

BYLAWS OF
EVERGREEN TERRACE CONDOMINIUMS

ARTICLE I

PLAN OF CONDOMINIUM OWNERSHIP

Section 1. NAME

The name of the corporation is EVERGREEN TERRACE CONDOMINIUMS, herinafter referred to as the "Association". The principal office of the corporation shall be located in Ketchikan, Alaska.

Section 2. BYLAWS APPLICABILITY

The provisions of these Bylaws are applicable to the project known as EVERGREEN TERRACE CONDOMINIUMS, located in the City of Ketchikan, Alaska. (The term "project" as used herein shall include the land and the structure and improvements thereon.) In addition, these Bylaws shall be applicable to subsequent association members by virtue of the purchase of units in adjoining projects as set forth in the Declaration of the EVERGREEN TERRACE Condominium.

Section 3. PERSONAL APPLICATION

All present or future owners, tenants, future tenants, or their employees, or any other person that 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 Restrictions (the "Declaration" herein).

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 complied with.

ARTICLE II

VOTING, MAJORITY OF OWNERS, QUORUM, PROXIES

Section 1. VOTING

Except as to cumulative voting as provided herein, voting shall be on a percentage basis, and the percentage of the total vote to which the owner of a unit is entitled shall be the percentage assigned to each unit in the Declaration.

In the event the unit is owned by more than one person, those persons must act unanimously to cast the vote allocated to that unit.

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 RESPONSIBILITIES

The Association shall have the responsibility of administering the project, approving the annual budget, establishing and collecting all assessments and arranging for the management of the project pursuant to an agreement, containing provisions relating to the duties, obligation, removal and compensation of a management agent. Except as otherwise provided, decisions and resolutions of the Association shall require approval by a majority of owners.

Section 2. PLACE OF MEETINGS

Meetings of the Association shall be held at the principal office of the project or such other suitable place in Ketchikan, Alaska, convenient to the owners as may be designated by the Board of Directors.

Section 3. ANNUAL MEETINGS

The first annual meeting shall be held after FIFTY-ONE PERCENT (51%) of the units have been sold or within one year after the sale of the first lot or unit in the project, whichever occurs first. Thereafter, the annual meetings of the Association shall be held on the _____ day of _____

of each succeeding year. 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. At the first annual meeting, the Directors shall be elected to serve until the second annual meeting, and at the second annual meeting, Directors shall be elected for a term of one year beginning with the second annual meeting. The owners may also transact such other 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 the 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 consent of four-fifths 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 forty-eight (48) 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) report of committees; (f) election of Directors; (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 three (3) persons, all of whom, except for those appointed and serving as first Directors, must be owners of condominiums in the project.

Section 2. POWERS AND DUTIES

The Board of Directors has the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law or by these Bylaws directed to be exercised and done by the owners. Provided, however, that prior to the first annual meeting of members of the Association, the Board shall not enter into any contract for a term in excess of one year unless such contract contains provisions for cancellation upon sixty (60) days' written notice by the Association following one year from the date of commencement of such contract.

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 areas and facilities; (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.

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 first annual meeting of the Association new Directors shall be elected for a term of one year. The Directors

shall hold office until their successors have been elected and hold their first meeting. Each member may accumulate his votes and give one or more candidate for Director a number of votes equal to the number of units owned by the member, multiplied by the number of Directors to be elected.

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 at no greater than annual intervals shall obtain an independent certified audit of such books and records. A copy of each such audit shall be delivered to a member within thirty (30) days after the completion of such audit upon written request from a member.

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. If more than one Director is to be removed at any one time, each member may accumulate his votes and vote against one or more of the Directors in the number of votes equal to the number of units owned by the member, multiplied by the number of Directors sought to be removed.

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 the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, provided a majority of the whole Board shall be present.

Section 10. REGULAR MEETINGS

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 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 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 on three days' notice to each Director, given personally or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) 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 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 action in the absence of a meeting which they could take at a meeting by

obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

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. 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, a Vice President, a Secretary and a Treasurer, all of which shall be elected by the Board of Directors. The Directors may appoint an assistant treasurer, and an assistant secretary, and such other officers as in their judgment may be necessary.

Section 2. ELECTION OF OFFICERS

The officers of the Association shall be elected annually by the Board of Directors at the organization meeting of each new Board 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 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 shall preside at all meetings of the Association and of the Board of Directors. He 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 may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

Section 5. VICE PRESIDENT

The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors.

Section 6. 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 shall have charge of such books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the office of Secretary.

Section 7. TREASURER

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 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 depositaries 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 assessments imposed by the Association to meet all project expenses, which may include a liability insurance policy premium and insurance premium for a policy to cover repair and reconstruction work in case of hurricane, fire, earthquake or other hazard. The assessments shall be made in accordance with the assessment formula provided 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 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 his failure to do so may engender.

(b) An owner shall reimburse the Association for any expenditures incurred in repairing or replacing any common area and facility damaged through his fault.

ARTICLE VII

AMENDMENTS TO PLAN OF OWNERSHIP

These Bylaws may be amended by the Association in a duly constituted meeting for such purpose and no amendment shall take effect unless approved by at least SEVENTY-FIVE PERCENT (75%) of the unit owners of all condominiums in the project as shown in the Declaration.

ARTICLE VIII

MORTGAGES

Section 1. NOTICE TO ASSOCIATION

An owner who mortgages his condominium, shall notify the Association through the Management Agent, if any, or the President of the Board of Directors in the event there is no Management Agent, the name and address of his mortgagee; and the Association shall maintain such information in a book entitled "Mortgagees of Condominiums". Any such owner shall likewise notify the Association as to the release or discharge of any such mortgage.

Section 2. NOTICE OF UNPAID ASSESSMENTS

The Association shall be at the request of a mortgagee of a unit report any unpaid assessments due from the owner of such unit.

ARTICLE IX

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

ARTICLE X

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 upon final court determination to such effect, but all other Bylaws shall remain in full force and effect.

CERTIFICATE OF SECRETARY

I, The undersigned, do hereby certify that:

1. I am the duly elected and acting Secretary of EVERGREEN TERRACE CONDOMINIUMS, an Alaskan nonprofit corporation; and

2. The foregoing Bylaws comprising ten (10) pages, including this page, constitute the Bylaws of the corporation duly adopted at the meeting of the Board of Directors thereof duly held on _____.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of the corporation this _____ day of _____, 1975

SECRETARY

(SEAL)

DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS, RESERVATION OF EASEMENTS
AND CONDOMINIUM PLAN PURSUANT TO THE HORIZONTAL
PROPERTY REGIMES ACT OF THE STATE OF ALASKA

FOR

EVERGREEN TERRACE CONDOMINIUM

THIS DECLARATION is made on the 26th day of
September, 1975, by EQUITY MANAGEMENT, INC., a corporation,
"Declarant" herein.

P R E A M B L E:

A. Declarant is the owner of real property in
the First Judicial District, State of Alaska, described as:

See EXHIBIT A attached hereto and
incorporated herein by this reference.

All of the property described above and any improvements
thereon shall be referred to herein as the "Project".

B. It is the desire and intention of Declarant
to subdivide the Property into a condominium estate and to
impose mutually beneficial restrictions under a general plan
of improvement for the benefit of all the condominium estate
created.

C. Declarant hereby declares that all of the
Property is and shall be held, conveyed, hypothecated,
encumbered, leased, rented, used, occupied and improved
subject to the following limitations, restrictions, ease-
ments, conditions and covenants, all of which are declared
and agreed to in furtherance of a plan for the protection,
maintenance, improvement and sale of the Property for the
purpose of enhancing the value and desirability of the
Property. All provisions of this Declaration are hereby
imposed as equitable servitudes upon the Property. All of
the limitations, restrictions, easements, conditions and
covenants herein shall run with the land and shall be bind-
ing upon and for the benefit of all of the Property and all
parties having or acquiring any right, title or interest in
the property or any part thereof.

D. Declarant, his successors, assigns and grantees, covenant and agree that the undivided interest in the common areas and limited common areas and the fee titles to the respective units conveyed therewith shall not be separated or separately conveyed, and each such individual interest shall be deemed to be conveyed or encumbered with its respective unit even though the description in the instrument of conveyance or encumbrance may refer only to the unit. Subsequent to the initial sales of the condominiums, any conveyance of a condominium or a unit, or any portion thereof, by its owner, shall be presumed to convey the entire condominium.

ARTICLE I

Definitions

Section 1. The "Property" shall mean all the real property described above.

Section 2. "Condominium" shall mean an undivided fee ownership interest in the common areas and limited common areas together with a separate ownership interest in fee in a unit.

Section 3. "Unit" shall mean and include the elements of a condominium not owned in common with the owners of other condominiums in the Property; each of the apartments in the multifamily structure, each separately described and designated in Exhibit B, which is attached and incorporated herein by this reference, shall be a separate freehold estate consisting of the space bounded by and contained within the interior surfaces of the perimeter walls, floors, roof, windows, and doors of each apartment. In interpreting deeds, declarations and plans, the existing physical boundaries of the unit or a unit constructed in substantial accordance with the original plans thereof shall be conclusively presumed to be its boundaries rather than the description expressed in the deed, plan or declaration, regardless of settling or lateral movement of the building and regardless of minor variances between boundaries as shown on the plan or in the deed and Declaration and those of the building as constructed. Concurrently with the recording of this Declaration, a survey map and floor plan of the Project is being filed in the Ketchikan Recording District, First Judicial District, State of Alaska, under File No. 75-23 PLAT

RECEPTION # 75-2833

Section 4. "Unit Owner" shall mean the person or persons holding title in fee to a unit.

Section 5. "Project" shall mean the entire Property divided into condominiums, or to be divided into condominiums including all structures thereon, the common areas, the limited common areas and the units within the Property.

Section 6. "Limited Common Areas" shall mean and include all areas for which exclusive easements are reserved for the benefit of unit owners, including, but not limited to, storage, and assigned parking spaces, as those areas are set forth on the survey map and/or the set of floor plans filed simultaneously herewith and incorporated herein by this reference as fully set forth. By way of illustration, the limited common areas appurtenant to Unit 1 will be designated "P-1" (assigned parking space) and "S-1" (storage area). Each remaining unit shall have similarly designated limited common areas appurtenant to each unit. The limited common areas from each unit are described in Exhibit C attached to this Declaration and is incorporated herein by this reference.

Section 7. "Common Areas" shall mean and include all areas on the Property except the units and shall further include for maintenance purposes of the Association, but only by way of fee title, all gas, water, and waste pipes, all sewers, all ducts, chutes, conduits, wires and other utility installation of the multifamily structure wherever located (except the outlets thereof when located within the units) the lot upon which the structure is located and the airspace above the structure, all bearing walls, columns, floors, the roof, slab, foundation, landscaping, trash containers and parking areas.

Section 8. "Residence" shall mean and include a unit and its corresponding limited common areas over which the unit owner has an exclusive easement as provided for herein.

Section 9. "Common Assessment" shall mean the portion of the costs of maintaining, improving, repairing and managing the Project and all other common expenses, including operational costs for the common areas, which are to be paid by each unit owner to the Association for common expenses and charged to his condominium.

Section 10. "Special Assessment" shall mean a charge against a particular unit owner and his condominium, directly attributable to the unit owner, equal to the cost incurred by the Association for corrective action performed pursuant to the provisions of this Declaration, plus interest thereon as provided for in this Declaration.

Section 11. "Reconstruction Assessment" shall mean a charge against each unit owner and his condominium, representing a portion of the cost to the Association for reconstruction of any portion or portions of the Project pursuant to the provisions of Article V.

Section 12. "Capital Improvement Assessment" shall mean a charge against each unit owner and his condominium, representing a portion of the cost to the Association for installation or construction of any capital improvements on any of the common areas or the limited common areas which the Association may from time to time authorize.

Section 13. "Association" shall mean the EVERGREEN TERRACE Condominium Association.

Section 14. "Common Expenses" shall mean the actual and estimated costs of: maintenance, management, operation, repair and replacement of the common areas and limited common areas (to the extent not paid by the unit owner responsible for payment), including unpaid special reconstruction and capital improvement assessments; costs of management and administration of the Association, including but not limited to compensation paid by the Association to managers, accountants, attorneys and other employees; the costs of utilities, gardening and other services benefiting the common areas and limited common areas; the costs of fire, casualty, liability, workmen's compensation, and other insurance covering the project; the cost of bonding of the members of the management body; taxes paid by the Association; amounts paid by the Association for discharge of any lien or encumbrance levied against the entire Project or portions thereof; and the costs of any other item or items designated by, or in accordance with other expenses incurred by, the Association for any reason whatsoever.

Section 15. "Mortgage - Mortgagee - Mortgagor". Reference in this Declaration to a mortgage shall be deemed to include a deed of trust; reference to a mortgagee shall be deemed to include the beneficiary of a deed of trust; reference to a mortgagor shall be deemed to include the trustor of the deed of trust.

Section 16. "Family" shall mean a group of natural persons related to each other by blood or legally related to each other by marriage or adoption.

Section 17. "Board of Directors" shall mean the Board of Directors of the Association.

ARTICLE II

Residence and Use Restrictions

Section 1. Single Family Residence. Residences shall be used exclusively for single family residential purposes, subject to the exemption granted Declarant under Article XII, Section 3 of this Declaration.

Section 2. Description of Condominium Buildings. There are six (6) condominium buildings located in the project containing a total of fifty (50) units. The buildings are more particularly described in Exhibit D attached hereto and incorporated herein by this reference as though fully set forth.

Section 3. Parking and Vehicular Restrictions No vehicle which shall not be in an operating condition shall be parked or left on the property subject to this Declaration other than on an assigned parking space. The parking spaces shall be used for parking vehicles only and shall not be converted for living, recreational or business purposes. There shall be no exposed storage deposited, accumulated or preserved anywhere on the Property.

Section 4. Nuisances. No noxious or offensive activities (including but not limited to the repair of automobiles) shall be carried on upon the Project. No horns, whistles, bells or other sound devices, except security devices used exclusively to protect the security of a residence and its contents, shall be placed or used in any such residence. No loud noises shall be permitted on the Property, and the Board of Directors of the Association shall have the right to determine if any noise or activity producing noise constitutes a nuisance. No unit owner shall permit or cause anything to be done or kept upon the Property which will increase the rate of insurance thereon or which will obstruct or interfere with the rights of other unit owners, nor will he commit or permit any nuisance on the premises, or commit or cause any immoral or illegal act to be committed thereon. Each unit owner shall comply with all of the requirements of the local or state health authorities and with all other governmental authorities with respect to the occupancy and use of a residence.

Section 5. Signs. No signs, posters, displays or other advertising devices of any character shall be erected or maintained on, or shown or displayed from the

residences without prior written approval having been obtained from the Board of Directors of the Association; provided, however, that the restrictions of this paragraph shall not apply to any sign or notice of customary and reasonable dimension which states that the premises are for rent or sale. Address, identification signs and mail boxes shall be maintained by the Association. The Board of Directors may summarily cause all unauthorized signs to be removed and destroyed. This section shall not apply to any signs used by Declarant or its agents in connection with the original construction and sale of the condominiums as set forth in Article XII, Section 3.

Section 6. Hold Harmless and Indemnification. Each unit owner shall be liable to the Association for any damage to the common areas of any type or any equipment thereon which may be sustained by reason of the negligence of said unit owner or of his guests or invitees, to the extent that any such damage shall not be covered by insurance. Each unit owner does further, by the acceptance of his deed, agree to indemnify each and every other unit owner, and to hold him or her harmless, from any claim of any person for personal injuries or property damage occurring within the residence of the unit owner, unless said injury or damage shall occur by reason of the negligence of any other unit owner, and each unit owner further agrees to defend, at his expense, any and all remaining owners who may be sued by any person for a claim for personal injury or property damage alleged to have been sustained within the residence of that unit owner.

Section 7. Outside Installations. No outside television or radio pole, antenna or clothesline shall be constructed, erected or maintained on any residence without first obtaining the approval of the Board of Directors. No wiring or installation of air conditioning or other machine shall be installed on the exterior of the building of the Project or be allowed to protrude through the walls or roof of the building, unless the prior written approval of the Board of Directors is secured. No basketball standards or fixed sports apparatus shall be attached to any residence without the prior written approval of the Board of Directors.

Section 8. Pet Regulations. No animals, livestock, or poultry shall be kept in any residence except that domestic dogs, cats, fish and birds in inside bird cages may be kept as household pets within any residence provided that

they are not kept, bred or raised therein for commercial purposes or in unreasonable quantities. As used in this Declaration "unreasonable quantities" shall be deemed to limit the number of dogs, cats and birds to two (2) each. The Association shall have the right to prohibit maintenance of any animal which constitutes in the opinion of the directors of the Association, a nuisance to any other unit owner. Dogs and cats belonging to unit owners, occupants or their licensees must be either kept within an enclosure, or on a leash being held by a person capable of controlling the animal. The enclosure must be maintained so that the animal cannot escape therefrom and shall be subject to the approval of the Board of Directors of the Association. Should any dog or cat belonging to a unit owner be found unattended out of the enclosure and not being held on a leash by a person capable of controlling the animal, such animal may be removed by Declarant (other person or occupant or unit owner within the Property), or a person designated by them so to do, to a pound under the jurisdiction of the local municipality in which the property is situated and subject to the laws and rules governing said pound, or to a comparable animal shelter. Furthermore, any unit owner shall be absolutely liable to each and all remaining owners, their families, guests and invitees, for any damage to person or property caused by any pets brought or kept upon the Property by an owner or by members of his family, guests, licensees or invitees.

Section 9. View Obstructions. No vegetation or other obstruction shall be planted or maintained in such location or of such a height as to unreasonably obstruct a view from any other residence in the vicinity thereof. In the event of a dispute between owners of units as to the obstruction of a view from a residence, such dispute shall be submitted to the Board of Directors, whose decision in such matters shall be binding. Any such obstruction shall, upon request of the Board, be removed or otherwise altered to the satisfaction of the Board by the owner of the residence upon which said obstruction is located.

Section 10. Business or Commercial Activity. No business or commercial activity shall be maintained or conducted in any residence, except that Declarant or a person designated by the Association as Agent of the Association for purposes of managing the Property may maintain management offices and facilities in a residence or in a temporary structure constructed on the Project. Provided, however, that professional and administrative occupations

may be carried on within the residences so long as there exists no external evidence thereof.

Section 11. Temporary Structure. No temporary structure, boat, truck, trailer, camper or recreation vehicle of any kind shall be used as a living area while located on the Project; however, trailers or temporary structures for use incidental to the initial construction of the improvements on the Property may be maintained thereon, but shall be removed within a reasonable time, upon completion of construction of the Project.

Section 12. Rubbish Removal. Trash, garbage, or other waste shall be disposed of only by depositing same, wrapped in a secure package, into a designated trash container. No owner of a unit shall permit or cause any trash or refuse to be disposed of on any portion of the Project subject to this Declaration. No portion of the Project shall be used for the storage of building materials, refuse or any other materials other than in connection with approved construction. There shall be no exterior fires whatsoever except barbeque fires contained within receptacles thereof.

Section 13. Lease of Units. Unit owners may lease their unit to third parties, but such a lease arrangement must be in writing and shall provide that the failure to comply in all respects with the provisions of their declaration and the association bylaws shall be a default under the terms of the lease. No unit owner may lease his unit for transient or hotel purposes.

ARTICLE III

Architectural Provisions

Excepting the interior of units, no replacement, addition, or alteration of the building, structure, fence, drainage facility, common or limited common area landscaping or planting shall be effected on any residence other than by Declarant until the plans, specifications and plat plan showing the location and nature of such replacement, addition, alteration or removal have been submitted to and approved in writing by the Board of Directors; nor shall any exterior painting or decorative alteration be commenced until the Board has approved the plans therefor, including the proposed color schemes, design thereof and the quality of materials to be used. All such plans and specifications shall be prepared by an architect or landscape architect or

licensed building designer, said person to be employed by the unit owner making application at his sole expense. Plans and resubmittals thereof shall be approved or disapproved within thirty (30) days. Failure of the Board to respond to a submittal or resubmittal of plans within such period shall be deemed to be approval of the plans as submitted or resubmitted. The approval of the plans and specifications may be withheld not only because of noncompliance with any of the specific conditions, covenants and restrictions contained in this Declaration, but also by reason of reasonable dissatisfaction of the Board with the location of the structure on the residence, the elevation, color scheme, finish, design, proportions, architecture, shape, height style and appropriateness of the proposed structure or altered structure, the materials used therein, or because of its reasonable dissatisfaction with any or all other matters or things which in the reasonable judgment of the Board will render the proposed investment inharmonious or out of keeping with the general plan of improvement of the Property or with the improvements erected on other residences. If, after such plans and specifications have been approved, the improvements are altered, erected or maintained upon the residence 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. After the expiration of one (1) year from the date of completion of any improvement, said improvement shall, in favor of purchasers and encumbrancers, in good faith and for value, be deemed to comply with all of the provisions hereof unless a notice of such non-compliance or non-completion, executed by one member of the Board, shall appear of record in the Office of the Recorder, Ketchikan Recording District, or legal proceedings shall have been instituted to enforce compliance with these provisions. The approval of the Board of any plans or specifications submitted for approval as herein specified for use on any residence 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 as herein provided for use on other residences. No member of the Board shall be liable to any person for his decisions or failure to act in making decisions as a member of said Board. The members of the Board shall receive no compensation for their services performed pursuant to this Declaration. 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.

ARTICLE IV

Repair and Maintenance

Section 1. Repair and Maintenance Duties of Association. The Association shall maintain, repair and make necessary improvements to and pay for out of the maintenance fund to be provided, all common areas and the building thereon; all corrective architectural, landscaping and repair work within residences, if the unit owner fails to repair the areas subject to his control and duty to maintain; all metered utilities in common areas; all parking areas, ramps, walks and other means of ingress and egress within the Project. To the extent not assessed to or paid by the unit owners, the Association shall pay all real and personal property taxes and assessments levied upon any portion of the common areas or limited common areas. It shall further be the affirmative duty of the Association to require strict compliance with all provisions of this Declaration and to inspect the Property for any violations thereof.

Section 2. General Powers of the Association. The Association shall have all of the powers set forth in its Articles of Incorporation, together with its general powers as a nonprofit corporation, generally to do any and all things that a corporation organized under the laws of the State of Alaska may lawfully do in operating for the benefit of its members, subject only to the limitations upon the exercise of such powers as are expressly set forth in the Articles, the Bylaws and in this Declaration and to do any and all acts which may be necessary or proper for or incidental to the exercise of any of the express powers of the Association or for the peace, health, comfort, safety and general welfare of the unit owners and their guests.

Section 3. Special Powers of Association. Without in any way limiting the generality of the foregoing, in the event that the Association determines that an improvement is in need of repair, restoration or painting, or that landscaping is in need of installation, repair, or restoration, or that an improvement is in existence without proper approval of the Board, or that there is a violation of any provision of this Declaration, then the Association shall give written notice to the unit owner of the condition or violation complained of, and unless the Board has approved in writing corrective plans proposed by the unit owner to remedy the condition complained of within such period of time as may be determined reasonable by the Association after it has given written notice, and such corrective work

so approved is completed thereafter within the time allotted by the Association, the Association shall undertake to remedy such condition or violation complained of and the cost thereof shall be charged to the unit owner and his condominium whose residence is the subject matter of the corrective work, and such cost shall be deemed to be a Special Assessment to such unit owner, and his condominium, and subject to levy, enforcement and collection by the Association in accordance with the assessment lien procedure provided for in this Declaration.

Section 4. Rights of Entry. The Association shall have a limited right of entry in and upon all limited common areas and the exterior of all units for the purpose of taking whatever corrective action may be deemed necessary or proper by the Association. Nothing in this Article shall in any manner limit the right of the unit owner to exclusive control over the interior of his unit. Provided, however, that an owner shall grant a right of entry to the Association, or any other person authorized by the Association, in case of any emergency originating in or threatening his unit, whether the owner is present or not. Provided, further, that an owner shall permit other owners or their representatives to enter his unit for the purpose of performing required installation, alterations or repair of the mechanical or electrical services to a residence, provided that requests for entry are made in advance and that such entry is at a time convenient to the owner whose unit is to be entered. In case of an emergency, such right of entry shall be immediate.

Section 5. Miscellaneous Duties and Powers. The Association shall have the right to install or construct capital improvements on any of the common or limited common areas. The Association may at any time, and from time to time reconstruct, replace or refinish any improvement or portion thereof upon the common areas in accordance with the original design, finish or standard of construction of such improvement; construct, reconstruct, replace or refinish any surface upon any portion of common areas designated as a parking area; replace destroyed trees or other vegetation and plant trees, shrubs and ground cover upon any portion of the common areas; and place and maintain upon the common areas such signs as the Association may deem necessary for their identification, for regulation of traffic, including parking, the regulation and use of the common areas, and for the health, welfare and safety of unit owners and their guests. The Association may delegate all of the powers contained in the Declaration to any management organization or individual, and the Association may employ personnel

the effective operation and maintenance of the building and common areas of any type described herein, including the employment of legal and accounting services.

Section 6. Repair and Maintenance by Unit Owner. Each unit owner shall maintain, repair, replace and restore all portions of his residence, including the interior walls, ceilings, windows, floors, doors, and permanent fixtures and limited common areas subject to his exclusive control, in a clean, sanitary and attractive condition, subject to control and approval of the Board.

ARTICLE V

Destruction of Improvements

Section 1. Partial Destruction. Except as otherwise provided in this Declaration, in the event of partial destruction of the building, it shall be the duty of the Association to restore and repair the same to its former condition, as promptly as practical. The proceeds of any insurance maintained pursuant to Article IX hereof shall be used for such purpose subject to the prior rights of beneficiaries of deeds of trust whose interest may be protected by said policies. In the event that the amount available from the proceeds of such insurance policies for such restoration and repair shall be at least eighty-five percent (85%) of the estimated cost of restoration and repair, a special assessment of the owners, with each owner contributing a percentage equal to the owners' percentage interest in the common areas as set forth in Exhibit E may be levied by the Association to provide the necessary funds for such reconstruction, over and above the amount of any insurance proceeds available for such purpose. In the event that the amount available from the proceeds of such insurance policies for such restoration and repair shall be less than eight-five percent (85%) of the estimated cost of restoration and repair, the unit owners by the vote of not less than seventy-five percent (75%) of the owners present and entitled to vote, in person or by proxy, at a duly constituted meeting of the members of the Association shall determine whether the Association shall be authorized to proceed with such restoration and repair or not. In the event of a determination by the owners as provided above that the cost of such restoration and repair would be substantial and that it would not be in their best interests to proceed with the same, the owners may, at their discretion, proceed as provided in Section 2 below.

Section 2. Total Destruction. In the event of the total destruction of the building, the unit owners, by

said requisite vote, shall likewise have the authority to determine whether said improvements shall be rebuilt, or whether the Project shall be sold. In the event of a determination to rebuild, the necessary funds shall be raised as provided in Section 1 above, and the Association shall be authorized to have prepared the necessary plans, specifications and maps, and to execute the necessary documents to effect such reconstruction as promptly as practical. The Project shall be reconstructed or rebuilt in accordance with the original plans of construction unless changes recommended by the Association shall have been approved in writing by seventy-five percent (75%) of the owners and by the holders of record of encumbrances upon their condominiums. A certificate of the resolution authorizing such reconstruction shall be filed with the District Recorder within six (6) months from the date of such destruction and in the event of a failure to record such certificate within said period, it shall be conclusively presumed that the owners have determined not to rebuild said improvements. In the event of a determination not to rebuild, the Association shall be authorized to have prepared and to file as promptly as practical, a corrected subdivision map converting the Project into an unimproved parcel of land, which shall be offered for sale at the highest and best price obtainable, either in its damaged condition, or after damaged structures have been razed. The net proceeds of such sale, and the proceeds, if any, of insurance carried by the Association shall be divided proportionately among the owners, such proportions to be based upon the original base sales price of each unit at the time it was initially sold by Declarant, provided that the balance then due on any valid encumbrance of record shall be first paid in order of priority before the distribution of any proceeds to an owner whose condominium is so encumbered.

Section 3. Right to Partition. No owner shall have the right to partition of his interest in the condominium except that in the event that a certificate of resolution to rebuild or restore has not been recorded as provided above, within six (6) months from the date of any partial or total destruction, or if restoration has not actually commenced within said period. Nothing herein shall be deemed to prevent partition of a co-tenancy in any condominium. The common elements shall be owned in common by all owners of condominium units and no owner may bring any action for partition thereof. Any partition permitted herein shall require the prior written approval of the first mortgage holder.

Section 4. Interior Damage. Restoration and repair of any damage to the interior of any individual unit shall be made by and at the individual expense of the owner of that unit and, in the event of a determination to rebuild after partial or total destruction, shall be completed as promptly as practical and in a lawful and workmanlike manner.

Section 5. Notice to Mortgagee. Any institutional holder of a first mortgage on any unit shall be given written notice of any substantial damage or destruction as set forth herein.

ARTICLE VI

Assessments

Section 1. Levy and Payment. All unit owners shall pay all common assessments for common expenses and all applicable special assessments, reconstruction assessments and capital improvement assessments imposed by the Association. The common assessments and applicable reconstruction, capital improvement and special assessments, together with interest, costs, and reasonable attorney's fees, shall be the personal obligation of the person who was the owner of the condominium or by an offer to waive use of the common areas. The assessment shall include payments to a general operating reserve fund for replacement as deemed necessary by the Association. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the condominiums and for the improvement, operation, replacement and maintenance of the Project. Not later than thirty (30) days prior to the beginning of each calendar year, the Association shall estimate the total charges to be assessed against each condominium. Written notice of the annual assessments shall be sent to every unit owner subject thereto. Each owner thereof shall thereafter pay to the Association his assessment in installments as established by the Association. In the event the Association shall determine that the estimate of total charges for the current year is, or will become, inadequate to meet all expenses of the Property for any reason, it shall immediately determine the approximate amount of such inadequacy and issue a supplemental estimate of the total charges to be assessed against each condominium. Any increase in the amount so assessed shall only be effective upon written consent of two-thirds (2/3) of the unit owners and their first mortgagees.

Each installment of an assessment shall become delinquent if not paid on or before thirty (30) days from

the date upon which it becomes due. All annual common assessments shall be paid according to the percentage of ownership in the common areas as set forth in Exhibit E. All excess funds, remaining in the general operating reserve fund, over and above the amounts used for the operation of the condominium Project, shall be returned to the unit owners in a proportion equal to their individual contributions or may be retained by the Association and applied to the following year's assessments. In a voluntary conveyance of a condominium, the grantee of the same shall be jointly and severally liable with the grantor for all unpaid assessments by the Association against the latter for his share of the common expenses up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. However, any such grantee shall be entitled to a statement from the Association or the Management Agent of the Association, and such grantee shall not be liable for, nor shall the condominium conveyed be subject to a lien, as provided for in Section 3 hereof, for any unpaid assessments made by the Association against the grantor in excess of the amount set forth in the statement; provided, however, that the grantee shall be liable for any such assessment becoming due after the date of any such statement.

Declarant shall pay its full pro-rata share of said common expenses on all unsold condominiums in the Property. The Declarant shall have the authority to expend therefrom necessary funds for required maintenance of the common areas of said Property or for the common benefit of all the owners. No expenditure may be made from the reserve fund for the cost of any labor or material required in connection with the construction of any part or portion of the Project or any of the improvements thereon, which are part of the original plans and specifications therefor. Within thirty (30) days following the first meeting of the Association, Declarant shall be required to present to the owners a written financial statement of the deposits in and withdrawals from said fund from the date of establishment thereof. After the first meeting, Declarant shall be obligated to pay to the Association a maintenance charge, as hereinbefore provided, for each unsold condominium. The Association shall prepare or cause to be prepared written statement of income and expense to be distributed to all unit owners in such frequency and at such intervals as deemed appropriate by the Board of Directors of the Association.

From and after the date of recordation of a deed to the first unit owner of an interest in the project, the

unit owner shall establish an assessment reserve fund with the Association, which reserve fund shall equal the projected assessments to the unit owner for a two-month period. In addition, the unit owner shall pay to the Association the regular monthly assessment as provided herein, the purpose being to have available at all times for the Association an assessment reserve fund equal to two months of assessments. This assessment reserve fund shall be maintained at all times, just as a reserve for taxes and insurance is so maintained, and in the event of a subsequent transfer of the unit owner's interest in the project, the subsequent purchaser shall be responsible for establishing and maintaining this reserve fund.

Section 2. Delinquencies. There shall accrue with each delinquent assessment, a late charge of FIVE DOLLARS (\$5.00) together with interest at the maximum rate permitted by law on such delinquent sums, calculated from the date of delinquency to and including the date full payment is received by the Association. The Association may cause to be recorded in the Office of the Recorder, Ketchikan Recording District, a notice of any delinquent sums due the Association from any condominium owner. Such notice shall state the amount of such delinquent sums and other authorized charges and interest, including the cost of recording such notice, the expenses of collection in connection with the delinquent sums, reasonable attorneys' fees, a sufficient description of the condominium against which the same has been assessed, the name and address of the Association and the name of the record owner thereof. Such notice shall be signed by an authorized representative of the Association.

Upon payment to the Association of such delinquent sums and charges in connection therewith, or other satisfaction thereof, the Association shall cause to be recorded a further notice stating the satisfaction and release of such delinquent sums and charges. The Association may demand and receive the cost of recordation of such release before recording the same. Any Purchaser or encumbrancer, acting in good faith and for value may rely upon such notice of satisfaction and release as conclusive evidence of the full satisfaction of the sums stated in the notice of delinquent sums. In the event of default by any unit owner in the payment of any assessment, the Association shall notify all persons and firms holding a mortgage or deed of trust by any unit owner on any condominium on the Project.

Section 3. Liens, Enforcement. All sums assessed in accordance with the provisions of this Declaration shall constitute a lien on the respective condominium prior and

superior to all other liens except (1) all taxes, bonds, assessments, and other levies which, by law, would be superior thereto, and (2) the lien or charge of any first mortgage of record (meaning any recorded mortgage or deed of trust with first priority or seniority over other mortgages or deeds of trust) made in good faith and for value and recorded prior to the date on which the lien became effective. It shall be the duty of the Association to enforce such lien by one or more of the alternative means of relief afforded by this Declaration. Such lien, when delinquent may be enforced by sale by the Association, its attorney or other person authorized to make the sale, after failure of the owner to pay an assessment in accordance with its terms, such sale to be conducted in accordance with the provisions of the Alaska statutes applicable to the exercise of powers of sale in mortgages and deeds of trust, or in any manner permitted by law. In any such foreclosure, the condominium owner shall be required to pay a reasonable rental for the condominium and the plaintiff in such foreclosure sale and to acquire and hold, lease, mortgage and convey the same. Suit to recover a money judgment for unpaid common expenses shall be maintainable without foreclosing or waiving the lien securing the same, and this provision or any institution of suit to recover a money judgment shall not constitute an affirmation of the adequacy of money damages. Any recovery resulting from a suit in law or equity initiated pursuant to this section may include reasonable attorneys' fees as fixed by the court.

ARTICLE VII

The Association

Section 1. Formation and Membership. The Association shall be incorporated under the name of EVERGREEN TERRACE Condominium Association, as a corporation not for profit under the laws of the State of Alaska. Every unit owner who is subject to assessment shall automatically, upon becoming the owner of a condominium, be a member of the Association, and shall remain a member thereof until such time as his ownership ceases for any reason, at which time his membership in the Association shall automatically cease. A person shall be deemed an owner of a condominium only upon recordation of a deed conveying the condominium to him, and the membership shall be appurtenant to the condominium conveyed.

Section 2. Duties and Powers. The duties and powers of the Association are those set forth in this De-

claration, the Articles of Incorporation and the Bylaws, together with those reasonably implied to effect the purposes of the Association and this Declaration.

Section 3. Priorities and Inconsistencies. If there are conflicts or inconsistencies between this Declaration and either the Articles of Incorporation or the Bylaws, the terms and provisions of this Declaration shall prevail.

Section 4. Managing Agent. The Board of Directors of the Association shall employ either a responsible Alaskan corporation established by the Board to perform such duties and services as the Board shall authorize and delegate. The professional management required hereunder shall not be terminated and such management assumed by the Board without first obtaining the prior consent of all institutional mortgagees holding first mortgages on the units. The Association shall enter into a written contract with a professional, corporate or individual manager to conduct and perform the business, obligations, and duties of the Association. This contract shall conform to the guidelines established by the Federal National Mortgage Association (FNMA) regarding the term and termination of that agreement during such periods of time as FNMA is a mortgagee on a unit in the Project or is the owner of such a unit.

Section 5. Shares and Voting. At any meeting of the Association, each condominium owner including Declarant as to those condominiums not sold, shall be entitled to vote the percentage set forth in Exhibit E. Where there is more than one record owner of a condominium, any or all of such persons may attend any meeting of the Association, but it shall be necessary for those owner present to act unanimously in order to cast the vote to which the condominium is entitled. All agreements and determinations lawfully made by the Association in accordance with the voting percentages established herein, shall be deemed to be binding on all owners of condominiums, their successors and assigns.

ARTICLE VIII

Rights of Mortgagee

Section 1. Priority. Where the mortgagee of a first mortgage of record which is recorded prior to the date on which the assessment lien became effective, or other Purchaser of a condominium obtains title to the same as a result of foreclosure of any such first mortgage, or other

purchaser of a condominium obtains title to the same as a result of a deed taken in lieu of foreclosure, the acquirer of title, his successor and assigns, shall not be liable for the share of the common expenses or assessments by the Association chargeable to such condominium which became due prior to the acquisition of title to such condominium by such acquirer but shall be subject to any future assessments which become due subsequent to his acquisition of title. Such unpaid share of common expenses or assessments shall be deemed to be common expenses collectible from all of the condominiums including such acquirer, his successors and assigns.

Section 2. Default. A breach of any of the provisions, covenants, restrictions or limitations hereof, or the recordation of any lien or assessment hereunder, or the pursuit of any remedy hereunder shall not defeat or render invalid the lien of any mortgage made by a unit owner in good faith and for value upon the interest of a unit owner. All of the provisions herein shall be binding upon and effective against any owner whose title to said property is hereafter acquired through foreclosure or trustee's sale.

Section 3. Right to Inspect Association Records and Notice. The holder of a first mortgage of record, its successors or assigns, shall have the right to inspect the Association's books of account and other financial records and shall also be able to require the Association to provide to it such additional financial data as may be reasonably requested to protect its interests, including annual audited financial statements. Written notice of all Association meetings shall be sent to first mortgagees of record who may designate an agent to attend such meetings.

Section 4. Abandonment. The condominium status of the Project shall not be abandoned without first obtaining the prior written approval of all first mortgagees on units in the Project, except as provided in Article V, Section 2, nor shall there be any change in the percentage interest of the unit owners without first obtaining the prior written approval of the first mortgage holders of such units.

Section 5. Prior Approval. Nothing in this Declaration or the Bylaws of the Association of Apartment Owners provided for herein to the contrary, prior written approval of the holder of the first mortgages or deeds of trusts covering all or any portion of the project shall be a condition precedent to the effectiveness of any of the following actions:

- (a) Removal of all or any portion of the property or project from the provisions of the Horizontal

Property Regimes Act pursuant to Alaska Statute 34.07.330, or as said statute may be amended from time to time.

(b) The partition or subdivision of any unit, or of the common elements.

(c) A change in the pro-rata interest or obligation of any unit for purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds of condemnation awards.

(d) A change in the percentage interests of the unit owners in the common elements.

(e) The abandonment of the condominium status of the project, except for abandonment provided under the provisions of the Horizontal Property Regimes Act in case of substantial loss to the units and common elements.

(f) Any abandonment, partition, subdivision, encumbrance, sale, or transfer of all or any portion of the common elements.

(g) The use of hazard insurance proceeds for losses to any condominium property, whether to a unit or to the common elements, for other than the repair, replacement, reconstruction of such improvements except as provided in the Horizontal Property Regimes Act in the case of substantial loss to the units and common elements.

ARTICLE IX

Insurance

Section 1. Types. The Association shall obtain and continue in effect adequate blanket public liability insurance for the common areas and fire insurance with extended coverage for the full insurable value of the Project. Such insurance shall be maintained by the Association for the benefit of the Association, the unit owners, and the encumbrances upon the Property or any part thereof as their interests may appear with underlying coverage on the individual units. The Association may purchase such other insurance as it may deem necessary, including, but not limited to, plate glass insurance, fidelity bonds, liability insurance and workmen's compensation. Each owner shall provide insurance on his personal property. Nothing herein shall preclude any individual owner from carrying any public liability insurance as he may deem advisable to cover his individual liability for damages to person or property occurring inside his individual unit or elsewhere upon the premises.

Notwithstanding any provisions to the contrary herein, the Association shall be required to continuously carry a master condominium policy of casualty insurance, and a fidelity bond, with such coverage and endorsements in form and amounts including full replacement cost coverage with an agreed amount endorsement as required by the Federal National Mortgage Association (FNMA) during such periods of time as FNMA is a mortgagee on a unit in the Project or the owner of such a unit.

Section 2. Premiums and Proceeds. Insurance premiums for any such blanket insurance coverage obtained by the Association and any other insurance deemed necessary by the Association shall become a common expense to be included in the regular assessments levied by the Association for the repair or replacement of the property for which the insurance was carried or otherwise disposed of as provided in Article V of this Declaration. The Association is hereby granted the authority to negotiate loss settlements with the appropriate insurance carriers. Any two directors of the Association may sign a loss claim form and release form in connection with the settlement of a loss claim, and such signature shall be binding on all the unit owners.

ARTICLE X

Duration and Amendment

Section 1. Duration. This Declaration shall continue in full force for a term of fifty (50) years from the date hereof, after which time the same shall be automatically extended for successive periods of ten (10) years, unless a declaration of termination is recorded in the public records of the Ketchikan Recording District, State of Alaska, meeting the requirements of an amendment to this Declaration as set forth in Section 2 of this Article and the requirements set forth in Article VIII, Section 4, if applicable. There shall be no severance by sale, conveyance, encumbrance or hypothecation of an interest in any unit from the concomitant membership in the Association as long as this Declaration shall continue in full force and effect.

Section 2. Amendment. Notice of the subject matter of a proposed amendment to this Declaration in reasonably detailed form shall be included in the notice of any meeting of the Association at which a proposed amendment is to be considered. A resolution adopting a proposed amendment may be proposed by a condominium owner at a meeting of members of the Association. The Resolution shall be adopted by approval of condominium owners owning in the aggregate not less than seventy-five percent (75%) of the condomini-

ums. A copy of each amendment shall be certified by at least two officers of the Association and the amendment shall be effective when recorded in the public records, Ketchikan Recording District, State of Alaska. Provided, that any of the following amendments to be effective must be approved in writing by the record holders of all encumbrances on any condominiums at the time of such amendment.

(1) Any amendment which affects or purports to affect the validity or priority of encumbrances or the rights or protection granted to encumbrancers as provided herein.

(2) Any amendment which would or could result in an encumbrance being cancelled by forfeiture, or in the individual condominiums not being separately assessed for tax purposes.

(3) Any amendment relating to the Insurance Provisions as set out in Article VIII hereof, to the application of insurance proceeds as set out in Article V hereof, or to the disposition of any money received in any taking under condemnation proceedings.

A certificate, signed and sworn to by a majority of the Association, that the record owners of seventy-five percent (75%) of the condominiums have either voted for or consented in writing to any amendment adopted as above provided, when recorded, shall be conclusive evidence of such fact. The Association shall maintain in its files the record of all such votes or written consents for a period of at least four (4) years. Any amendment which requires the written consent of all the record holders of encumbrances shall be signed and sworn to by all such encumbrancers. When recorded, it shall be noted that such amendments have been so approved.

Section 3. Amendment by Declarant. Notwithstanding the foregoing, until the close of any escrow for the sale of a condominium in the Project, Declarant shall have the right to terminate or modify this Declaration by recordation of a supplement thereto setting forth such termination or modification. For purposes of this Declaration, the close of escrow shall be deemed to be the date upon which a deed conveying a condominium is recorded.

ARTICLE XI

Condemnation

Section 1. Consequences of Condemnation. If at any time or times during the continuance of the condominium ownership pursuant to this Declaration all or any part of the Project shall be taken or condemned by any public authority or sold or otherwise disposed of in lieu of or in advance thereof, the provisions of this Article shall apply.

Section 2. Proceeds. All compensation, damages, or other proceeds therefrom, the sum of which is hereinafter called the "Condemnation Award", shall be payable to the Association, in trust for the purposes set forth herein.

Section 3. Complete Taking. In the event that the entire Project is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the condominium ownership pursuant thereto shall terminate. The Condemnation Award shall be apportioned among the unit owners in proportion to the respective undivided interests in the common elements, provided that if a standard different from the value of the Project as a whole is employed to measure the Condemnation Award in the negotiation, judicial decree or otherwise, then in determining such shares the same standard shall be employed to the extent it is relevant and applicable.

On the basis of the principle set forth in the last preceding paragraph, the Association shall as soon as practicable determine the share of the Condemnation Award to which each owner is entitled and make payment accordingly.

Section 4. Partial Taking. In the event that less than the entire Project is taken or condemned, or sold or otherwise disposed of in lieu of or in avoidance thereof, the condominium ownership hereunder shall not terminate. Each owner shall be entitled to a share of the Condemnation Award to be determined in the following manner:

(a) As soon as practicable, the Association shall, reasonably and in good faith, allocate the Condemnation Award between compensation damages, or other proceeds, and shall apportion the amounts so allocated to taking of or injury to the common elements and shall be apportioned among owners in proportion to their respective undivided interests in the common elements;

(b) the total amount allocated to severance damages shall be apportioned to those condominium units which were not taken or condemned;

(c) the respective amounts allocated to the taking of or injury to a particular unit and/or improvements to the particular unit involved, and

(d) the amount allocated to consequential damages and any other takings or injuries shall be apportioned as the Association determines to be equitable in the circumstances.

If an allocation of the Condemnation Award is already established in negotiation, judicial decree, or otherwise, then in allocating the Condemnation Award, the Association shall employ such allocation to the extent it is relevant and applicable. Distribution of apportioned proceeds shall be made by check payable jointly to the respective owners and their respective mortgagees.

Section 5. Reorganization. In the event a partial taking results in the taking of a complete unit, the owner thereof automatically shall cease to be a member of the Association. Thereafter, the Association shall reallocate the ownership, voting rights and assessments ratio determined in accordance with this Declaration according to the same principles employed in this Declaration at its inception and shall submit such reallocation to the owners of remaining units for amendment of this Declaration as provided in Article X hereof.

Section 6. Notice to Mortgagee. The institutional holder of a first mortgage on any unit shall be given written notice of any condemnation proceeding described herein.

ARTICLE XII

Miscellaneous

Section 1. Legal Proceedings. Failure to comply with any of the terms of the condominium documents and regulations adopted pursuant thereto shall be grounds for relief which may include, without limiting same, an action to recover sums due for damages, injunctive relief, foreclosure of lien, or any combination thereof, which relief may be sought by the Association or, if appropriate, by an aggrieved unit owner. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of the Project, and any violation of this Declaration shall be deemed to be a nuisance. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce said provision, or any other provision hereof. Any unit

owner not at the time in default hereunder, or Declarant, shall be entitled to bring an action for damages against any defaulting unit owner and, in addition, may enjoin any violation of this Declaration. Any judgment rendered in any action or proceeding pursuant hereto shall include a sum for attorneys' fees in such amount as the court may deem reasonable, in favor of the prevailing party. Each remedy provided for in this Declaration shall be cumulative and not exclusive or exhaustive.

Section 2. Severability. The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or enforceability of any one provision or portion hereof shall not affect the validity or enforceability of any other provisions hereof.

Section 3. Construction by Declarant. Nothing in this Declaration shall limit the right of Declarant to complete construction of improvements to the common areas and to units owned by Declarant or to alter the foregoing, or to construct such additional improvements as Declarant deems advisable prior to completion and sale of the entire project. Such right shall include but shall not be limited to erecting, constructing and maintaining on the Project such structures and displays as may be reasonably necessary for the conduct of its business of completing the work and disposing of the same by sale, lease or otherwise. This Declaration shall not limit the right of Declarant at any time prior to acquisition of title by a purchaser from Declarant to establish on the Project additional easements, reservations and rights-of-way to itself, to utility companies, or to others as may from time to time be reasonably necessary to the proper development and disposal of the Project. Prospective purchasers and Declarant shall have the right to use all common areas and limited common areas for access to the sales facilities of Declarant. Declarant reserves the right to alter its construction plans and designs as it deems appropriate. The rights of Declarant hereunder may be assigned by Declarant to any successor to all or part of Declarant's interest in the Project by an express assignment incorporated in a recorded deed transferring such interest to such successor.

Section 4. Easements. Declarant expressly reserves for the benefit of owners in the Project reciprocal easements of access, ingress and egress over all of the common areas. Such easements may be used by Declarants, successors, purchasers and all unit owners, their guests, tenants and invitees, residing or temporarily visiting the Project, for pedestrian walkways, vehicular access and such

other purposes reasonably necessary to use and enjoyment of a unit in the Project. Such easements shall be appurtenant to and shall pass with the title to every unit conveyed. The Declarant expressly reserves for the benefit of each unit owner an exclusive easement for use of those areas depicted on the condominium plan as limited common areas, storage and parking spaces, as assigned to each unit owner for his numbered unit. All building walls shall be considered to adjoin and abut the wall of the contiguous residence against the surface from the bottom of the foundation of the building. Both Declarant and unit owners of contiguous residences shall have a reciprocal easement appurtenant to each of the residences over the residences for the purposes of accommodating any natural settling of the building housing their respective units. Such right of use shall be as not to interfere with the use and enjoyment of the owners of adjoining residences and in the event that any such contiguous wall is damaged or injured from any cause other than the act or negligence of one of the owners, the same shall be repaired or rebuilt at their joint expense. Notwithstanding the provisions of Article V, Section 1, dealing with partial destruction of improvements, this provision shall apply wherever the destruction of said improvements is not substantial. A substantial destruction of any residence on the Property shall be deemed to be destruction which shall exceed five percent (5%) of the residence.

Section 5. Valuation of Unit and Property and Voting Rights. Each unit described herein is valued as set forth in Exhibit E, the total value of such units being the value of property comprising the Project. The owner of each unit shall have an undivided interest in the common areas and facilities appertaining to each unit for all purposes, including voting as set forth in Exhibit E.

Section 6. Service of Process. The name and residence of the person to receive service of process in the cases provided for in the Horizontal Property Regimes Act of the State of Alaska is:

Mr. Charles E. Elliot
322 Dock Street
Ketchikan, Alaska 99901

EXHIBIT A

Legal Description of Real Property

That portion of U. S. Survey No. 1229, in the Ketchikan Recording District, First Judicial District, State of Alaska, described as follows:

Commencing at the Corner No. 4 of said U. S. Survey; thence North along the Westerly boundary of said survey, a distance of 999.00 feet to the True Point of Beginning; thence N 79°19'00" E, a distance of 192.83 feet; thence N 10°00'00" E, a distance of 170.00 feet; thence N 40°00'00" E, a distance of 230.00 feet, thence, East a distance of 100.00 feet; thence North a distance of 275.64 feet; thence, West a distance of 441.85 feet; thence S 5°53'00" W, a distance of 243.89 feet; thence South 412.39 feet to the True Point of Beginning.

TOGETHER with an easement for ingress and egress over the following described portion of the U. S. Survey No. 1229 in the Ketchikan Recording District, First District State of Alaska, described as follows:

Commencing at the Corner No. 4 of said survey; thence North along the Westerly boundary of said survey, a distance of 999.00 feet; thence N 79°19'00" E, a distance of 192.83 feet, thence N 10°00'00" E, a distance of 170.00 feet; thence N 40°00'00" E, a distance of 230.00 feet; thence East, a distance of 170.00 feet to the True Point of Beginning of said easement; thence continuing East, a distance of 50.00 feet; thence North, a distance of 131.00 feet; thence West, a distance of 120.00 feet; thence South, a distance of 50.00 feet; thence East, a distance of 70.00 feet, thence South, a distance of 81.00 feet to the True Point of Beginning.

EXHIBIT B

Description of Units

Unit No. 1

Unit No. 1 is a three bedroom apartment containing 1,051 gross square feet. It consists of an entry-way with an entrance closet, a kitchen complete with range, oven, refrigerator and garbage disposal. There is a dining area next to the kitchen area and a separate living room. There is a full bath with shower over, vanity and water closet. The Unit also contains a linen closet and a sink basin in the hallway. This unit is a two story townhouse style apartment. This Unit is located on the right hand corner of Condominium Building A, as viewed when facing the front of the building.

Unit No. 2

Same description as Unit No. 1, and this Unit is located to the immediate left of Unit No. 1 in Condominium Building A.

Unit No. 3

3 Cdn. 12
Same description as Unit No. 1, except this Unit has only two bedrooms and contains 736 gross square feet. This Unit is located to the immediate left of unit No. 2 in Condominium Building A.

Unit No. 4

Cdn. 28
Same description as Unit No. 3, except this Unit is located to the immediate left of Unit No. 3 in Condominium Building A.

Unit No. 5

Cdn. 8
Same description as Unit No. 3, except this Unit is located to the immediate left of Unit No. 4 in Condominium Building A.

Unit No. 6

Same description as Unit No. 3, except this Unit is located to the immediate left of Unit No. 5 in Condominium Building A.

Unit No. 7

Same description as Unit No. 1, except this Unit is located to the left of Unit No. 6.

Unit No. 8

Same description as Unit No. 1, except this Unit is located in the left hand corner of Condominium Building A.

Unit No. 9

Same description as Unit No. 1, except this Unit is located in the right hand corner of Condominium Building B, as viewed when facing the front of the building.

Unit No. 10

Same description as Unit No. 1, except it is located to the immediate left of Unit No. 9.

Unit No. 11

Same description as Unit No. 3, except this Unit is located to the left of Unit No. 10.

Unit No. 12

Same description as Unit No. 3 except this Unit is located to the left of Unit No. 11.

Unit No. 13

Same description as Unit No. 3, except this Unit is located to the left of Unit No. 12.

Unit No. 14

Same description as Unit No. 3, except this Unit is located to the left of Unit No. 13.

Unit No. 15

Same description as Unit No. 1, except this Unit is located to the left of Unit No. 14.

Unit No. 16

Same description as Unit No. 1, except this Unit is located at the left hand corner of Condominium Building B.

Unit No. 17

Same description as Unit No. 3, except this Unit is located on the right hand corner of Condominium Building C, as viewed when facing the front of the building.

Unit No. 18

Same description as Unit No. 3, except this Unit is located to the left of Unit No. 17.

Unit No. 19

Same description as Unit No. 1, except this Unit is located to the left of Unit No. 18.

Unit No. 20

Same description as Unit No. 1, except this Unit is located to the left of Unit No. 19.

Unit No. 21

Same description as Unit No. 3, except this Unit is located to the left of Unit No. 20.

Unit No. 22

Same description as Unit No. 3, except this Unit is located to the left of Unit No. 21.

Unit No. 23

Same description as Unit No. 3, except this Unit is located to the left of Unit No. 22.

Unit No. 24

Same description as Unit No. 3, except this Unit is located on the left hand corner of Condominium Building C.

Unit No. 25

Same description as Unit No. 1, except this Unit is located in the right hand corner of Condominium Building D, as viewed when facing the front of the building.

Unit No. 26

Same description as Unit No. 1, except this Unit is located to the left of Unit No. 25.

Unit No. 27

Same description as Unit No. 3, except this Unit is located to the left of Unit No. 26.

Unit No. 28

Same description as Unit No. 3, except this Unit is located to the left of Unit No. 27.

Unit No. 29

Same description as Unit No. 3, except this Unit is located to the left of Unit No. 28.

Unit No. 30

Same description as Unit No. 3, except this Unit is located to the left of Unit No. 29.

Unit No. 31

Same description as Unit No. 1, except this Unit is located to the left of Unit No. 30.

Unit No. 32

Same description as Unit No. 1, except this Unit is located on the left hand corner of Condominium Building D.

Unit No. 33

Same description as Unit No. 3, except this Unit is located on the right hand corner of Condominium Building F, as viewed when facing the front of the building.

Unit No. 34

Same description as Unit No. 3, except this Unit is located to the left of Unit No. 33.

Unit No. 35

Same description as Unit No. 3, except this Unit is located to the left of Unit No. 34.

Unit No. 36

Same description as Unit No. 3, except this Unit is located to the left of Unit No. 35.

Unit No. 37

Same description as Unit No. 3, except this Unit is located to the left of Unit No. 36.

Unit No. 38

Same description as Unit No. 3, except this Unit is located to the left of Unit No. 37.

Unit No. 39

Same description as Unit No. 3, except this Unit is located to the left of Unit No. 38.

Unit No. 40

Same description as Unit No. 3, except this Unit is located in the left hand corner of Condominium Building F.

Unit No. 41

Unit No. 41 is a one bedroom apartment containing 505.4 gross square feet, and is built on one floor only. It contains a kitchen complete with a range, oven, sink, garbage disposal and refrigerator. It has a dining and living room area and a complete bath with shower over and water closet. This Unit is located on the right hand corner of the first floor of Condominium Building E, as viewed when facing the front of the building.

Unit No. 42

Same description as Unit No. 41, except this Unit is located to the immediate left of Unit 41 in Condominium Building E.

Unit No. 43

Same description as Unit No. 3, except this Unit is located to the left of Unit No. 42.

Unit No. 44

Same description as Unit No. 3, except this Unit is located to the left of Unit No. 43.

Unit No. 45

Same description as Unit No. 41, except this Unit is located to the immediate left of Unit No. 44, in Condominium Building E.

Unit No. 46

Same description as Unit 41, except this Unit is located in the lower left hand corner of the first floor of Condominium Building E.

Unit No. 47

Same description as Unit 41, except this Unit is located in the right hand corner on the second floor of Condominium Building E, as viewed when facing the front of the building.

Unit No. 48

Same description as Unit No. 41, except that this Unit is located to the immediate left of Unit 47 in Condominium Building E.

Unit No. 49

Same description as Unit No. 41, except that this Unit is located directly above Unit No. 45.

Unit No. 50

Same description as UNIT No. 41, except that this Unit is located in the upper left hand corner on the second floor of Condominium Building E.

The immediate common area to which all of the above units have access is the real property described on Exhibit A, attached hereto and incorporated herein by this reference as though fully set forth, excepting therefrom all units as set forth above.

EXHIBIT C

Description of Limited Common Areas and Facilities

The following described portions of the common areas and facilities are "limited common areas and facilities, reserved for the exclusive use of the particular units below listed to the exclusion of all other units in the project, as also shown on the survey map and floor plan of the project on file":

Unit No. 1

Approximately 162 square feet of parking space designated as "P-1"

Approximately 18.4 square feet of storage space designated as "S-1"

Unit No. 2

Approximately 162 square feet of parking space designated as "P-2"

Approximately 18.4 square feet of storage space designated as "S-2"

Unit No. 3

Approximately 162 square feet of parking space designated as "P-3"

Approximately 18.4 square feet of storage space designated as "S-3"

Unit No. 4

Approximately 162 square feet of parking space designated as "P-4"

Approximately 18.4 square feet of storage space designated as "S-4"

Unit No. 5

Approximately 162 square feet of parking space designated as "P-5"

Approximately 18.4 square feet of storage space designated as "S-5"

Unit No. 6

Approximately 162 square feet of parking space designated as "P-6"

Approximately 33 square feet of storage space designated as "S-6"

Unit No. 7

Approximately 162 square feet of parking space designated as "P-7"

Approximately 18.4 square feet of storage space designated as "S-7"

Unit No. 8

Approximately 162 square feet of parking space designated as "P-8"

Approximately 18.4 square feet of storage space designated as "S-8"

Unit No. 9

Approximately 162 square feet of parking space designated as "P-9"

Approximately 18.4 square feet of storage space designated as "S-9"

Unit No. 10

Approximately 162 square feet of parking space designated as "P-10"

Approximately 18.4 square feet of storage space designated as "S-10"

Unit No. 11

Approximately 162 square feet of parking space designated as "P-11"

Approximately 18.4 square feet of storage space designated as "S-11"

Unit No. 12

Approximately 162 square feet of parking space designated as "P-12"

Approximately 18.4 square feet of storage space designated as "S-12"

Unit No. 13

Approximately 162 square feet of parking space designated as "P-13"

Approximately 18.4 square feet of storage space designated as "S-13"

Unit No. 14

Approximately 162 square feet of parking space designated as "P-14"

Approximately 18.4 square feet of storage space designated as "P-14"

Unit No. 15

Approximately 162 square feet of parking space designated as "P-15"

Approximately 18.4 square feet of storage space designated as "S-15"

Unit No. 16

Approximately 162 square feet of parking space designated as "P-16"

Approximately 18.4 square feet of storage space designated as "S-16"

Unit No. 17

Approximately 162 square feet of parking space designated as "P-17"

Approximately 18.4 square feet of storage space designated as "S-17"

Unit No. 18

Approximately 162 square feet of parking space designated as "P-18"

Approximately 18.4 square feet of storage space designated as "S-18"

Unit No. 19

Approximately 162 square feet of parking space designated as "P-19"

Approximately 18.4 square feet of storage space designated as "S-19"

Unit No. 20

Approximately $\frac{162}{}$ square feet of parking space designated as "P-20"

Approximately $\frac{19.3}{}$ square feet of storage space designated as "S-20"

Unit No. 21

Approximately $\frac{162}{}$ square feet of parking space designated as "P-21"

Approximately $\frac{19.3}{}$ square feet of storage space designated as "S-21"

Unit No. 22

Approximately $\frac{162}{}$ square feet of parking space designated as "P-22"

Approximately $\frac{19.3}{}$ square feet of storage space designated as "S-22"

Unit No. 23

Approximately $\frac{162}{}$ square feet of parking space designated as "P-23"

Approximately $\frac{19.3}{}$ square feet of storage space designated as "S-23"

Unit No. 24

Approximately $\frac{162}{}$ square feet of parking space designated as "P-24"

Approximately $\frac{19.3}{}$ square feet of storage space designated as "S-24"

Unit No. 25

Approximately $\frac{162}{}$ square feet of parking space designated as "P-25"

Approximately $\frac{19.3}{}$ square feet of storage space designated as "S-25"

Unit No. 26

Approximately $\frac{162}{}$ square feet of parking space
designated as "P-26"

Approximately $\frac{19.3}{}$ square feet of storage space
designated as "S-26"

Unit No. 27

Approximately $\frac{162}{}$ square feet of parking space
designated as "P-27"

Approximately $\frac{19.3}{}$ square feet of storage space
designated as "S-27"

Unit No. 28

Approximately $\frac{162}{}$ square feet of parking space
designated as "P-28"

Approximately $\frac{19.3}{}$ square feet of storage space
designated as "S-28"

Unit No. 29

Approximately $\frac{162}{}$ square feet of parking space
designated as "P-29"

Approximately $\frac{19.3}{}$ square feet of storage space
designated as "S-29"

Unit No. 30

Approximately $\frac{162}{}$ square feet of parking space
designated as "P-30"

Approximately $\frac{19.3}{}$ square feet of storage space
designated as "S-30"

Unit No. 31

Approximately $\frac{162}{}$ square feet of parking space
designated as "P-31"

Approximately $\frac{19.3}{}$ square feet of storage space
designated as "S-31"

Unit No. 32

Approximately $\frac{162}{}$ square feet of parking space
designated as "P-32"

Approximately $\frac{18.4}{}$ square feet of storage space
designated as "S-32"

Unit No. 33

Approximately $\frac{162}{\text{"P-33"}}$ square feet of parking space designated as

Approximately $\frac{18.4}{\text{"S-33"}}$ square feet of storage space designated as

Unit No. 34

Approximately $\frac{162}{\text{"P-34"}}$ square feet of parking space designated as

Approximately $\frac{18.4}{\text{"S-34"}}$ square feet of storage space designated as

Unit No. 35

Approximately $\frac{162}{\text{"P-35"}}$ square feet of parking space designated as

Approximately $\frac{18.4}{\text{"S-35"}}$ square feet of storage space designated as

Unit No. 36

Approximately $\frac{162}{\text{"P-36"}}$ square feet of parking space designated as

Approximately $\frac{18.4}{\text{"S-36"}}$ square feet of storage space designated as

Unit No. 37

Approximately $\frac{162}{\text{"P-37"}}$ square feet of parking space designated as

Approximately $\frac{18.4}{\text{"S-37"}}$ square feet of storage space designated as

Unit No. 38

Approximately $\frac{162}{\text{"P-38"}}$ square feet of parking space designated as

Approximately $\frac{18.4}{\text{"S-38"}}$ square feet of storage space designated as

Unit No. 39

Approximately $\frac{162}{\text{"P-39"}}$ square feet of parking space designated as

Approximately $\frac{18.4}{\text{"S-39"}}$ square feet of storage space designated as

Unit No. 40

Approximately $\frac{162}{\text{"P-40"}}$ square feet of parking space designated as

Approximately $\frac{18.4}{\text{"S-40"}}$ square feet of storage space designated as

Unit No. 41

Approximately $\frac{162}{\text{"P-41"}}$ square feet of parking space designated as

Approximately $\frac{18.4}{\text{"S-41"}}$ square feet of storage space designated as

Unit No. 42

Approximately $\frac{162}{\text{"P-42"}}$ square feet of parking space designated as

Approximately $\frac{18.4}{\text{"S-42"}}$ square feet of storage space designated as

Unit No. 43

Approximately $\frac{162}{\text{"P-43"}}$ square feet of parking space designated as

Approximately $\frac{18.4}{\text{"S-43"}}$ square feet of storage space designated as

Unit No. 44

Approximately $\frac{162}{\text{"P-44"}}$ square feet of parking space designated as

Approximately $\frac{18.4}{\text{"S-44"}}$ square feet of storage space designated as

Unit No. 45

Approximately $\frac{162}{\text{"P-45"}}$ square feet of parking space designated as

Approximately $\frac{18.4}{\text{"S-45"}}$ square feet of storage space designated as

Unit No. 46

Approximately $\frac{162}{\text{"P-46"}}$ square feet of parking space
designated as

Approximately $\frac{18.4}{\text{"S-46"}}$ square feet of storage space
designated as

Unit No. 47

Approximately $\frac{162}{\text{"P-47"}}$ square feet of parking space
designated as

Approximately $\frac{18.4}{\text{"S-47"}}$ square feet of storage space
designated as

Unit No. 48

Approximately $\frac{162}{\text{"P-48"}}$ square feet of parking space
designated as

Approximately $\frac{18.4}{\text{"S-48"}}$ square feet of storage space
designated as

Unit No. 49

Approximately $\frac{162}{\text{"P-49"}}$ square feet of parking space
designated as

Approximately $\frac{18.4}{\text{"S-49"}}$ square feet of storage space
designated as

Unit No. 50

Approximately $\frac{162}{\text{"P-50"}}$ square feet of parking space
designated as

Approximately $\frac{18.4}{\text{"S-50"}}$ square feet of storage space
designated as

EXHIBIT E

Value of Units and Undivided Interests in Common Areas and Facilities

<u>Unit</u>		<u>Value</u>	<u>Undivided Interest in Common Areas and Facilities</u>
1	<i>A Bldg.</i>	\$ 33,950.00	<u>2.669870</u> 3
2		33,950.00	2.669870
3		29,950.00	1.869671
4		29,950.00	1.869671
5		29,950.00	<u>1.869671</u> 2
6		29,950.00	1.869671
7		33,950.00	2.669870
8		33,950.00	2.669870
<hr/>			
9	<i>B. Bldg.</i>	33,950.00	2.669870
10		33,950.00	2.669870
11		29,950.00	1.869671
12		29,950.00	1.869671
13		29,950.00	1.869671
14		29,950.00	1.869671
15		33,950.00	2.669870
16		33,950.00	2.669870
<hr/>			
2-17	<i>C. Bldg.</i>	29,950.00	1.869671
2-18		29,950.00	1.869671
19-3		33,950.00	2.669870
20-3		33,950.00	2.669870
2-21		29,950.00	1.869671
2-22		29,950.00	1.869671
2-23		29,950.00	1.869671
2-24		29,950.00	1.869671

25		33,950.00	2.669870
26		33,950.00	2.669870
27		29,950.00	1.869671
28		29,950.00	1.869671
29		29,950.00	1.869671
30		29,950.00	1.869671
31		33,950.00	2.669870
32		22,950.00	2.669870

33	<i>F-Bldg.</i>	30,950.00	1.869671
34		30,950.00	1.869671
35		30,950.00	1.869671
36		30,950.00	1.869671
37		30,950.00	1.869671
38		30,950.00	1.869671
39		30,950.00	1.869671
40		30,950.00	1.869671

41		23,500.00	1.283879
42	<i>E-</i>	23,500.00	1.283879
43		29,950.00	1.869671
44		29,950.00	1.869671
45		23,500.00	1.283879 - 1B
46		23,500.00	1.283879
47		23,500.00	1.283879
48		23,500.00	1.283879
49		23,500.00	1.283879
50		23,500.00	1.283879

75-2834

RECORDED-FILED
 KETCHIKAN REC. DISTRICT *73-*

OCT 2 10 45 AM '73
 REQUESTED BY *KIA*

ADDRESS _____

Reported in
2005
with
stipulations

Certified Copy



return to →

Evergreen Terrace
HOMEOWNERS ASSOCIATION
3250 DENALI NO. 1
KETCHIKAN, ALASKA 99901

MAY 21, 1990

ADDENDUM TO THE COVENANT FOR EVERGREEN TERRACE CONDOMINIUMS

DATED OCTOBER 2, 1975, BOOK 57, PAGE 154 KETCHIKAN RECORDING

Dear Homeowner:

As of June 30, 1990, no new dogs will be allowed for ALL HOMEOWNER'S who live at EVERGREEN TERRACE.

ALL RENTERS who now have a dog(s) MUST BE RID OF THEIR DOG(S) NO LATER THAN JUNE 30, 1990. RENTERS WILL NOT BE ALLOWED TO HAVE DOGS AT ALL. HOMEOWNER'S PLEASE INFORM YOUR RENTERS IMMEDIATELY AS THE DOG POUND WILL BE CALLED TO PICK UP THEIR DOG(S).

Any new homeowner's will not be allowed any dog(s) at all from this date forward.

JUST A REMINDER FOR HOMEOWNER'S WHO LIVE AT EVERGREEN TERRACE IF SOMETHING SHOULD HAPPEN TO THE DOG(S) YOU SHOULD HAVE AT THIS TIME NO NEW ONE(S) WILL BE ALLOWED.

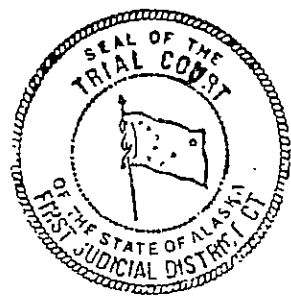
THE ABOVE DECISIONS WERE BASED ON THE RECENT BALLOTS THAT WERE MAILED TO ALL HOMEOWNER'S HERE AND THE RESPONSE WAS NO DOGS ALLOWED.

THANKING YOU,

Margaret M. Kilduff (Sign) Secretary
BOARD OF DIRECTOR'S FOR
EVERGREEN TERRACE HOMEOWNER'S
ASSOCIATION

SUBSCRIBED AND SWORN TO BEFORE ME THIS DATE 3rd OF APRIL, 1991.

Sally Star
NOTARY PUBLIC IN AND FOR THE STATE
OF ALASKA.
MY COMMISSION EXPIRES: _____



MY COMMISSION EXPIRES
UPON THE TERMINATION
WITH ALASKA COURT

9-1-1-228
15 CC
RECORDED-FILED
KETCHIKAN REC
DISTRICT
APR 3 1 45 PM '91
RECEIVED BY *Margaret*

WRITTEN LEASE REQUIREMENT

EVERGREEN TERRACE
Homeowners Association
3250 Denali No. 1
KETCHIKAN, ALASKA 99901

Notice is hereby given that in accordance with Article II, Section 13 of the Declaration of Covenants, Conditions, and Restrictions for Evergreen Terrace Condominiums a current, written lease agreement is required of all rented or leased Units. A copy of such an agreement must be given to the Association each and every time a Unit is leased or rented. Each rental or lease agreement **must** include a current copy of the Declaration of Covenants, Conditions, and Restrictions for Evergreen Terrace Condominiums. The Association requires that a receipt of this copy must be included in the lease or rental agreement. This will ensure that upon signing a lease or rental agreement the tenant accepts the responsibility of abiding by the Covenants, Conditions, and Restrictions.

With respect to new leases or rental agreements, this policy will be effective within 10 days of the date of this letter.

With respect to existing lease agreements, the effective date will be the date each lease expires; or as in the case of rental agreements, compliance must occur within 30 days; so that all agreements will comply.

Animals and Pets

The maintenance, keeping, boarding and/or raising of animals, livestock or poultry of any kind, regardless of number, shall be and is hereby prohibited within any condominium unit or Common Elements, except that this shall not prohibit the keeping of small (**full grown**) dogs (example in **Subsection 1** below), cats, and/or caged birds as domestic pets, provided they are not maintained, kept or bred for commercial purposes and provided further that the keeping of small dogs, cats and/or caged birds will not constitute such type of noxious or offensive activity as covered in **Subsection 2** (below).

All dogs shall be kept leashed and under the control of their owner whenever they are outside the unit, and shall not be allowed to run free or unleashed at any time, or to otherwise interfere with the rights, comfort or convenience of other residents.

No aggressive animals will be permitted, and if found they will be removed by animal control.

Dogs may only be walked in the following areas: In the main Terrace yard opposite the Recreation room and any area of paved/concreted common areas belonging to ETHA. **The owner of the pet must clean up all waste.** Failure to clean up your pet's mess will result in a fine; and repeat offenders will lose the privilege of keeping a dog in their unit. (See "Three Strike" rule below) Dogs may **not** be walked on grassy areas or decks near your neighbor's unit.

All pets must be vaccinated, licensed, spayed (or) neutered, and kept in accordance with the Alaska Health Department laws and regulations. Contact the Ketchikan Animal Control or the Health Department for more information.

Owners are responsible for all damages and/or injuries caused by their pets to common areas, people and/or the property of others.

Dogs may only be kept by authorized owners (no renters or guests), and an ETHA dog permit must be available upon request by the board of directors.

A \$100 non-refundable permit will be required for each dog, with a maximum of one dog per unit.

Subsection 1: A small dog is defined as: 14 inches or less in height (measured to the shoulder).

Subsection 2: Unlawful and disturbing noises/practices: No unit owner shall make or permit any unreasonable noise that will disturb or annoy other residents or permit anything to be done which will interfere with the rights, comfort and convenience of other residents.

Three Strike Rule: Any owner who cannot abide by the rules set out in the above Pet and Animal bylaw will have their pet removed by animal control, and may be subject to fines/restitution for any damages/injuries incurred. All owners will be given three chances (unless the offence is extreme) to come into compliance with the guidelines set forth above.