressors, meter boxes, utility connection structures and storage portions situated in buildings or structures that are detached or semi-detached from the buildings containing the principal occupied portion of the Units. Such special equipment and storage portions are a part of the Unit notwithstanding their non-contiguity with the residential portions.

(g) Inconsistency with Plans: If any definition of boundaries is inconsistent with the Plans of the project, then this definition will control.

ARTICLE V - Common and Limited Common Elements

Section 5.1 - Common Elements.

The Common Elements for the project include all portions of the Common Interest Community other than the Units as shown on the Governing Instruments. Common Elements include, without limitation, all driveways, parking areas, outside storage areas, decks, stairways, hallways, walks, exterior lighting, and landscaping. The Association shall regulate the use of Common Elements, and may assign exclusive rights to use portions of any parking and storage areas.

Section 5.2 - Limited Common Elements.

The following portions of the Common Elements are Limited Common Elements assigned to the Units as stated:

(a) If a chute, flue, pipe, duct, wire, conduit, bearing wall, bearing column, or other fixture lies partially within and partially outside the designated boundaries of a Unit, the portion serving only the Unit is a Limited Common Element, allocated solely to the Unit, and any portion thereof serving more than one Unit or a portion of the Common Elements is a part of the Common Elements.

(b) Any shutters, awnings, window boxes, doorsteps, stoops, porches, decks, balconies, patios and each exterior door and window or other fixture designed to serve a single Unit that is located outside the boundaries of the Unit are Limited Common

Elements allocated exclusively to the Unit and their use is limited to that Unit.

(c) Stoops and steps and walls above door openings at the entrances to each building, which provide access to less than all Units, the use of which is limited to the Units to which they provide access.

(d) Stairways, the use of which is limited to certain Units as shown on the plans.

(c) Skylights, which are assigned to the Unit served by each skylight.

(d) Chimneys, the use of which is limited to the Unit in which its fireplace is located.

(h) Mailboxes and name plates affixed to the building will be Limited Common Elements allocated to the Units served.

(i) Assigned parking areas, indicated in the floor plans, the use of which are reserved for the Unit or Units to which the parking areas are assigned.

ARTICLE VI - Maintenance, Repair and Replacement

Section 6.1 - Common Elements.

The Association shall maintain, repair and replace all of the Common Elements, except the portions of the Limited Common Elements which are required by this Declaration to be maintained, repaired or replaced by the Unit Owners.

Section 6.2 - Units.

Each Unit owner shall maintain, repair and replace, at his or her own expense, all portions of his or her Unit, except the portions thereof which are expressly agreed to be maintained, repaired or replaced by the Association.

Section 6.3 - Limited Common Elements.

The Association shall maintain, repair and replace Limited Common Elements, assessing all costs associated with such maintenance, repair or replacement against the Unit for which the Limited Common Element is assigned. If any Limited Common Element is assigned to more than one Unit, the Common Expenses attributable to the Limited Common Element will be assessed among

the Units to which it is assigned on a pro rata basis in accordance with the Allocated Interests of each Unit.

Each Unit Owner shall be responsible for removing all snow, leaves and debris from all patios and balconies which are Limited Common Elements appurtenant to his or her Unit. If any such Limited Common Element is appurtenant to two or more Units, the Owners of those Units will be jointly responsible for such removal.

Section 6.4 - Access.

Any person authorized by the Executive Board shall have the right of access to all portions of the Property for the purpose of correcting any condition threatening a Unit or the Common Elements, and for the purpose of performing installations, inspections, alterations or repairs, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the affected Unit Owner. In case of an emergency, no such request or notice is required and such right of entry shall be immediate, whether or not the Unit Owner is present at the time.

Section 6.5 - Repairs Necessitated by Unit Owner's Action or Inaction.

Each Unit Owner will reimburse the Association for any costs incurred by the Association and any damages to any other Unit(s) or to the Common Elements to the extent that such damages or costs were caused intentionally, negligently or by the Unit Owner's failure to properly maintain, repair or make replacements to his or her Unit or Limited Common Elements for which he or she is responsible. Such expense will be assessed following Notice and Hearing.

Section 6.7 - Quality of Work.

The maintenance, repair or replacement of exterior and structural components of buildings shall be of such kind or quality as the Executive Board shall deem reasonably necessary to maintain all Units in good order and repair. Any such work shall be performed in a good and workmanlike manner employing materials of equal or better quality than the originals.

Section 6.8 - Necessity.

The necessity for any work shall be determined by the Executive Board whose decision in such matters shall be final, except that the determination to effectuate any maintenance or repair item which will cost a Unit Owner in excess of a maximum

cost set by the Executive Board from time to time shall be subject to the right of the affected Unit Owner to Notice and Hearing by the Executive Board prior to the commencement of any work.

Section 6.9 - Examination.

Repair and maintenance records of the Association, shall be available for examination and copying by any Unit Owner, or his or her duly authorized agents or attorneys, at the expense of the Unit Owner, during normal business hours and after reasonable notice. Such records shall include, but not be limited to:

- (a) Items of work performed.
- (b) Dates of performance.
- (c) Names of parties employed to perform the work.
- (d) Notices sent to Unit Owners with respect to such work.
- (e) Summarized minutes of all proceedings before the Executive Board with respect to such work.
- (f) Any certificate of completion issued by the Executive Board or other agency.
- (g) All amounts assessed against the Unit to cover the costs of such work.
- (h) Regulations and standards for architectural control.
- (i) Any other records, warranties, correspondence or other materials involving maintenance or repair of each Unit.
- (j) Any other Association records which Unit Owners are legally entitled to review.

ARTICLE VII - Allocated Interests And Voting

Section 7.1 - Allocated Interests.

Allocated Interests for purposes of interest in the Common Elements and liability for Common Expenses are based upon the heated floor area of each Unit (inclusive of garage areas). The Allocated Interest assigned to each unit shall be a fraction, the numerator of which is the square footage of heated floor area of the particular Unit, and the denominator of which is the square footage heated floor area of all Units. Voting for ratification

of the annual budget shall be based upon the Allocated Interests as described in this paragraph.

For purposes of voting on matters other than ratification of the annual budget, one equal vote shall be allocated to each Unit. A table showing Unit numbers and their Allocated Interests is included in Exhibit "A". Exhibit A shall be modified by Declaration amendment if any Unit is later modified to change the Unit size.

Section 7.2 - Voting.

Each Unit in the Common Interest Community shall have one (1) equal Vote for all purposes except ratification of the annual budget. Any specified percentage of Unit Owners, unless otherwise stated in the Documents, means the specified percentage of all the votes. For purposes of ratifying the annual budget only, each Unit shall have as many votes as its Allocated Interests described in Section 7.1.

ARTICLE VIII - Restrictions on Use, Alienation and Occupancy

Section 8.1 - Use and Occupancy Restrictions.

The following use restrictions apply to all Units and to the Common Elements:

(a) Each Unit is restricted to use for Residential Purposes as a single-family residence including home professional pursuits not requiring regular visits from the public or unreasonable levels of mail, shipping, trash or storage. No sign indicating commercial or professional uses may be displayed so as to be visible from outside a Unit.

(b) The use of Units and Common Elements is also subject to any additional use restrictions as set forth in the Rules to be promulgated by the Board and maintained by the Association. The Association may by Rules regulate behavior which adversely affects the use and enjoyment of other Units or the Common Elements and may restrict leasing as reasonably required to meet underwriting requirements of institutional lenders.

Section 8.2 - Restrictions on Alienation/Time Shares.

A Unit may not be conveyed pursuant to a time sharing plan as defined under AS 34.08.550.

Section 8.3 - Leasing of Units.

(a) No Owner shall be permitted to rent or lease a Unit for transient or hotel purposes. No Owner may lease or rent less than

the entire Unit. Any lease or rental agreement shall provide that the terms thereof shall be subject in all respects to the provisions of the Declaration, the Bylaws, and the Rules, and that any failure by the lessee to comply with the terms of such documents shall be a default under the lease or rental agreement. All leases and rental agreements shall be in writing and a copy given to the Executive Board. Unit Owners may redact the rental price from the lease before providing a copy to the Board.

(b) If a tenant or other occupant who is not a Unit Owner violates the Declaration, Bylaws, or Rules of the Association, in addition to exercising any of its powers against the Unit Owner, the Association may, if permitted by law, :

(i) levy reasonable fines directly against the tenant or occupant, after providing Notice and Hearing to both the occupant and Unit Owner, and

(ii) exercise any other rights directly against the tenant for the violation which the Unit Owner could lawfully have exercised under the lease or which the Association could lawfully have exercised directly against the Unit Owner. This subsection 8.3(b)(ii) shall not apply unless the tenant or Unit Owner fails to cure the violation within 10 days after Notice by the Association.

ARTICLE IX - Easements and Licenses

Section 9.1 - Recorded Easements and Licenses.

The Common Interest Community is not presently subject to any recorded easements or licenses.

Section 9.2 - Owner's Easement of Enjoyment in Common Elements.

Every Unit Owner, his heirs, successors, executors, administrators and assigns forever, in common with each other, shall have a right and easement of enjoyment in and to the Common Elements, and such easement shall be appurtenant to, and shall run with, the title to every Unit. Such easement shall include, among other consistent rights, the non-exclusive right to pass and repass across the Common Elements; to use the Common Elements pursuant to the provisions of this Declaration, and the right to prevent the restriction or alienation of the Common Elements. In the event that construction, reconstruction, repair, shifting, settlement, or other movement of any portion of the improvements results in encroachment of Common Areas or other Units, a valid easement for both the encroachment and its maintenance shall be created as long as the physical boundaries of the Units after

construction, reconstruction or repairs are in substantial accord with the description of boundaries contained in the Governing Instruments.

Section 9.3 - Limitations on Owner's Easement.

The rights and easements of enjoyment created hereby shall be subject to the following, which rights are deemed to be necessary and desirable to facilitate the orderly administration of the Common Interest Community:

(a) The right of the Association, in accordance with its Certificate of Incorporation and the Bylaws, following written approval by the holders of security interests pursuant to Article XIV, to borrow money for the purpose of improving, maintaining and operating the Common Elements and in aid thereof to mortgage, hypothecate, pledge, assign or grant a security interest in the assets of the Association, including, without limitation, its liens and receivables for Assessments.

(b) The right of the Association to take such steps as are reasonably necessary to protect the Unit Owners' rights in the Common Elements against foreclosure.

(c) The right of the Association, as provided and limited in its Certificate of Incorporation and Bylaws, to suspend the enjoyment rights (except rights of egress and ingress) of any Unit owner for any period during which any Assessment remains unpaid, and for a period not exceeding thirty (30) days for any infraction of the Declaration, Bylaws or Rules, and to levy fines for such infractions in accordance with AS 34.08.320(11) after Notice and Hearing.

(d) The right of the Association to charge reasonable fees for the use of the Common Elements; where such use shall involve additional expense to the Association and shall be different or unique from the use offered to other Unit Owners as a whole, or shall involve unique services or instructions, which fees shall be Assessments.

(e) The right of the Association to dedicate or transfer the rights to use, control, maintain or enjoy, all or any part of the Common Elements to a public agency, authority or utility, provided that no such dedication or transfer shall be effective unless there has been a vote of approval by the Unit Owners entitled to cast three-fourths (3/4) of the Votes and approval of the holders of Security Interests pursuant to Article XIV. A certificate of compliance with these provisions shall be attested to by the President and certified by the Secretary and recorded in the land records. The agency obtaining such rights shall

assume, to the extent lawful, the obligations and duties of the Association related to such part of the Common Elements so dedicated or construed. Written notice of the proposed action shall be sent to every Unit Owner and Eligible Mortgagee at least ninety (90) days in advance of any action taken.

(f) The right of the Association to impose and grant easements over, under and across the Common Elements, for the purposes of fulfilling the general plan of development, providing ingress and egress, power, electricity, telephone, sewer, water, and other utility and lighting services, irrigation, drainage, television transmission facilities, security services and facilities, and other structures, services and devices in connection therewith, and the like, as the Association deems necessary and proper.

(g) The right of the Association to grant licenses and concessions for the use of Common Elements, including licenses to non-Unit Owners.

(i) The right and duty of the Association to maintain, preserve and administer the Common Elements for the mutual benefit, health and safety of the Common Interest Community and each of its owners, including properly maintaining all private drives on the Common Elements, trails, walkways, sight lines, drainage facilities, swales and ways, drainage detention basins, dams or impoundments, and landscaped areas, to such standards as set by the Association for the mutual benefit and safety of the Owners and the neighboring community.

(j) The right of the Association to maintain the storm drainage systems on the property for the, benefit of the Common Interest Community, and such surrounding areas as may be affected by such storm drainage in accordance with the site grading and drainage plan approved by the Municipal authorities and filed in the Municipal records.

Section 9.4 - Walks, Passways, Pipes, Ducts, Cables, Wires. Conduits, Public Utility Lines and Other Elements.

Each Unit Owner has an easement in common with all other Unit Owners for use of all walks, passways, pipes, wires, ducts, cables, drainage ways, conduits, public utility lines sanitary drainage system facilities and other service elements, if any, located in any of the Units or Common Elements at the time of issuance of the first Certificate of Occupancy or thereafter placed thereon by the Association and serving his or her Unit. Each Unit is subject to an easement in favor of other Units and the Common Elements for use of such walks, passways, drainage ways, pipes, ducts, cables, wires, conduits, public utility

lines, sanitary sewerage facilities, and other elements, if any, serving other Units or Common Elements and located in each such Unit. In addition, each Unit shall be subject to, and shall have such easements of support and shelter from and over such other Unit and the Common Elements as may be necessary for the quiet enjoyment of such Unit and the maintenance of facilities. The Executive Board has the right to reasonable access to each Unit to inspect the same, to remove violations therefrom and to maintain, repair or replace the Common Elements and such facilities which the Association has the duty to maintain contained therein or elsewhere on the Units. Reasonable notice shall be given to any and all Unit Owners prior to entry for repairs and maintenance by the Executive Board, except for emergency situations which would require the Executive Board to access a Unit or Units without such reasonable notice first having been given. The Executive Board shall have the power to adopt by Resolution further rules and regulations defining "reasonable notice" and "emergency conditions". Any property disturbed by maintenance or repair will be reasonably restored.

ARTICLE X - Additions, Alterations and Improvements

Section 10.1 - Additions, Alterations and Improvements by Unit Owners.

(a) No Unit Owner shall construct a structure, nor shall any Unit Owner make any structural addition, structural alteration, or structural improvement in or to the Common Interest Community without the prior written consent thereto of the Executive Board. A Unit Owner may not change the appearance of the Common Elements, or the exterior appearance of a Unit or any other portion of the Common Interest Community, without permission of the Association.

(b) Each Unit Owner shall maintain the exterior appearance of the Unit and limited common elements in a uniform fashion and shall not change the exterior color of curtains and window coverings, nor shall bicycles, rugs, garden hoses, garbage, cans, and similar items be stored on decks or common areas where they may be visible outside the unit without permission of the association. Placement of Swing sets, trampolines, storage sheds, basketball nets, and similar items shall be governed by this subsection.

(b) A Unit Owner may submit a written request to the Executive Board for approval to do anything that he or she is forbidden to do under this Declaration or Rules of the Association. The Executive Board shall answer any written request for such approval, after Notice and Hearing, within sixty (60) days after the request therefor. Failure to do so within such

time shall not constitute a consent by the Executive Board to the proposed action. If, after such plans and specifications have been approved, the improvements are altered, erected or maintained otherwise than as approved by the Board, such alteration, erection and maintenance shall be deemed to have been undertaken without the approval of the Board having been obtained as required by the Declaration. The approval of the Board of any plans or specifications submitted for approval as herein specified shall not be deemed to be a waiver by the Board of its right to object to any of the features or elements embodied in such plans and specifications, if or when the same features or elements are embodied in any subsequent plans and specifications submitted for approval herein as provided for use on other Units. No member of the Board shall be liable to any person for his or her decisions or failure to act in making decisions as a member of said Board. Upon approval of the Board, it shall be conclusively presumed that the location and height of any improvement does not violate the provisions of this Declaration.

(c) After a Unit Owner has obtained the written consent by the Executive Board for any addition, alteration or improvement to his or her Unit, the Unit Owner shall obtain any necessary governmental permits required for such addition, alteration or improvement and the cost of such permit(s) shall be paid by the Unit Owner. There will be no liability created on the part of the Association or any of its members, except for the Unit Owner effecting such addition, alteration or improvement, to any contractor, sub-contractor or materialman on account of such addition, alteration or improvement or to any person having any claim for injury to person or damage to property arising therefrom.

(d) All additions, alterations and improvements to the Units and Common Elements shall not, except pursuant to prior approval by the Executive Board, cause any increase in the premiums of any insurance policies carried by the Association or by the owners of any Units other than those affected by such change.

(e) Any construction commenced without the written consent of the Executive Board will result in the assessment of a penalty against the Unit Owner violating the provisions of this Article. This penalty shall be imposed in accordance with AS 34.08.320(11) after Notice and Hearing.

Section 10.2 - Additions, Alterations and Improvements by Association.

The Association may make any additions, alterations or improvements to the Common Elements which, in its judgment, it deems necessary or appropriate.

ARTICLE XI - Amendments to Declaration

Section 11.1 - General.

Except as otherwise provided by law or elsewhere in this Declaration, this Declaration, including the Exhibits hereto, may be amended only by vote or agreement of Unit Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated.

Section 11.2 - When Unanimous Consent Required.

Except to the extent expressly permitted or required by provisions of the Act and this Declaration, an amendment may not increase the number of Units, change the number of Units, change the boundaries of a Unit, the Allocated Interests of a Unit, or the uses to which a Unit is restricted, in the absence of unanimous (100%) consent of the Unit Owners in the Association.

Section 11.3 - Execution of Amendments.

An amendment to the Declaration required by AS 34.08.250 of the Act to be recorded by the Association, which has been adopted in accordance with this Declaration and AS 34.08.250 of the Act, must be prepared, executed, recorded and certified on behalf of the Association by an officer of the Association designated for that purpose or, in the absence of designation, by the President of the Association.

Section 11.4 - Recordation of Amendments.

Each amendment to the Declaration must be recorded in the recording district in which the Common Interest Community is located. The amendment is effective only upon recording.

Section 11.5 - Consent of Holders of Security Interests.

Amendments are subject to the consent requirements of Article XIV.

Section 11.6 - Limitation of Challenges.

Any action to challenge the validity of an amendment adopted by the Association pursuant to this Article may not be brought more than one (1) year after the amendment is recorded.

ARTICLE XII - Amendments to Bylaws

The Bylaws may be amended only by vote of two-thirds (2/3) of the members of the Executive Board, following Notice and Comment to all Unit Owners, at any meeting duly called for such purpose. No amendment shall be effective until recorded.

ARTICLE XIII - Termination

Termination of the Common Interest Community may be accomplished only in accordance with Section 34.08.260 of the Act.

ARTICLE XIV - Mortgagee Protection

Section 14.1 - Introduction.

This Article establishes certain standards and covenants which are for the benefit of the holders, insurers and guarantors of certain Security Interests. This Article is supplemental to, and not in substitution for, any other provisions of the Governing Instruments, but in the case of conflict, this Article shall control.

Section 14.2 - Percentage of Eligible Mortgagees.

Wherever in this Declaration the approval or consent of a specified percentage of Eligible Mortgagees is required, it shall mean the approval or consent of Eligible Mortgagees holding Security Interests in Units which own such specified percentage of votes in the Association when compared to the total votes owned by all Units then subject to Security Interests held by Eligible Mortgagees.

Section 14.3 - Notice of Actions.

The Association shall give prompt written notice to each Eligible Mortgagee and Eligible Insurer of:

(a) Any condemnation loss or any casualty loss which affects the Common Elements, if such loss exceeds \$10,000.00, or any damage to an improvement or a Unit on which there is a first Security Interest held, insured, or guaranteed by such Eligible Mortgagee or Eligible Insurer, as applicable, if such damage exceeds \$10,000.00;

(b) Any delinquency in the payment of Common Expense assessments owed by an Owner whose Unit is subject to a first Security Interest held, insured, or guaranteed, by such Eligible

Mortgagee or Eligible Insurer, which remains uncured for a period of sixty (60) days;

(c) Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association;

(d) Any proposed action which would require the consent of a specified percentage of Eligible Mortgagees as specified in section 14.4(b) of this Article; and

(e) Any judgment rendered against the Association.

Section 14.4 - Consent Required.

(a) Document Changes. Notwithstanding any lower requirement permitted by the Declaration or the Act, no amendment of any material provision of the Governing Instruments by the Association or Unit owners described in this subsection 14.4(a) may be effective without approval in writing by at least fifty-one percent (51%) of the Eligible Mortgagees. The foregoing approval requirements do not apply to amendments affected by the exercise of any Development Right. A "material" provision includes, but is not limited to, any provision affecting:

- (i) Assessments, assessment liens or priority of assessment liens;
- (ii) Voting rights;
- (iii) Reserves for maintenance, repair and replacement of Common Elements;
- (iv) Responsibility for maintenance and repair;
- (v) Alterations in the formula for Allocation Interests in the Common Elements;
- (vi) Rights to use Common Elements;
- (vii) Boundaries of Units;
- (viii) Convertibility of Units into Common Elements or Common Elements into Units;
- (ix) Expansion or contraction of the Common Interest Community, or the addition, annexation or withdrawal of property to or from the Common Interest Community;
- (x) Insurance or fidelity bonds;

- (xi) Leasing of Units;
- (xii) Imposition of restrictions on a Unit Owner's right to sell or transfer his or her Unit;
- (xiii) Establishment of self-management when professional management had been required previously by any Eligible Mortgagee;
- (xiv) Restoration or repair of the project after hazard damage or partial condemnation in a manner other than that specified in the Governing Instruments;
- (xv) Termination of the Common Interest Community after occurrence of substantial destruction or condemnation; and
- (xvi) The benefits of mortgage holders, insurers or guarantors.

(b) Actions. Notwithstanding any lower requirement permitted by the Declaration or the Act, the Association may not take any of the following actions without the approval of at least fifty-one percent (51%) of the Eligible Mortgagees:

- (i) The establishment of self-management when professional management had been required previously by any Eligible Mortgagee;
- (ii) The restoration or repair of the Property after hazard damage or partial condemnation in a manner other than that specified in the Governing Instruments;
- (iii) The merger of this Common Interest Community with any other Common Interest Community;
- (iv) The granting of any easements, leases, licenses and concessions through or over the Common Elements (excluding, however, any utility easements serving or to serve the Common Interest Community and excluding any leases, licenses or concessions for no more than one year);
- (v) The assignment of the future income of the Association, including its right to receive Common Expense assessments;
- (vi) Any action taken not to repair or replace the Property.

(c) Actions requiring other than 51% mortgagee approval. The following actions by the Association require the consent of Eligible Mortgagees as specified below:

- (i) An eighty percent (80%) Eligible Mortgagee approval is required to convey or encumber the Common Elements or any portion thereof. (The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements by the Common Interest Community will not be deemed a transfer within the meaning of this clause);
- (ii) A sixty-seven percent (67%) Eligible Mortgagee approval is required for the termination of the Common Interest Community for reasons other than substantial destruction or condemnation;
- (iii) When Unit boundaries are not otherwise being affected, only the owners of Units affected and Eligible Mortgagees of those Units need approve the alteration of any partition or creation of any aperture between adjoining Units;
- (iv) The Association may not change the period for collection of regularly budgeted Common Expense assessments to other than monthly without the unanimous (100%) consent of Eligible Mortgagees.

(d) Failure to Respond. The failure of an Eligible Mortgagee to respond within thirty (30) days to any written request of the Association for approval of an action or amendment to the Declaration shall constitute an implied approval of the action or amendment, provided that notice was delivered by certified or registered mail, with a "return receipt" requested.

Section 14.5 - Inspection of Books.

The Association shall permit any Eligible Mortgagee or Eligible Insurer to inspect the books and records of the Association during normal business hours and, upon request, furnish such Eligible Mortgagees or Eligible Insurers annual reports and other financial data.

Section 14.6 - Financial Statements.

The Association shall provide any Eligible Mortgagee or Eligible Insurer which submits a written request, with a copy of an annual financial statement within ninety (90) days following

the end of each fiscal year of the Association. Such financial statement shall be audited or reviewed by an independent accountant if requested and at the expense of the Eligible Mortgagee or Eligible Insurer.

Section 14.7 - Enforcement.

The provisions of this Article are for the benefit of Eligible Mortgagees and Eligible Insurers and their successors, and may be enforced by any of them by any available means, at law, or in equity.

Section 14.8 - Attendance at Meetings.

Any representative of an Eligible Mortgagee or Eligible Insurer may attend any meeting which a Unit Owner may attend.

Section 14.9 - Appointment of Trustee.

In the event of damage or destruction within the Common Interest Community or condemnation of all or a portion of the Common Interest Community, any Eligible Mortgagee may require that insurance or condemnation proceeds be payable to a Trustee. Such Trustee may be required to be a corporate trustee licensed by the State of Alaska. Proceeds will thereafter be distributed pursuant to Article XIX or pursuant to a condemnation award. Unless otherwise required, the members of the Executive Board acting by majority vote through the President may act as Trustee.

Section 14.10 - Priority to Insurance and Condemnation Proceeds.

No provision of the Governing Instruments of the Association shall be deemed to give priority to a Unit Owner or any other party over any rights of an Eligible Mortgagee pursuant to the terms of its security instrument in the case of distribution of insurance proceeds or condemnation proceeds, whether such proceeds pertain to a Unit or Common Elements.

Section 14.11 - Right to Reimbursement.

Eligible Mortgagees of Units in the Common Interest Community may, jointly or singly, pay taxes or other charges, which are in default and which may or have become a charge against any Common Element owned by the Association and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the Common Elements. Eligible Mortgagees making such payments shall be owed immediate reimbursement from the Association.

ARTICLE XV - Assessment and Collection of Common Expenses

Section 15.1 - Apportionment of Common Expenses.

Except as provided in sections 15.2, all Common Expenses shall be assessed against all Units in accordance with their Allocated Interests of the Common Expense liability as shown on Exhibit "A" to this Declaration.

Section 15.2 - Common Expenses Attributable to Fewer than all Units or Allocated "Per Capita."

(a) Any Common Expense for services provided by the Association to an individual Unit at the request of the Unit Owner shall be assessed against the Unit which benefits from such service.

(b) Any insurance premium increase attributable to a particular Unit by virtue of activities in or construction on the Unit shall be assessed against that Unit.

(c) An assessment to pay a judgment against the Association may be made only against the Units in the Common Interest Community at the time the judgment was entered, in proportion to their Common Expense liabilities.

(d) If a Common Expense is caused by the misconduct of a Unit Owner, the Association may assess that expense exclusively against the Unit.

(e) Common Expenses representing costs which are charged to the Association based solely on the number of Units shall be assessed equally against each Unit, rather than allocated according to percentage shares of Common Expense liability.

(f) Fees, charges, late charges, fines, collection costs, and interest charged against a Unit Owner pursuant to the Governing Instruments and the Act are enforceable as Common Expense assessments.

Section 15.3 - Lien.

(a) The Association has a lien on a Unit for an assessment levied against the Unit or fines imposed against its Unit Owner from the time the assessment or fines become due. Fees, charges, late charges, fines and interest charged pursuant to the Act, as it may be amended from time to time, and any of the Association's Governing Instruments, are enforceable as assessments under this Section. If an assessment is payable in installments, the full

amount of the assessment is a lien from the time the first installment thereof becomes due.

(b) A lien under this Section is prior to all other liens and encumbrances on a Unit except: (1) a lien or encumbrance recorded before the recordation of this Declaration; (2) a first security interest on the Unit recorded before the date on which the assessment sought to be enforced became delinquent; and, (3) liens for real estate taxes and other governmental assessments or charges against the Unit. A lien under this Section is also prior to all security interests described in Subdivision (2) of this Subsection if the Common Expense assessment based on the periodic budget adopted by the Association, pursuant to Section 15.4 of this Article, would have become due in the absence of acceleration during the six (6) months immediately preceding the institution of an action to enforce the Association's lien. This does not affect the priority of mechanics' or materialmen's liens, or the priority of a lien for other assessments made by the Association. A lien under this Section is not subject to the provisions of AS 09.38.010, as it may be amended from time to time.

(c) Recording of the Declaration constitutes record notice and perfection of the lien. Further recording of a claim of lien for assessments under this Section is not required.

(d) A lien for unpaid assessments is extinguished unless proceedings to enforce the lien are instituted within three (3) years after the full amount of the assessment becomes due; provided, that if an owner of a Unit subject to a lien under this Section files a petition for relief under the U.S. Bankruptcy Code, the period of time for instituting proceedings to enforce the Association's lien shall be barred until thirty (30) days after the automatic stay of proceedings under § 362 of the U.S. Bankruptcy Code is lifted.

(e) This Section does not prohibit an action to recover sums for which Subparagraph (a) of this Section creates a lien or foreclosure or prohibit the Association from taking a deed in lieu of foreclosure.

(f) When the Association acquires a judgment or decree in any action brought under this Section, such judgment or decree shall include an award to the Association for actual collection costs and reasonable attorney's fees.

(g) A judgment or decree in an action brought under this Section is enforceable by execution under AS 09.35.010, as it may be amended from time to time.

(h) The Association's lien must be foreclosed as a lien is foreclosed under AS 34.35.005, as it may be amended from time to time.

(i) In any action by the Association to collect assessments or to foreclose a lien for unpaid assessments, the court may appoint a receiver of the Unit Owner to collect all sums alleged to be due from that Unit Owner prior to or during the pendency of the action. The court may order the receiver to pay any sums held by the receiver to the Association during the pendency of the action to the extent of the Association's Common Expense assessments based on a periodic budget adopted by the Association pursuant to Section 15.4 of this Article.

(j) The purchaser at a foreclosure sale initiated by the holder of a Security Interest in a Unit is not liable for any unpaid assessments against the Unit which became due before the sale, other than the assessments which are prior to that Security Interest under Subsection 15.3(b) above. Any unpaid assessments not satisfied from the proceeds of sale become Common Expenses for which all the Unit Owners, including the purchaser, may be assessed. For the purposes of this paragraph "the purchaser" shall include, but not be limited to, any holder of a Security Interest in a Unit which obtains title to a Unit.

(k) Any payments received by the Association to discharge a Unit Owner's obligation may be applied to the oldest balance due.

(l) The Association may acquire, hold, lease, mortgage and convey a Unit foreclosed upon pursuant to this Section for unpaid assessments.

(m) A lien under this Section shall not be affected by any sale or transfer of a Unit except as provided in Subsection (j) above.

Section 15.4 - Budget Adoption and Ratification.

Within thirty (30) days after adoption of a proposed budget for the Common Interest Community, the Executive Board shall provide a summary of the budget to each Unit Owner, and shall set a date for a meeting of the Unit Owners to consider ratification of the budget not less than fourteen (14) or more than thirty (30) days after mailing of the summary. Unless at that meeting a Majority of Unit Owners reject the budget, the budget is ratified, whether or not a quorum is present. If the proposed budget is rejected, the periodic budget last ratified by the Unit Owners continues until the Unit Owners ratify a budget proposed by the Executive Board. For purposes of voting on ratification of the annual budget, the vote of each Unit Owner shall not be

equal, but shall be weighted in accordance with the Allocated Interest of liability for Common Expenses according to the fraction described in Section 7.1 of this Declaration.

Section 15.5 - Non-budgeted Common Expense Assessments.

If the Executive Board votes to levy a Common Expense assessment not included in the current budget, other than one enumerated in Section 15.2 of this Article, in an amount greater than fifteen percent (15%) of the current annual operating budget, the Executive Board shall submit such Common Expense to the Unit Owners for their consideration and comment in the same manner as a budget under Section 15.4 above; provided, however, that such assessment can be considered at a special meeting as long as the same notice required for annual meetings is provided to the Unit Owners.

Section 15.6 - Certificate of Payment of Common Expense Assessments.

The Association, upon written request, shall furnish to a Unit Owner a statement in recordable form setting out the amount of unpaid assessments against his or her Unit. The statement must be furnished within ten (10) business days after receipt of the request and is binding upon the Association, the Executive Board and each Unit Owner.

Section 15.7 - Monthly Payment of Common Expenses.

All Common Expenses assessed under this Article XV shall be due and payable on the first day of each and every month and shall become delinquent if not paid by the tenth day of each and every month. The first Common Expense assessment shall be levied against all Units sixty (60) days after Declarant's conveyance of the first Unit.

Section 15.8 - Interest, Late Fees and Collection Expenses.

The Association may impose reasonable late fees for processing delinquent accounts in accordance with AS 34.08.320(11), and may charge interest at the maximum legal rate on all outstanding balances while any Unit Owner's assessment account is delinquent. The Association may assess reasonable collection expenses, including costs and attorney's fees required to collect any outstanding delinquent assessments. All charges imposed pursuant to this paragraph shall be enforceable as additional assessments pursuant to AS 34.08.470.

Section 15.9 - Acceleration of Common Expense Assessments.

In the event of default for a period of ten (10) days by any Unit Owner in the payment of any Common Expense assessment levied against his or her Unit, the Executive Board shall have the right, after Notice and Hearing, to declare all unpaid assessments for the pertinent calendar year to be immediately due and payable. The holder of a first Security Interest in a Unit which has acquired title to any Unit as a result of a foreclosure of its Security Interest shall be exempt from the application of this Subsection.

Section 15.10 - No Waiver of Liability for Common Expenses.

No Unit Owner may exempt himself or herself from liability for payment of the Common Expenses by waiver of the use or enjoyment of the Common Elements or by abandonment of the Unit against which the assessments are made.

Section 15.11 - Personal Liability of Unit Owners.

The owner of a Unit at the time a Common Expense assessment or portion thereof is due and payable is personally liable for the assessment. In a voluntary conveyance the grantee of a Unit is jointly and severally liable with the grantor for all unpaid assessments which accrued up to the time of conveyance.

ARTICLE XVI - Right to Assign Future Income

The Association may assign its future income, including its right to receive Common Expense assessments, only by the affirmative vote of Unit Owners of Units to which at least fifty-one percent (51%) of the votes in the Association are allocated, at a meeting called for that purpose.

ARTICLE XVII - Persons and Units Subject to Governing Instruments

Section 17.1 - Compliance with Governing Instruments.

All Unit Owners, tenants, mortgagees and occupants of Units shall comply with the Governing Instruments. The acceptance of a deed or the exercise of any incident of ownership or the entering into of a lease or the entering into occupancy of a Unit constitutes agreement that the provisions of the Governing Instruments are accepted and ratified by such Unit Owner, tenant, mortgagee or occupant, and all such provisions recorded in the records of the Anchorage Recording District, Third Judicial District, State of Alaska, are covenants running with the land and shall bind any persons having at any time any interest in such Unit.

Section 17.2 - Adoption of Rules.

The Executive Board may adopt Rules regarding the use and occupancy of Units and Common Elements, and the activities of occupants, subject to Notice and Comment.

ARTICLE XVIII - Insurance

Section 18.1 - Coverage.

To the extent reasonably available, the Executive Board shall obtain and maintain insurance coverage as set forth in this Article. If such insurance is not reasonably available (for example, if the Mortgagee's insurance is less than available through regular insurance companies), and the Executive Board determines that any insurance described herein will not be maintained, the Executive Board shall cause notice of that fact to be hand-delivered or sent prepaid by United States mail to all Unit Owners and Eligible Mortgagees at their respective last known addresses.

Section 18.2 - Property Insurance.

(a) The Association shall maintain property insurance on the Common Elements insuring against all risks of direct physical loss commonly insured against. Earthquake and Flood insurance shall not be required, unless deemed appropriate pursuant to Section 18.8 of this Declaration. The total amount of insurance after application of any deductibles shall be not less than one hundred percent (100%) of the current replacement value, if required by an Eligible Mortgagee, and in any event, not less than the higher of eighty percent (80%) of the actual cash value of the insured property or an amount sufficient to avoid coinsurance under any applicable insurance policy, at the time the insurance is purchased and at each renewal date, exclusive of land, excavations, foundations and other items normally excluded from property policies. The insurance maintained under this section shall not include the Units or the improvements and betterments installed by Unit Owners (personal property not permanently attached to the premises). The Master condominium policy will cover carpeting, cabinets, plumbing fixtures, etc. which are free-standing but considered permanently attached to the Property. The Association shall maintain insurance in an amount equal to the actual cash value of personal property owned by the Association. Prior to obtaining any insurance on Common Elements under this section, and at least annually thereafter, the Executive Board shall take reasonable steps satisfactory to the insurance company to determine the replacement cost of the Common Elements or obtain an agreed amount endorsement. The

maximum deductible for insurance policies shall be the lesser of \$10,000.00 or one percent (1%) of the policy face amount.

(b) Other Provisions. Insurance policies required by this Section shall provide that:

- (i) The insurer waives the right to subrogation under the policy against a Unit Owner or member of the household of a Unit Owner;
- (ii) An act or omission by a Unit Owner, unless acting within the scope of the Unit Owner's authority on behalf of the Association, will not void the policy or be a condition to recovery under the policy;
- (iii) If, at the time of a loss under the policy, there is other insurance in the name of a Unit Owner insuring the same risk covered by the Association policy, the Association's policy provides primary insurance;
- (iv) Loss must be adjusted with the Association;
- (v) Insurance proceeds shall be paid to any insurance trustee designated in the policy for that purpose, and in the absence of such designation, to the Association, in either case to be held in trust for each Unit Owner and such Unit Owner's mortgagee;
- (vi) The insurer may not cancel or refuse to renew the policy until thirty (30) days after notice of the proposed cancellation or non-renewal has been mailed to the Association, each Unit Owner and each holder of a Security Interest to whom a certificate or memorandum of insurance has been issued, at their respective last known address; and
- (vii) The name of the insured shall be substantially as follows:

"CASTAWAY COVE TOWNHOMES, INC., for the use and benefit of the individual Owners."

Section 18.3 - Liability Insurance.

Liability insurance, including medical payments insurance, shall be carried in an amount determined by the Executive Board but in no event less than \$1,000,000, covering all occurrences commonly insured against (death, bodily injury and property

damage) arising out of or in connection with the use, ownership or maintenance of the Common Elements, and the activities of the Association.

(a) Other Provisions. Insurance policies carried pursuant to this Section shall provide that:

- (i) Each Unit Owner is an insured person under the policy with respect to liability arising out of the interest of the Unit owner in the Common Elements or membership in the Association;
- (ii) The insurer waives the right to subrogation under the policy against a Unit Owner or member of the household of a Unit Owner;
- (iii) An act or omission by a Unit Owner, unless acting within the scope of the Unit owner's authority on behalf of the Association, will not void the policy or be a condition to recovery under the policy;
- (iv) If, at the time of a loss under the policy, there is other insurance in the name of a Unit Owner covering the same risk covered by the Association policy, the policy of the Association provides primary insurance; and
- (v) The insurer issuing the policy may not cancel or refuse to renew it until thirty (30) days after notice of the proposed cancellation or non-renewal has been mailed to the Association, each Unit Owner and each holder of a Security Interest to whom a certificate or memorandum of insurance has been issued at their last known addresses.

Section 18.4 - Fidelity Bonds.

The Association may, but is not required to, purchase a blanket fidelity bond.

Section 18.5 - Unit Owner Policies.

An insurance policy issued to the Association does not prevent a Unit Owner from obtaining insurance for his or her own benefit.

Section 18.6 - Workers' Compensation Insurance.

The Executive Board shall obtain and maintain Workers' Compensation Insurance to meet the requirements of the laws of the State of Alaska if required.

Section 18.7 - Directors' and Officers' Liability Insurance.

The Executive Board may obtain and maintain directors' and officers' liability insurance, if desired, covering all of the Directors and officers of the Association in such limits as the Executive Board may, from time to time, determine.

Section 18.8 - Other Insurance.

The Association may carry other insurance which the Executive Board considers appropriate to protect the Association or the Unit Owners.

Section 18.9 - Premiums.

Insurance premiums shall be a Common Expense.

ARTICLE XIX - Damage To Or Destruction Of Property

Section 19.1 - Duty to Restore.

A portion of the Common Interest Community for which insurance is required under Section 34.08.440 of the Act or for which insurance carried by the Association is in effect, whichever is more extensive, that is damaged or destroyed must be repaired or replaced promptly by the Association unless:

- (a) The Common Interest Community is terminated;
- (b) Repair or replacement would be illegal under a state statute or municipal ordinance governing health or safety; or
- (c) Eighty percent (80%) of the Unit Owners vote not to rebuild.

Section 19.2 - Cost.

The cost of repair or replacement of the Common Elements in excess of insurance proceeds and reserves is a Common Expense.

Section 19.3 - Plans.

The Property must be repaired and restored in accordance with either the original plans and specifications or other plans and specifications which have been approved by the Executive

Board, a majority of Unit Owners and fifty-one percent (51%) of Eligible Mortgagees.

Section 19.4 - Insurance Proceeds.

(a) The insurance proceeds attributable to the damaged Common Elements shall be used to restore the damaged area to a condition compatible with the remainder of the Common Interest Community.

(b) The insurance trustee, or if there is no insurance trustee, then the Executive Board of the Association, acting as Trustee, shall hold any insurance proceeds in trust for the Association, Unit Owners and lien holders as their interests may appear. Subject to the provisions of Section 19.1, the proceeds shall be disbursed first for the repair or restoration of the damaged Property, and the Association, Unit Owners and lien holders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the Property has been completely repaired or restored, or the Common Interest Community is terminated.

Section 19.5 - Certificates by the Executive Board.

The Trustee, if any, may rely on the following certifications in writing made by the Executive Board:

(a) Whether or not damaged or destroyed Property is to be repaired or restored; and

(b) The amount or amounts to be paid for repairs or restoration and the names and addresses of the parties to whom such amounts are to be paid.

Section 19.6 - Certificates by Attorneys or Title Reports.

Title insurance companies or, if payments are to be made to Unit Owners or mortgagees, the Executive Board, and the Trustee, if any, shall obtain and may rely on an attorney's certificate of title or a title insurance policy based on a search of the records of the District Recorder's Office, ^{Anchorage} ~~Kenai~~ Recording District, Third Judicial District, State of Alaska, from the date of the recording of the original above-described Declaration stating the names of the Unit Owners and the mortgagees. This provision does not affect the Unit Owners' duty to update Association records as provided in Article 20.1.

ARTICLE XX - Rights to Notice and Comment; Notice And Hearing

Section 20.1 - Notice.

Whenever Notice to a Unit Owner is required, the Association shall provide such Notice in writing by first class mail or personal delivery to all Unit Owners at such address as appears in the records of the Association, or published in a newsletter or similar publication which is routinely circulated to all Unit Owners. Notice is accomplished when mailed or delivered to the address of record, regardless of whether the Notice is actually received by the Unit Owner. Unit Owners must provide written notice to the Association's Manager of any address or ownership changes, and the Association may rely upon its records when transmitting Notice to Unit Owners.

Section 20.1 - Right to Notice and Comment.

Before the Executive Board amends the Bylaws or the Rules, whenever the Governing Instruments require that an action be taken after "Notice and Comment", and at any other time the Executive Board determines, the Unit Owners have the right to Notice of the proposed action and the right to comment orally or in writing. Notice of the proposed action shall be given to each Unit Owner not less than five (5) days before the proposed action is to be taken. The Notice shall invite comment to the Executive Board orally or in writing before the scheduled time of the meeting. The right to Notice and Comment does not entitle a Unit Owner to be heard at a formally constituted meeting as provided in Section 20.2.

Section 20.2 - Right to Notice and Hearing.

Whenever the Governing Instruments require that an action be taken after "Notice and Hearing", the following procedure shall be observed: The party proposing to take the action (e.g., the Executive Board, a committee, an officer, the manager, etc.) shall give written Notice of the proposed action to all Unit Owners or occupants of Units whose interests would be significantly affected by the proposed action. The notice shall include a general statement of the proposed action and the date, time and place of the hearing. The Notice shall be given not less than five (5) days before the hearing date. At the hearing, the affected person shall have the right, personally or by a representative, to give testimony orally, in writing or both (as specified in the notice), subject to reasonable rules of procedure established by the party conducting the meeting to assure a prompt and orderly resolution of the issues. Such evidence shall be considered in making the decision but shall not bind the decision makers. The affected person shall be notified of the decision in the same manner in which Notice of the meeting was given.

Section 20.3 - Appeals.

Any person having a right to Notice and Hearing shall have the right to appeal to the Executive Board from a decision of persons other than the Executive Board by filing a written notice of appeal with the Executive Board within ten (10) days after being notified of the decision. The Executive Board shall conduct a hearing within thirty (30) days, giving the same Notice and observing the same procedures as were required for the original meeting.

ARTICLE XXI - Executive Board

Section 21.1 - Minutes of Executive Board Meetings.

The Executive Board shall permit any Unit Owner to inspect the minutes of Executive Board meetings during normal business hours. The minutes shall be available for inspection within fifteen (15) days after any such meeting.

Section 21.2 - Powers and Duties.

The Executive Board may act in all instances on behalf of the Association, except as provided in this Declaration, the Bylaws or the Act. The Executive Board shall have, subject to the limitations contained in this Declaration and the Act, the powers and duties necessary for the administration of the affairs of the Association and of the Common Interest Community which shall include, but not be limited to, the power to:

- (a) Adopt and amend Bylaws, Rules and regulations;
- (b) Adopt and amend budgets for revenues, expenditures and reserves;
- (c) Collect assessments for Common Expenses from Unit Owners;
- (d) Hire and discharge Managers;
- (e) Hire and discharge employees and agents, other than managing agents, and independent contractors;
- (f) Institute, defend or intervene in litigation or administrative proceedings or seek injunctive relief for violation of the Association's Declaration, Bylaws or Rules in the Association's name on behalf of the Association or two (2) or more Unit Owners on matters affecting the Common Interest Community;

- (g) Make contracts and incur liabilities;
- (h) Regulate the use, maintenance, repair, replacement and modification of the Common Elements;
- (i) Cause additional improvements to be made as part of the Common Elements;
- (j) Acquire, hold, encumber and convey in the Association's name any right, title or interest to real property or personal property, but Common Elements may be conveyed or subjected to a Security Interest only pursuant to Section 34.08.430 of the Act;
- (k) Grant easements for any period of time, including permanent easements, and leases, licenses and concessions for no more than one (1) year, through or over the Common Elements;
- (l) Impose and receive a payment, fee or charge for the use, rental or operation of the Common Elements, and for services provided to Unit Owners;
- (m) Impose a reasonable charge for late payment of assessments and, after Notice and hearing, levy reasonable fines for violations of this Declaration, Bylaws, Rules and regulations of the Association;
- (n) Impose a reasonable charge for the preparation and recordation of amendments to this Declaration, resale certificates required by Section 34.08.590 of the Act or a statement of unpaid assessments;
- (o) Provide for the indemnification of the Association's officers and Executive Board and maintain Directors' and officers' liability insurance;
- (p) Assign the Association's right to future income, including the right to receive Common Expense assessments;
- (q) Exercise any other powers conferred by this Declaration or the Bylaws;
- (r) Exercise any other power that may be exercised in this state by legal entities of the same type as the Association;
- (s) Exercise any other power necessary and proper for the governance and operation of the Association; and
- (t) By resolution, establish committees of Directors, permanent and standing, to perform any of the above functions

under specifically delegated administrative standards, as designated in the resolution establishing the committee. All committees must maintain and publish notice of their actions to Unit Owners and the Executive Board. However, actions taken by a committee may be appealed to the Executive Board by any Unit Owner within forty-five (45) days of publication of such notice, and such committee action must be ratified, modified or rejected by the Executive Board at its next regular meeting.

Section 21.3 - Executive Board Limitations.

The Executive Board may not act on behalf of the Association to amend this Declaration, to terminate the Common Interest Community or to elect members of the Executive Board or determine the qualifications, powers and duties, or terms of office of Executive Board members, but the Executive Board may fill vacancies in its membership for the unexpired portion of the term.

ARTICLE XXII - Open Meetings

Section 22.1 - Access.

All meetings of the Executive Board, at which action is to be taken by vote at such meeting will be open to the Unit Owners, except as hereafter provided.

Section 22.2 - Notice of Executive Board Meetings.

Notice of every such meeting will be given not less than twenty-four (24) hours prior to the time set for such meeting, by posting such notice in a conspicuous location in the Common Interest Community, except that such notice will not be required if an emergency situation requires that the meeting be held without delay.

Section 22.3 - Executive Sessions.

Meetings of the Executive Board may be held in executive session, without giving notice and without the requirement that they be open to Unit Owners where the action taken at the executive session involves personnel, pending litigation, contract negotiations, or enforcement actions or where no action is taken at the executive session requiring the affirmative vote of Directors.

ARTICLE XXIII - Condemnation

If part or all of the Common Interest Community is taken by any power having the authority of eminent domain, all compensation and damages for and on account of the taking shall be payable in accordance with Section 34.08.740 of the Act.

ARTICLE XXIV - Miscellaneous

Section 24.1 - Captions.

The captions contained in the Governing Instruments are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of the Governing Instruments nor the intent of any provision thereof.

Section 24.2 - Gender.

The use of the masculine gender refers to the feminine and neuter genders and the use of the singular includes the plural, and vice versa, whenever the context of the Governing Instruments so requires.

Section 24.3 - Nonwaiver.

No provision contained in the Governing Instruments is abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

Section 24.4 - Severability.

The invalidity of any provision of the Governing Instruments does not impair or affect in any manner the validity, enforceability or effect of the remainder, and in such event, all of the other provisions of the Governing Instruments shall continue in full force and effect.

Section 24.5 - Conflict.

The Governing Instruments are intended to comply with the requirements of the Act and Chapter 10.20 of the Alaska Statutes (Non-Profit Corporation Law). In the event of any conflict between the Governing Instruments and the provisions of the statutes, the provisions of the statutes shall control. In the event of any conflict between this Declaration and any other Document, this Declaration shall control. The Association shall have the power to interpret any ambiguity in the Declaration, Bylaws and Rules of the Association, which interpretation shall be binding on the Unit Owners.

Section 24.6 - Rights of Action-Mediation.

(a) The Association and any aggrieved Unit Owner shall have a right of action against Unit Owners for failure to comply with the provisions of the Governing Instruments, or with decisions of the Association which are made pursuant to the Governing Instruments. Unit Owners shall also have such rights of action against the Association.

(b) If a dispute arises out of or relates to this Declaration, the Governing Instruments, or breach thereof, and if the dispute cannot be resolved through negotiation, the parties shall first try in good faith to settle the dispute by mediation under the Commercial Mediation Rules of the American Arbitration Association, or other mutually agreed upon procedures, before resorting to arbitration, litigation, or some other dispute resolution procedure. At least one meeting with a professional mediator shall be an absolute condition precedent to initiating litigation in a court of law.

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be executed this 10 day of Feb, 1999.

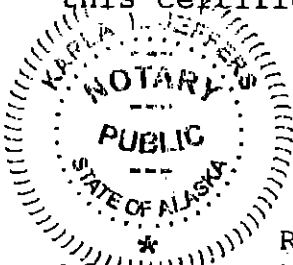
Declarant:

Bruce L. Richardson
Bruce L. Richardson d/b/a
Designer Duplexes

STATE OF ALASKA :
: ss.
THIRD JUDICIAL DISTRICT :

THIS IS TO CERTIFY that on this 10 day of February, 1999, before me the undersigned Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared Bruce L. Richardson d/b/a Designer Duplexes, the Declarant, and known to me to be the person who signed the foregoing instrument, and he acknowledged to me that he signed and sealed the same as a free act and deed for the uses and purposes therein.

WITNESS my hand and official seal on the day and year in this certificate first above written.



Karla Jeffers
Notary Public in and for Alaska

My Commission Expires: Nov. 7-2001

* Record in the **Anchorage** Recording District
After recording, return to:

Shane J. Osowski
Walker Walker Wendlandt & Osowski, LLC
550 West 7th Avenue, Suite 1850
Anchorage, Alaska 99501

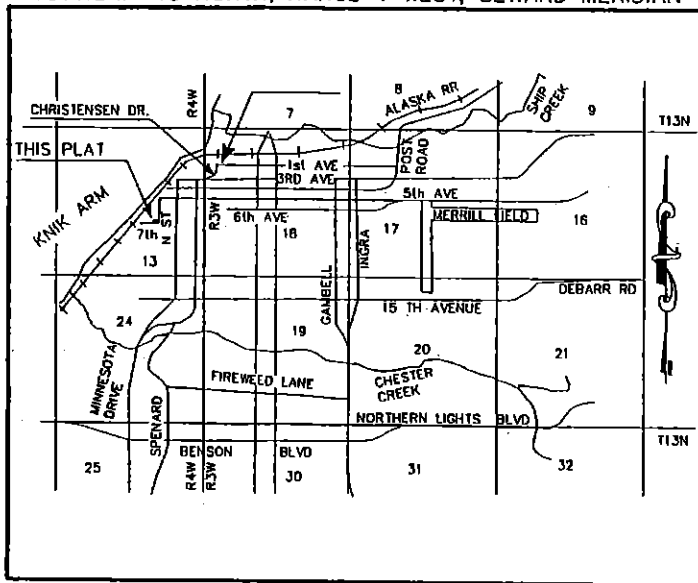
**Declaration Exhibit A
Castaway Cove Townhomes
Allocated Interests**

Unit	First Floor Area	Second Floor Area	Third Floor Area	Garage Area	Total Area	Allocated Interest in Common Areas	Allocated Share of Common Expense Liability
1301	247	550	521	245	1563	0.2125374	0.2125374
1305	277	737	684	400	2098	0.2852869	0.2852869
1311	252	549	550	242	1593	0.2166168	0.2166168
1315	277	737	683	403	2100	0.2855589	0.2855589
					7354	1	1

All areas indicated in square feet (approximate) from asbuilt survey
Stairs are included in area calculations on each level

CASTAWAY COVE TOWNHOMES

TOWNSHIP 13 NORTH, RANGE 4 WEST, SEWARD MERIDIAN



VICINITY MAP 1"=1 MILE

CONDOMINIUM ASBUILT SURVEY OF LOT 6A, BLOCK 62 L STREET SLIDE REPLAT

NOTES:

- 1) ALL DISTANCES, DIMENSIONS, AND ELEVATIONS ARE GIVEN IN FEET AND DECIMAL PORTIONS OF FEET.
- 2) ALL BUILDING TIES ARE AT 90° TO THE PROPERTY LINES.
- 3) ELEVATION DATUM FOR THE BUILDINGS IS GREATER ANCHORAGE AREA BOROUGH, POST OUAKE, U.S. GEODETIC SURVEY, MEAN SEA LEVEL OF 1972.
- 4) EACH UNIT IS DESIGNATED BY A NUMBER INDICATING THE DESIGNATION OF THE UNIT WITHIN THE PROJECT. THE UNIT NUMBERS ARE COMPOSED FROM THE STREET ADDRESS ASSIGNED BY THE MUNICIPALITY OF ANCHORAGE. LEVELS OF THE EXISTING STRUCTURE ARE DENOTED BY FIRST FLOOR, SECOND FLOOR, AND THIRD FLOOR.
- 5) THIS PROJECT IS LOCATED ON LOT 6A, BLOCK 62, L STREET SLIDE REPLAT (PLAT #67-30), LOCATED WITHIN SE 1/4, SECTION 13, T13N, R4W, SEWARD MERIDIAN, ALASKA. ANCHORAGE RECORDING DISTRICT.
- 6) THE CONDOMINIUM DEPICTED HEREON ARE SUBJECT TO THE PROVISIONS OF THE "COMMON INTEREST OWNERSHIP ACT", ALASKA STATUTE 34.08.
- 7) EXTERIOR WALLS OF THE EXISTING STRUCTURES AS SHOWN, ALIGN WITH ASBUILT DIMENSION DEPICTED ON SHEET 4.
- 8) INCREMENTAL SQUARE FOOTAGES FOR EACH UNIT ARE LISTED ON THE ASBUILT PLANS AS SHOWN ON SHEET 5 THROUGH 10.
- 9) TOTAL FLOOR AREA FOR EACH EXISTING STRUCTURE IS LISTED FOR EACH INDIVIDUAL UNIT AS SHOWN ON SHEETS 5 THROUGH 10.
- 10) EXTERNAL DECKS, EXTERIOR PARKING, AND PORCHES, SHOWN ON PLAN VIEW SHEETS 5 THROUGH 10 ARE LIMITED COMMON ELEMENTS ACCORDING TO ARTICLE V OF THE DECLARATION. DECKS ARE DESIGNATED BY "DECK" FOLLOWED BY THE UNIT NUMBER WITHIN THE PROJECT, I.E. (DECK-1311). PORCHES ARE DESIGNATED BY "PORCHES" FOLLOWED BY THE UNIT NUMBER WITHIN THE PROJECT, I.E. (PORCH-1311). EXTERIOR PARKING IS DESIGNATED BY "PARKING" FOLLOWED BY THE UNIT NUMBER WITHIN THE PROJECT, I.E. (PARKING-1311).
- 11) AREAS OUTSIDE OF UNIT BOUNDARIES AND LIMITED COMMON ELEMENTS AS SHOWN ON SHEETS 5 THROUGH 10, OR AS SPECIFIED IN THE DECLARATIONS, ARE COMMON ELEMENTS.

AN ASBUILT OF:

CASTAWAY COVE TOWNHOMES
LOT 6A, BLOCK 62
L STREET SLIDE REPLAT

Lantech

LAND & CONSTRUCTION SURVEYORS-AUTOCAD
440 W BENSON BLVD, SUITE 103
ANCHORAGE, ALASKA 99503
562-5291 (FAX 561-6626)

PLANNERS
ENGINEERS

GRID 1329	SCALE: AS SHOWN	DATE: JAN 21, 1999
DRAWN BY KLD	FILE #	W.O.# 97-L-655
CHK'D BY	ACAD 97L655_C	

SHEET 1 OF 10

I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT I AM THE OWNER OF LOT 6A, BLOCK 62, L STREET SLIDE REPLAT (PLAT 67-30), LOCATED WITHIN THE SE 1/4 SECTION 13, TOWNSHIP 13 NORTH, RANGE 4 WEST, SEWARD MERIDIAN, ALASKA, ANCHORAGE RECORDING DISTRICT. I DO HEREBY CONSENT TO THE PREPARATION AND RECORDATION OF THIS CONDOMINIUM PLAN PURSUANT TO THE UNIFORM COMMON INTEREST OWNERSHIP ACT, AS 34.08.

Bruce L. Richardson
Owner
BRUCE L. RICHARDSON
P.O. BOX 221366
ANCHORAGE, ALASKA 99522



NOTARY ACKNOWLEDGMENT

Subscribed and sworn to before me this 1 day of Feb, 1999.
FOR:

Nov. 7 - 2001
My commission expires

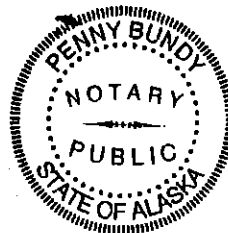
Karla J. Jeffers
Notary Public

BENEFICIARY

Creta Bloxom

NORTHRIM BANK,
3111 C STREET
ANCHORAGE ALASKA

CRETA BLOXOM / VICE PRESIDENT



NOTARY ACKNOWLEDGMENT

Subscribed and sworn to before me this 1st day of February, 1999.
FOR:

10/16/02
My commission expires

Penny Bundy
Notary Public

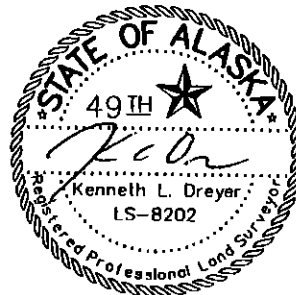
SURVEYORS CERTIFICATE

SECTION 34.08.170 OF THE COMMON INTEREST OWNERSHIP ACT
REQUIRES THAT A CERTIFICATION BE MADE WHICH STATES THE PLAT AND PLAN
CONTAINS THE INFORMATION AS SET FORTH IN SECTION 34.08.170.

I DO HEREBY CERTIFY THAT THIS FLOOR PLAN IS A TRUE AND CORRECT
LAYOUT OF UNITS ACCURATELY SURVEYED TO DEPICT AN ASBUILT SURVEY,
AND THAT THE INFORMATION AS REQUIRED BY ALASKA STATUTE 34.08.170
IS PROVIDED FOR ON THESE PLANS.

K L Dreyer

KENNETH L. DREYER
LANTECH INC.
440 WEST BENSON BLVD.
ANCHORAGE, ALASKA 99503

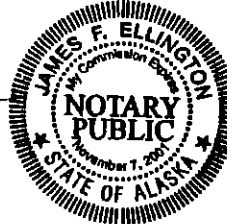


NOTARY ACKNOWLEDGMENT

Subscribed and sworn to before me this 21 day of January, 1999.
FOR: *Kenneth L. Dreyer*

November 7, 2001
My commission expires

James F. Ellington
Notary Public



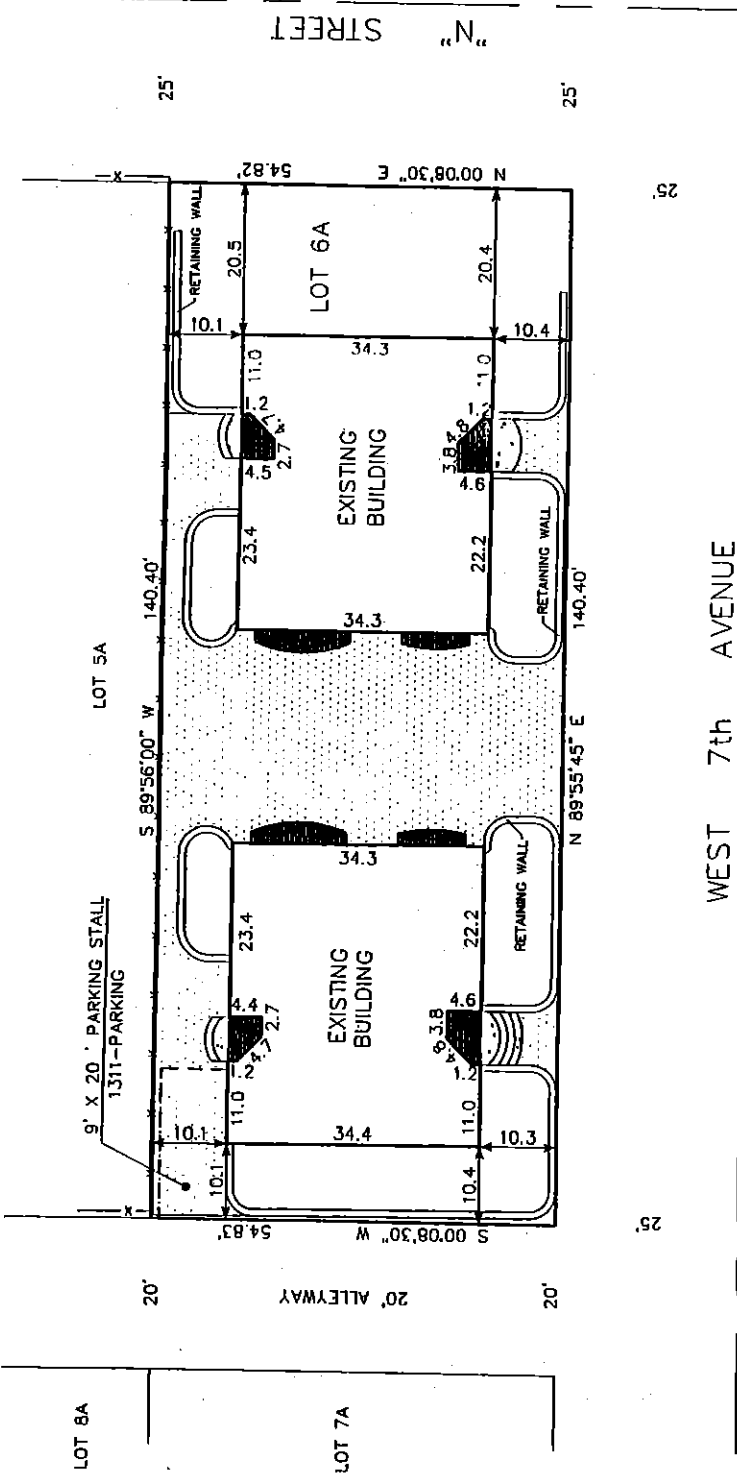
CERTIFICATE OF COMPLETION

SECTION 34.08.090 OF THE UNIFORM COMMON INTEREST OWNERSHIP ACT
PROVIDES THAT A DECLARATION FOR A CONDOMINIUM MAY NOT BE RECORDED
AND A PLAT OR PLAN THAT IS PART OF THE DECLARATION FOR A CONDOMINIUM
MAY NOT BE FILED UNLESS A CERTIFICATE OF COMPLETION IS RECORDED WITH
THE DECLARATION AS EVIDENCE THAT THE STRUCTURAL COMPONENTS AND
MECHANICAL SYSTEMS OF EACH BUILDING CONTAINING OR COMPRISING A UNIT
OF THE CONDOMINIUM ARE COMPLETED SUBSTANTIALLY IN ACCORDANCE WITH
THE PLANS.

THIS IS TO CERTIFY THAT UNITS 1301, 1305, 1311, AND 1315 SITUATED ON LOT
6A AND DEPICTED HEREON, ARE WITHIN EXISTING BUILDINGS IN THE CASTAWAY
COVE TOWNHOMES AND HAVE BEEN COMPLETED SUBSTANTIALLY AS SHOWN ON
THE PLANS FILED HERewith. THE STRUCTURAL COMPONENTS AND MECHANICAL
SYSTEMS OF THE UNITS HAVE BEEN INSTALLED AND WERE FUNCTIONING ON THE
DATE OF THIS INSPECTION, JANUARY 21, 1999.

K L Dreyer

KENNETH L. DREYER, RLS
LANTECH INC.
440 WEST BENSON #103
ANCHORAGE, ALASKA 99503



LEGEND:

SET	FIND
5/8" RB W/CAP	5/8" RB
3.25" ALMON.	MONUMENT
HUB & TACK	
FENCE	
OVERHANG	
WOOD DECKS	
CONCRETE	
ASPHALT	
GRAVEL	
SEPTIC STANDPIPES	
WATER WELL	

SHEET 4 OF 10

SURVEY CERTIFICATION: LANTTECH has conducted a physical survey of this property as shown on this drawing and that the improvements situated thereon are within the property lines and no encroachments exist other than noted.

EXCLUSION NOTE: It is the owners' responsibility to determine the existence of any easements, covenants, or restrictions which do not appear on the recorded subdivision plat. NOTE: Under no circumstances should any data hereon be used for construction or for establishing property lines.

AS-BUILT OF: LEGAL DESCRIPTION:
 LOT 6A, BLOCK 62,
 L STREET SLIDE REPLAT

Lanttech
 LAND & CONSTRUCTION SURVEYORS-PLANNERS-ENGINEERS
 440 WEST BENSON BLVD. # 103
 ANCHORAGE, ALASKA 99503 562-5291 (fax) 561-6626
 WO # 97-L-6558 | NOV. 10, 1998 | 1"=20'
 1/28/99 REVISE PARKING

1329	MLJ	408/47-81 67-50
------	-----	-----------------

SQUARE FOOTAGE TABLE

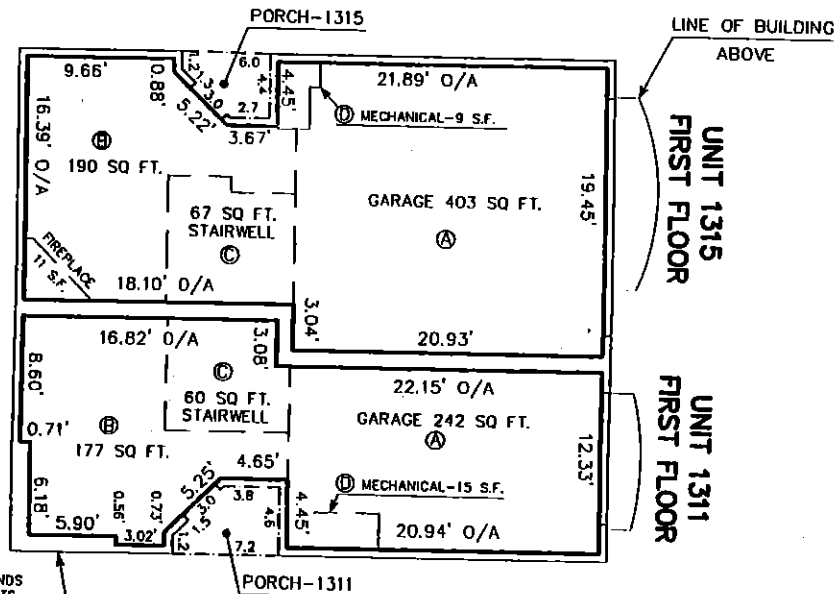
UNIT	FIRST FLOOR					SECOND FLOOR			THIRD FLOOR			TOTAL
	MAIN	GARAGE	STAIRWELL	MECHANICAL	FIREPLACE	MAIN	STAIRWELL	FIREPLACE	MAIN	STAIRWELL	FIREPLACE	
1315	190	403	67	9	11	574	153	10	618	55	10	2100
1311	177	242	60	15		486	63		490	51	9	1593

SQUARE FOOTAGES ARE APPROXIMATE AND INCLUDE INTERIOR WALL AREA.

ELEVATIONS

UNIT 1315			
FLOOR	CEILING		
A	38.51'	48.24'	A
B	40.27'	48.33'	B
C	40.27'	VARIES	C
D	40.27'	48.24'	D

NOTE: A FOUNDATION PONY WALL EXTENDS BETWEEN 0.00' AND 0.56' INTO THE UNITS ON THE FIRST FLOOR. THIS PONY WALL IS NOT REFLECTED IN THE DIMENSIONS AND THE CALCULATED SQUARE FOOTAGES.

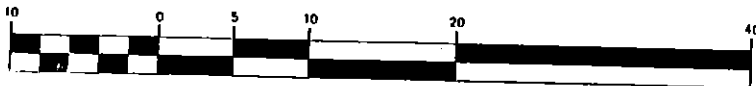


NOTE: A FOUNDATION PONY WALL EXTENDS BETWEEN 0.00' AND 0.56' INTO THE UNITS ON THE FIRST FLOOR. THIS PONY WALL IS NOT REFLECTED IN THE DIMENSIONS AND THE CALCULATED SQUARE FOOTAGES.

ELEVATIONS

UNIT 1311			
FLOOR	CEILING		
A	38.57'	48.24'	A
B	40.26'	48.32'	B
C	40.26'	VARIES	C
D	40.26'	48.24'	D

GRAPHIC SCALE



(IN FEET)
1 inch = 10 ft.

LEGEND

FLOOR= ELEVATION OF FLOOR
CEILING= ELEVATION OF CEILING
SQ. FT.= SQUARE FEET
----- GRADE BREAK IN ELEVATION

--- DIVIDING LINE FOR AREA CALCULATIONS
--- UNIT BOUNDARY
--- LIMITED COMMON ELEMENT
O/A= OVERALL

ASBUILT FIRST FLOOR PLANS OF:

UNITS 1311 AND 1315 CASTAWAY COVE TOWNHOMES

LOT 6A, BLOCK 62, L STREET SLIDE REPLAT

Lantech

LAND & CONSTRUCTION SURVEYORS-AUTOCAD
440 W BENSON BLVD. SUITE 103
ANCHORAGE, ALASKA 99503
582-5291 (FAX 561-6626)

PLANNERS
ENGINEERS

GRID 2231	SCALE: 1"=10'	DATE: 1/6/99	
DRAWN BY KLD	FILE #	W.O.# 97-L-655	
CHK'D BY KEN	97L655C_3		

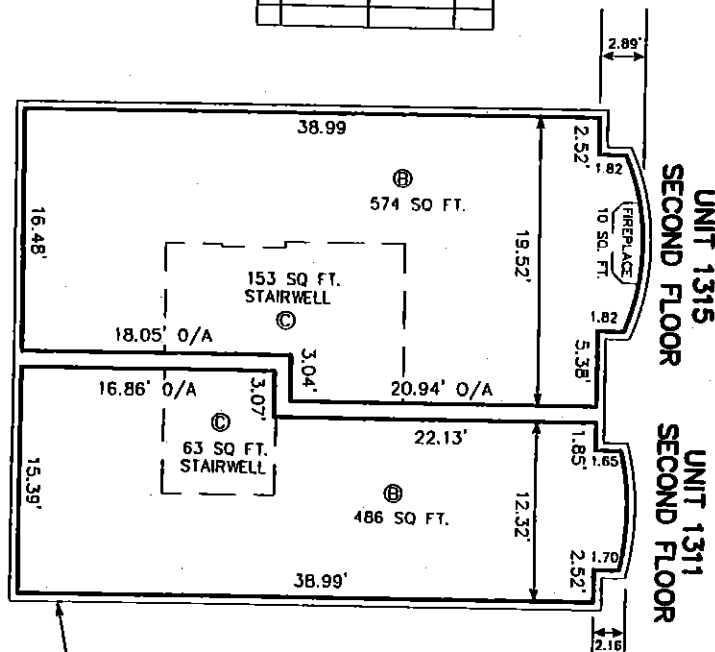
SQUARE FOOTAGE TABLE

UNIT	FIRST FLOOR					SECOND FLOOR			THIRD FLOOR			TOTAL
	MAIN	GARAGE	STAIRWELL	MECHANICAL	FIREPLACE	MAIN	STAIRWELL	FIREPLACE	MAIN	STAIRWELL	FIREPLACE	
1315	190	403	67	9	11	574	153	10	618	55	10	2100
1311	177	242	60	15		486	63		490	51	9	1593

SQUARE FOOTAGES ARE APPROXIMATE AND INCLUDE INTERIOR WALL AREA.

ELEVATIONS

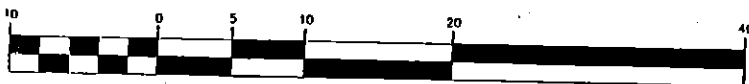
UNIT 1315		
FLOOR	CEILING	
B	49.38'	57.44'
C	VARIES	VARIES



ELEVATIONS

UNIT 1311		
FLOOR	CEILING	
B	49.37'	57.43'
C	VARIES	VARIES

GRAPHIC SCALE



(IN FEET)
1 inch = 10 ft.

LEGEND

FLOOR= ELEVATION OF FLOOR
CEILING= ELEVATION OF CEILING
SQ. FT.= SQUARE FEET
----- GRADE BREAK IN ELEVATION

--- DIVIDING LINE FOR AREA CALCULATIONS
--- UNIT BOUNDARY
--- LIMITED COMMON ELEMENT
O/A= OVERALL

SHEET 6 OF 10

ASBUILT SECOND FLOOR PLANS OF:

UNITS 1311 AND 1315
CASTAWAY COVE TOWNHOMES

LOT 6A, BLOCK 62, L STREET SLIDE REPLAT

Lantech

LAND & CONSTRUCTION SURVEYORS*AUTOCAD
440 W BENSON BLVD. SUITE 103
ANCHORAGE, ALASKA 99503
582-5291 (FAX 581-6626)

**PLANNERS
ENGINEERS**

GRID 2231	SCALE: 1"=10'	DATE: 1/6/99
DRAWN BY KLD	FILE #	W.O.# 97-L-655
CHK'D BY KEN	97L655C_3	

EXHIBIT B, Page 6 of 10

SQUARE FOOTAGE TABLE

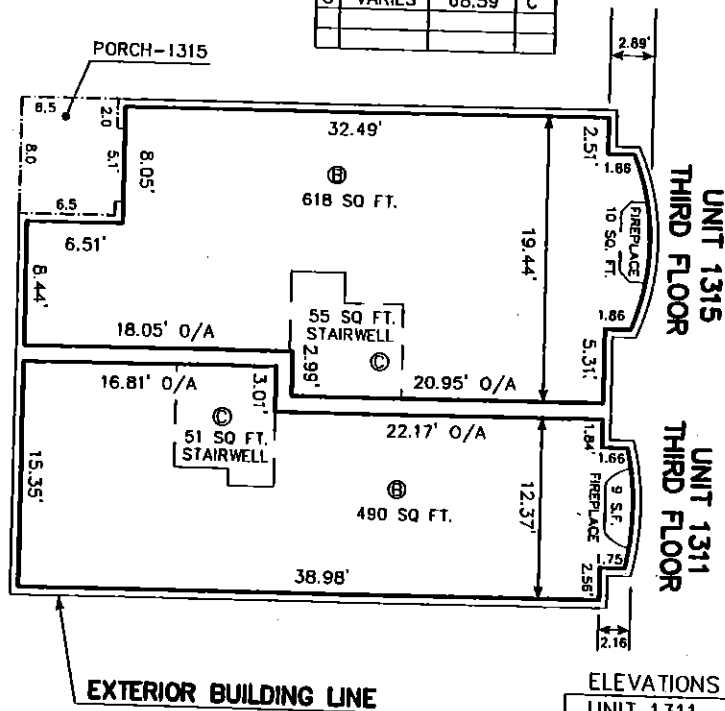
UNIT	FIRST FLOOR					SECOND FLOOR			THIRD FLOOR			TOTAL
	MAIN	GARAGE	STAIRWELL	MECHANICAL	FIREPLACE	MAIN	STAIRWELL	FIREPLACE	MAIN	STAIRWELL	FIREPLACE	
1315	190	403	67	9	11	574	153	10	618	55	10	2100
1311	177	242	60	15		486	63		490	51	9	1593

SQUARE FOOTAGES ARE APPROXIMATE AND INCLUDE INTERIOR WALL AREA.

ELEVATIONS

UNIT 1315			
FLOOR		CEILING	
B	58.53'	68.59'	B
C	VARIES	68.59'	C

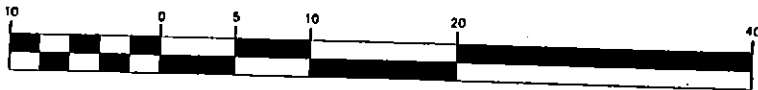
PORCH-1315



ELEVATIONS

UNIT 1311			
FLOOR		CEILING	
B	58.53'	68.63'	B
C	VARIES	68.63'	C

GRAPHIC SCALE



(IN FEET)
1 inch = 10 ft.

LEGEND

FLOOR= ELEVATION OF FLOOR
CEILING= ELEVATION OF CEILING
SQ. FT.= SQUARE FEET
----- GRADE BREAK IN ELEVATION

--- DIVIDING LINE FOR AREA CALCULATIONS
--- UNIT BOUNDARY
--- LIMITED COMMON ELEMENT
O/A= OVERALL

SHEET 7 OF 10

ASBUILT THIRD FLOOR PLANS OF:

UNITS 1311 AND 1315
CASTAWAY COVE TOWNHOMES

LOT 6A, BLOCK 62, L STREET SLIDE REPLAT

Lantech
LAND & CONSTRUCTION SURVEYORS*AUTOCAD
440 W BENSON BLVD. SUITE 103
ANCHORAGE, ALASKA 99503
582-5291 (FAX 581-8626)
PLANNERS
ENGINEERS

GRID 2231	SCALE: 1"=10'	DATE: 1/6/99
DRAWN BY KLD	FILE #	W.O.# 97-L-655
CHK'D BY KEN	97L655C_3	

SQUARE FOOTAGE TABLE

UNIT	FIRST FLOOR					SECOND FLOOR			THIRD FLOOR			TOTAL
	MAIN	GARAGE	STAIRWELL	MECHANICAL	FIREPLACE	MAIN	STAIRWELL	FIREPLACE	MAIN	STAIRWELL	FIREPLACE	
1305	191	400	66	10	10	598	129	10	618	56	10	2098
1301	177	245	57	13		485	65		457	55	9	1563

SQUARE FOOTAGES ARE APPROXIMATE AND INCLUDE INTERIOR WALL AREA.



NOTE: A FOUNDATION PONY WALL EXTENDS BETWEEN 0.00' AND 0.56' INTO THE UNITS ON THE FIRST FLOOR. THIS PONY WALL IS NOT REFLECTED IN THE DIMENSIONS AND THE CALCULATED SQUARE FOOTAGES.

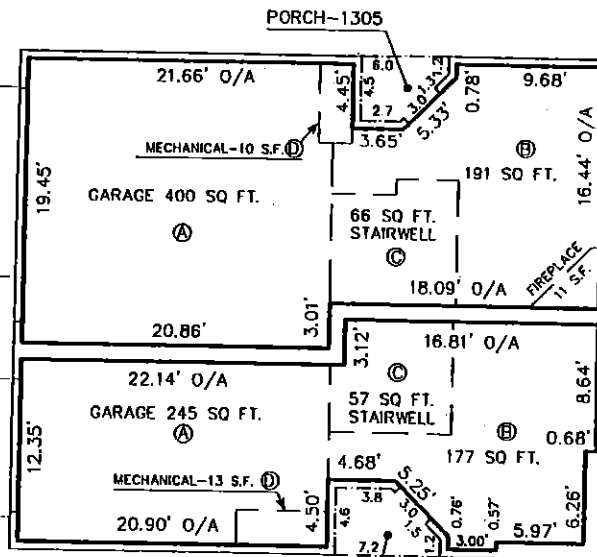
ELEVATIONS

UNIT 1305			
FLOOR	CEILING		
A	39.91'	49.30'	A
B	41.29'	49.35'	B
C	41.29'	VARIES	C
D	41.29'	49.30'	D

LINE OF BUILDING ABOVE

FIRST FLOOR UNIT 1305

FIRST FLOOR UNIT 1301



NOTE: A FOUNDATION PONY WALL EXTENDS BETWEEN 0.00' AND 0.56' INTO THE UNITS ON THE FIRST FLOOR. THIS PONY WALL IS NOT REFLECTED IN THE DIMENSIONS AND THE CALCULATED SQUARE FOOTAGES.

EXTERIOR BUILDING LINE

GRAPHIC SCALE



(IN FEET)

1 inch = 10 ft.

ELEVATIONS

UNIT 1301			
FLOOR	CEILING		
A	39.98'	49.32'	A
B	41.30'	49.36'	B
C	41.30'	VARIES	C
D	41.30'	49.32'	D

LEGEND

FLOOR= ELEVATION OF FLOOR
CEILING= ELEVATION OF CEILING
SQ. FT.= SQUARE FEET

----- GRADE BREAK IN ELEVATION

--- DIVIDING LINE FOR AREA CALCULATIONS

--- UNIT BOUNDARY

--- LIMITED COMMON ELEMENT

O/A= OVERALL

ASBUILT FIRST FLOOR PLANS OF:

UNITS 1301 AND 1305

CASTAWAY COVE TOWNHOMES

LOT 6A, BLOCK 62, L STREET SLIDE REPLAT

Lantech

LAND & CONSTRUCTION SURVEYORS-AUTOCAD
440 W BENSON BLVD. SUITE 103
ANCHORAGE, ALASKA 99503
982-5291 (FAX 561-8626)

PLANNERS
ENGINEERS

GRID 2231	SCALE: 1"=10'	DATE: 1/21/99
DRAWN BY KLD	FILE #	W.O.# 97-L-655
CHK'D BY KEN	97L655C_3	

SHEET 8 OF 10

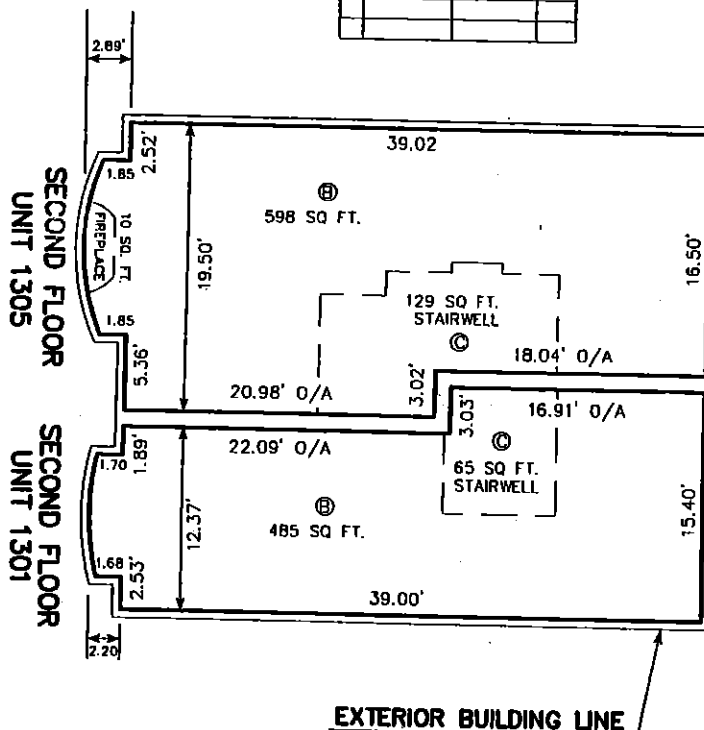
SQUARE FOOTAGE TABLE

UNIT	FIRST FLOOR					SECOND FLOOR			THIRD FLOOR			TOTAL
	MAIN	GARAGE	STAIRWELL	MECHANICAL	FIREPLACE	MAIN	STAIRWELL	FIREPLACE	MAIN	STAIRWELL	FIREPLACE	
1305	191	400	66	10	10	598	129	10	618	56	10	2098
1301	177	245	57	13		485	65		457	55	9	1563

SQUARE FOOTAGES ARE APPROXIMATE AND INCLUDE INTERIOR WALL AREA.

ELEVATIONS

UNIT 1305			
FLOOR		CEILING	
B	50.38'	58.44'	B
C	VARIES	VARIES	C



EXTERIOR BUILDING LINE

GRAPHIC SCALE



(IN FEET)

1 Inch = 10 ft.

LEGEND

- FLOOR= ELEVATION OF FLOOR
- CEILING= ELEVATION OF CEILING
- SQ. FT.= SQUARE FEET
- GRADE BREAK IN ELEVATION
- DIVIDING LINE FOR AREA CALCULATIONS
- UNIT BOUNDARY
- LIMITED COMMON ELEMENT
- O/A= OVERALL

ELEVATIONS

UNIT 1301			
FLOOR		CEILING	
B	50.39'	58.45'	B
C	VARIES	VARIES	C

ASBUILT SECOND FLOOR PLANS OF:

UNITS 1301 AND 1305

CASTAWAY COVE TOWNHOMES

LOT 6A, BLOCK 62, L STREET SLIDE REPLAT

Lantech

LAND & CONSTRUCTION SURVEYORS*AUTOCAD
440 W BENSON BLVD. SUITE 103
ANCHORAGE, ALASKA 99503
562-5291 (FAX 561-6626)

PLANNERS
ENGINEERS

GRID 2231	SCALE: 1"=10'	DATE: 1/21/99
DRAWN BY KLD	FILE #	W.O.# 97-L-655
CHK'D BY KEN	97L655C_3	

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ANCHORAGE
RECORDING DISTRICT

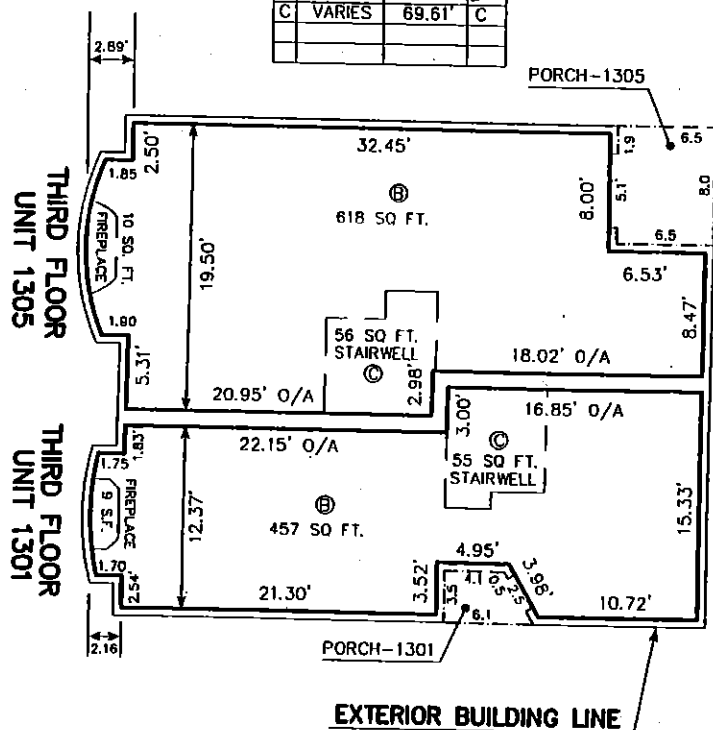
CC REQUESTED BY PNT

SQUARE FOOTAGE TABLE

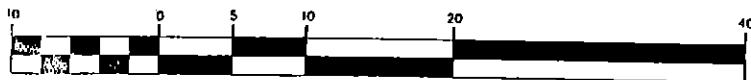
UNIT	FIRST FLOOR					SECOND FLOOR			THIRD FLOOR			TOTAL
	MAIN	GARAGE	STAIRWELL	MECHANICAL	FIREPLACE	MAIN	STAIRWELL	FIREPLACE	MAIN	STAIRWELL	FIREPLACE	
1305	191	400	65	10	10	598	129	10	618	56	10	2098
1301	177	245	57	13		485	65		457	55	9	1563

SQUARE FOOTAGES ARE APPROXIMATE AND INCLUDE INTERIOR WALL AREA.

ELEVATIONS			
UNIT 1305			
FLOOR	CEILING		
B	59.55'	69.61'	B
C	VARIES	69.61'	C



GRAPHIC SCALE

(IN FEET)
1 inch = 10 ft.

ELEVATIONS			
UNIT 1301			
FLOOR	CEILING		
B	59.55'	69.61'	B
C	VARIES	69.61'	C

LEGEND

FLOOR= ELEVATION OF FLOOR
 CEILING= ELEVATION OF CEILING
 SQ. FT.= SQUARE FEET
 ----- GRADE BREAK IN ELEVATION

--- DIVIDING LINE FOR AREA CALCULATIONS

--- UNIT BOUNDARY

--- LIMITED COMMON ELEMENT

O/A= OVERALL

ASBUILT THIRD FLOOR PLANS OF:

UNITS 1301 AND 1305 CASTAWAY COVE TOWNHOMES

LOT 6A, BLOCK 62, L STREET SLIDE REPLAT

Lantech

LAND & CONSTRUCTION SURVEYORS-AUTOCAD
 440 W BENSON BLVD, SUITE 103
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PLANNERS
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GRID 2231	SCALE: 1"=10'	DATE: 1/21/99	
DRAWN BY KLD	FILE #	W.O.# 97-L-655	
CHK'D BY KEN	97L655C_3		

BYLAWS
OF
CASTAWAY COVE TOWNHOMES, INC.

ARTICLE I

PLAN OF TOWNHOME OWNERSHIP

Section 1 - Name. The name of the corporation is CASTAWAY COVE TOWNHOMES, INC. referred to as the "Association". The principal office of the Association shall be located in Anchorage, Alaska.

Section 2 - Bylaws Applicability and Membership. The provisions of these Bylaws are applicable to the Project known as CASTAWAY COVE TOWNHOMES, located in the Municipality of Anchorage, as identified by Declaration recorded in Book 3424 at Page 722, Anchorage Recording District, Third Judicial District, State of Alaska. (The term "Project" as used herein shall include the land, the structures and the improvements thereon.) All Owners of Units in the Project shall be members of the Association. The membership of each Unit Owner shall terminate when he or she ceases to be a Unit Owner and upon the sale, transfer or other disposition of his or her Unit, his or her membership in the Association shall automatically be transferred to the new Unit Owner.

Section 3 - Personal Application. All present or future Unit owners, tenants, guests, invitees, or their employees or any other person who might use the facilities of the Project in any manner, are subject to the regulations set forth in these Bylaws and in the recorded Declaration of Castaway Cove Condominiums (hereinafter "Declaration"), as well as all rules and regulations of the Association as set forth in the Association's Book of Resolutions.

The mere acquisition or rental of any of the Units of the Project, or the mere act of occupancy of any of the Units will signify that these Bylaws are accepted, ratified, and will be followed.

ARTICLE II

VOTING, MAJORITY OF OWNERS, QUORUM, PROXIES

Section 1 - Voting. Voting shall be on a percentage basis, and the percentage of the total votes to which the Owner of a Unit is entitled shall be the percentage assigned to each Unit in the Declaration. In the event a Unit is owned by more than one person, those persons owning the Unit must act unanimously to cast the vote allocated to that Unit. Any co-owner

may cast the Unit vote, however, in the absence of protest by the remaining co-owner(s).

Section 2 - Majority of Owners. As used in these Bylaws, the term "majority of owners" shall mean those owners holding fifty-one percent (51%) of the votes in the Project.

Section 3 - Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of a "Majority of Owners", as defined in Section 2 of this Article, shall constitute a quorum.

Section 4 - Proxies. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting.

ARTICLE III

ADMINISTRATION

Section 1 - Association Responsibility. The Association shall have the responsibility of electing a Board of Directors in accordance with the provisions of Article IV of these Bylaws, approving the annual budget and such other responsibilities as are contained in its Articles of Incorporation or as are not delegated to the Board of Directors. Except as otherwise provided, decisions and resolutions of the members shall require approval by a Majority of Owners.

Section 2 - Place of Meetings. Meetings of the members shall be held at the location of the Project, or such other suitable place in Anchorage, Alaska, convenient to the Owners as may be designated by the Board of Directors.

Section 3 - Annual Meetings. The annual meetings of the Association shall be held on the 15th day of October in each and every year or at such other time as established by the Board of Directors. At such meetings, there shall be elected by ballot of the Owners a Board of Directors in accordance with the requirements of Section 5 of Article IV of these Bylaws. The Owners may transact any such business of the Association as may properly come before them.

Section 4 - Special Meetings. It shall be the duty of the President to call a special meeting of the Owners as directed by resolution of the Board of Directors or upon a petition signed by a Majority of Owners and having been presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting, except as stated in the notice, unless by unanimous consent of the owners present, either in person or by proxy.

Section 5 - Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof, as well as the time and place where it is to be held, to each Owner of record, at least seven (7), but not more than fifteen (15), days prior to such meeting. The mailing of a notice in the manner provided in this Section shall be considered notice served.

Section 6 - Adjourned Meetings. If any meeting of Owners cannot be organized because a quorum has not attended, the Owners who are present, either in person or by proxy, may adjourn the meeting to a time not less than twenty-four (24) hours nor more than thirty (30) days from the time the original meeting was called.

Section 7 - Order of Business. The order of business at all meetings of the Owners of Units shall be as follows: (a) roll call; (b) proof of notice or waiver of notice; (c) reading of minutes of preceding meeting; (d) reports of officers; (e) reports of committees; (f) election of Directors (at the annual meeting only); (g) unfinished business; and (h) new business.

Section 8 - Action Without Meeting. Any action, which under the provisions of the Alaska Statutes may be taken at a meeting of the Owners, may be taken without a meeting if authorized by a writing signed by all of the Owners who would be entitled to vote at a meeting for such purpose, and filed with the Secretary.

ARTICLE IV

BOARD OF DIRECTORS

Section 1 - Number and Qualification. The affairs of the Association shall be governed by a Board of Directors composed of not less than three (3) persons, each of whom shall be the sole Owner or co-Owner of record of a Unit in the Association.

Section 2 - Powers and Duties. The Board of Directors shall have the following powers and duties:

(a) To elect the officers of the Association as hereinafter provided.

(b) To administer the affairs of the Association and the Project.

(c) To engage, subject to the provisions of the Declaration, the services of a Manager, who shall manage and operate the Project and the common elements thereof for all of the Owners, upon such terms and for such compensation and with such authority as the Board of Directors may approve.

(d) To formulate policies for the administration, management and operation of the Project and the common elements thereof. These policies may be adopted by the Board as resolutions and placed in the Association's Book of Resolutions.

(e) To adopt administrative rules and regulations governing the administration, management, operation and use of the Project and the common elements, and to amend such rules and regulations from time to time. These rules shall be adopted by the Board as resolutions and placed in the Association's Book of Resolutions.

(f) To provide for the maintenance, repair and replacement of the common elements, and payments therefor, and to approve payment vouchers or to delegate such approval to the officers or the Manager.

(g) To provide for the designation, hiring and removal of employees and other personnel, including accountants and attorneys, and to engage or contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration, management and operation of the Project and the common elements, and to delegate any such powers to the Manager (and any such employees or other personnel who may be the employees of the Manager).

(h) To estimate the amount of the annual budget and to provide the manner of assessing and collecting from the Owners their respective shares of such estimated expenses, as hereinafter provided.

(i) Unless otherwise provided herein or in the Declaration, to comply with the instructions of a Majority of Owners, as expressed in a resolution duly adopted at any annual or special meeting of the Unit Owners.

(j) To exercise all other powers and duties of the Board of Directors or the Association of owners, as referred to in the Uniform Common Interest Ownership Act (AS 34.08) as enacted by the State of Alaska.

Section 3 - Other Duties. In addition to duties imposed by these Bylaws, or by resolutions of the Association, the Board of Directors shall be responsible for the following: (a) care, upkeep and surveillance of the Project and the common elements; (b) collection of all assessments from the Owners; and (c) designation and dismissal of the personnel necessary for the maintenance and operation of the Project, the common areas and facilities of the Association.

Section 4 - Management Agent. The Board of Directors may employ for the Association a management agent at a compensation established by the Board to perform such duties and services as

the Board shall authorize, including, but not limited to, the duties listed in Section 3 of this Article.

Section 5 - Election and Term of Office. At the initial meeting of the Board of Directors of Castaway Cove Townhomes, Inc., at least three (3) individuals will be elected to the Board and Directors elected shall serve one-year terms.

Section 6 - Books, Audit. The Board of Directors shall cause to be maintained a full set of books and records showing the financial condition of the affairs of the Association in a manner consistent with generally accepted accounting principles, and, when requested by an Owner, Eligible Mortgagee, or Eligible Insurer, shall obtain an independent audit or review of such books and records at the expense of the party making the request. A copy of each such audit or review shall be delivered to each member of the Association within thirty (30) days after completion. The Board of Directors may obtain audits at the corporation's expense when such action is, in the judgment of the Board, deemed appropriate.

Section 7 - Vacancies. Vacancies in the Board of Directors caused by any reason, other than the removal of a Director by a vote of the Association, shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a Director until a successor is elected at the next annual meeting of the Association.

Section 8 - Removal of Director. At any regular or special meeting duly called, any one or more of the Directors may be removed, with or without cause, by a majority of the owners and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the Owners shall be given an opportunity to be heard at the meeting.

Section 9 - Organization Meeting. The first meeting of a newly-elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the Directors at a meeting at which such Directors were elected, and no notice shall be necessary to the newly-elected Director(s) in order legally to constitute such meeting, provided a majority of the whole Board shall be present.

Section 10 - Regular Meeting. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting.

Section 11 - Special Meetings. Special meetings of the Board of Directors may be called by the President upon at least twenty-four (24) hours notice to each Director, given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) Directors.

Section 12 - Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him or her of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 13 - Board of Directors' Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there is less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 14 - Action Without Meeting. The Directors shall have the right to take any emergency action in the absence of a meeting. Any such action, if approved by a majority of the Directors at the next meeting, shall have the same effect as though taken at a meeting of the Directors. The Director or Directors shall present a written report at this meeting describing the circumstances leading to an outcome of the action taken.

Section 15 - Fidelity Bonds. The Board of Directors may require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. If required, the premiums on such bonds shall be paid by the Association.

ARTICLE V

OFFICERS

Section 1 - Designation. The principal officers of the Association shall be a President and Secretary-Treasurer, both of which shall be elected by the Board of Directors. The Directors may appoint separate individuals to serve as Secretary and Treasurer, may appoint a Vice President, may appoint an Assistant

Secretary and/or Assistant Treasurer, and may appoint such other officers as in their judgment may be necessary.

Section 2 - Election of Officers. The officers of the Association shall be elected by the Board of Directors at its annual meeting and shall hold office at the pleasure of the Board.

Section 3 - Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his or her successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose.

Section 4 - President. The President shall be the chief executive officer of the Association. He or she shall preside at all meetings of the Association and of the Board of Directors. He or she shall have all of the general powers and duties which are usually vested in the office of the President of an Association, including, but not limited to, the power to appoint committees from among the Owners from time to time as he or she may in his or her discretion decide is appropriate to assist in the conduct of the affairs of the Association.

Section 5 - Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Association; he or she shall have charge of such books and papers as the Board of Directors may direct; and he or she shall, in general, perform all the duties incident to the office of Secretary.

Section 6 - Treasurer. The office of Treasurer may be combined with the office of the Secretary. The Treasurer shall have responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He or she shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board of Directors.

ARTICLE VI

OBLIGATIONS OF THE OWNERS

Section 1 - Assessments.

(a) All Owners are obligated to pay all regular and special assessments imposed by the Association to meet all Project expenses, as set forth in the Declaration.

(b) All delinquent assessments shall be enforced, collected or foreclosed in the manner provided in the Declaration.

Section 2 - Maintenance and Repair.

(a) Every Owner must perform promptly all maintenance and repair work within his or her own Unit, which, if omitted, would affect the Project in its entirety or in a part belonging to other owners, being expressly responsible for the damages and liabilities that said Owner's failure to do may engender.

(b) An Owner shall reimburse the Association for any expenditures incurred in repairing or replacing any common element damaged through fault of said Owner or persons using the common element under said Owner.

ARTICLE VII

AMENDMENTS

These Bylaws may be amended only by vote of two-thirds (2/3) of the members of the Board of Directors, following Notice and Comment to all Unit Owners, at any meeting duly called for such purpose.

ARTICLE VIII

MORTGAGES AND LEASES

Section 1 - Notice to Association.

(a) An Owner who mortgages his or her Unit shall notify the Association or its Managing Agent, if any, in writing, of the name and address of the mortgagee; and the Association shall maintain such information in order to comply with the requirements in the Declaration for giving notice to mortgagees. Any such Owner shall also notify the Association as to the release or discharge of any such mortgage.

(b) An owner who leases his or her Unit shall notify the Association or its Managing Agent, if any, that he or she has leased his or her Unit and shall provide a copy of the lease, the name and address of the tenant(s), and the license number(s) of the tenant(s)' vehicles. The Owner is also responsible for relaying all of the rules and regulations of the Association, including those contained in the Book of Resolutions of the Association, to his or her tenant. The terms and conditions of any tenancy will be in accordance with the Declaration of the Association and, by leasing his or her Unit, the Owner acknowledges and accepts the duties and responsibilities as set forth in said Declaration with regard to the leasing of a Unit.

Section 2 - Notice of Unpaid Assessments. The association shall, at the request of a mortgagee of a Unit, report any unpaid assessments due from the Owner of such Unit.

ARTICLE IX

CONSTRUCTION OF TERMS

The following terms, as used in these Bylaws, shall have the same definitions as are applied to such terms in the Declaration: "Project", "Condominium", "Common Elements", "Unit", "Owner", "Mortgage" and "Mortgagee".

ARTICLE X

APPLICABLE LAW

In case any of these Bylaws conflict with any provisions of the laws of the State of Alaska, such conflicting Bylaw shall be null and void, but all other Bylaws shall remain in full force and effect.

ARTICLE XI

RULES OF CONDUCT

The rules of conduct of the members of the Association are more fully set forth in the Book of Resolutions of the Association. The Book of Resolutions is intended to be used to set in place rules governing the conduct of Association members in such a way that all aspects of community life are addressed and dealt with in an orderly fashion and for the comfort and enjoyment of all Unit Owners. All Unit Owners and their tenants, guests and invitees are bound by the rules of conduct set forth in the Book of Resolution.

ARTICLE XII

USE OF PROJECT

All Units in the Project shall be used only for residential purposes as private dwellings.

All common elements of the Project shall be used for their respective purposes as designed.

Every Owner and occupant shall at all times keep his or her Unit in a strictly clean and sanitary condition, and shall observe and perform all laws, ordinances, rules and regulations now or hereafter made by any governmental authority and all Bylaws, rules, regulations, agreements, decisions and determinations duly made by the Association for the time being applicable to the Project or the use thereof and all restrictions, covenants, conditions and provisions of the

Declaration, and amendments thereof duly made affecting the Project.

No Owner or occupant shall make or suffer waste or unlawful, improper or offensive use of his or her Unit or the Project or alter or remove any furniture, furnishings or equipment of the common elements.

All owners and occupants shall abide by the rules and regulations of the Book of Resolutions of the Association governing the use of the Project.

ARTICLE XIII

INDEMNIFICATION

The Association shall indemnify every Director and officer, and his or her executors and administrators, against all expenses reasonably incurred by or imposed on him or her in connection with any action, suit or proceeding to which he or she may be made a party by reason of being or having been a Director or officer of the Association, except in relation to matters as to which he or she shall be finally adjudged in such action, suit or proceeding to be liable for negligence or misconduct; and in the absence of such final adjudication, indemnification shall be provided only in connection with such matters as to which the Association is advised by its legal counsel that the person to be indemnified committed no such breach of duty. The foregoing right of indemnification shall not be exclusive of any other rights to which such person may be entitled.

DATED this 17th day of FEBRUARY, 1999.

CASTAWAY COVE
TOWNHOMES, INC.

By: *Guy E. Br...*
Its Secretary

CERTIFICATE OF SECRETARY

The undersigned, does hereby certify that:

1. I am the duly elected and acting Secretary of CASTAWAY COVE TOWNHOMES, INC. an Alaska Non-Profit Corporation; and

2. The foregoing Bylaws, comprised of eleven (11) pages total, constitute the Bylaws of the corporation duly adopted at the meeting of the Board of Directors thereof duly held on Feb 17th, 1999.

IN WITNESS WHEREOF, I have hereunto subscribed my name on behalf of the corporation this 17th day of FEBRUARY, 1999.

Gregory E. Brin
Secretary

RETURN TO
SHANE J. OSOWSKI
550 West 7th ave, suite 1850
Anchorage Alaska 99501

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ANCHORAGE
RECORDING DISTRICT CC

1999 FE 17 PM 12:17

REQUESTED BY

PNT

