



**First American
Title Insurance Company**

LISTING PACKAGE

4/1/2026

natasha@rmgrealestate.com

Attn: Natasha Jacobson

We appreciate the opportunity to serve you and thank you for choosing First American Title. Attached please find the following:

- Tax Information
- Vesting Deed
- Deed of Trust
- As Built
- As Built Not Found
- Plat Map
- Tax Map
- CCR's
- CCR's Not Found
- Other:

Owner Name(s): KIRBY CHRISTIAN

Physical Address: 7020 METEOR CT

Legal Description: LOT 26 RAINBOW TERRACE, PLAT NUMBER 77-20, ANCHORAGE RECORDING DISTRICT

Please do not hesitate to contact me at 907-561-1844 or cs.alaska@firstam.com if I may be of further assistance. I understand you have a choice and hope you will choose First American Title for your next transaction. Have a wonderful day!

Sincerely,

Kellie Trolz

Kellie Trolz, Title Customer Service

Enclosures

NOTICE OF DISCLAIMER OF LIABILITY

This letter and the accompanying materials do not constitute a policy of Title Insurance or a Commitment for Title Insurance. Further, they are not an abstract of title. These materials are furnished as a courtesy by First American Title Insurance Co., and the Company does not take responsibility for the completeness or accuracy of the materials. If you desire a complete report on the status of title, please contact the above named person to arrange for a Commitment or Policy. No transaction or decision should be made based on these materials until such time as the Company has the opportunity to perform a complete search and is prepared to issue a Policy.

1400 W Benson Blvd, Suite 250, Anchorage, AK 99503
TEL 907-561-1844 | FAX 907-561-1948
ak.firstam.com

PARID: 00718327000
KIRBY CHRISTIAN

7020 METEOR CT

LUC: 101
TAX YEAR: 2026

Property Information

Appeal Filing Deadline: 2/11/2026
Late Appeal Request Deadline: 03/13/2026

Property Location: 7020 METEOR CT
Class: R - Residential
Use Code (LUC): 101 - Residential 1 Family
Condo/Unit #:
Tax District: 03
Zoning: R2A
Plat #: 770020
HRA #: 000000
Grid #: SW1639
Deeded Acres:
Square Feet: 1,756
Legal Description: RAINBOW TERRACE
LT 26

Economic Link: No

Show Parcel on Map

Owner

Owner: KIRBY CHRISTIAN
Co-Owner:
Care Of:
Address: 7020 METEOR COURT
City / State / Zip: ANCHORAGE, AK 99504 0000
Deed Book/Page: /

Tax Information

Parcel	Roll Type	Tax Year	Cycle	DID	Gross Tax Amount	Res Exemption	Sr/Vet Exemption	IPC Billed	Paid Amount	Net Due	Interest Due	Penalty Due	Costs Due	Total Due	Due Date
00718327000	RP	2025	1		1,916.91	-592.13	-1,184.25	.00	-140.53	.00	.00	.00	.00	.00	06/30/2025
00718327000	RP	2025	2		1,916.91	-592.12	-1,184.25	.00	-140.54	.00	.00	.00	.00	.00	08/31/2025
00718327000	RP	2024	1		1,834.07			.00	-1,834.07	.00	.00	.00	.00	.00	06/30/2024
00718327000	RP	2024	2		1,834.07			.00	-1,834.07	.00	.00	.00	.00	.00	08/31/2024
00718327000	RP	2023	1		1,807.74			.00	-1,807.74	.00	.00	.00	.00	.00	06/30/2023
00718327000	RP	2023	2		1,807.74			.00	-1,807.74	.00	.00	.00	.00	.00	08/31/2023
00718327000	RP	2022	1		1,656.21			.00	-1,656.21	.00	.00	.00	.00	.00	07/31/2022
00718327000	RP	2022	2		1,656.21			.00	-1,656.21	.00	.00	.00	.00	.00	09/30/2022
00718327000	RP	2021	1		3,238.19			1.95	-3,240.14	.00	.00	.00	.00	.00	06/15/2021
00718327000	RP	2020	1		3,237.03			.00	-3,237.03	.00	.00	.00	.00	.00	07/15/2020
00718327000	RP	2019	1		3,051.14			.00	-3,051.14	.00	.00	.00	.00	.00	06/15/2019
00718327000	RP	2018	1		3,165.20			.00	-3,165.20	.00	.00	.00	.00	.00	06/15/2018
00718327000	RP	2017	1		2,834.46			.00	-2,834.46	.00	.00	.00	.00	.00	06/15/2017
00718327000	RP	2016	1		2,607.23			.00	-2,607.23	.00	.00	.00	.00	.00	06/15/2016

Make a Payment

Assessed Value

Tax Year	Roll Type	LUC	Class	Land	Building	Total Appraised
2026	RP	101	R	65,700	225,200	290,900

Taxable Value

Net Taxable Value	65,900
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Exemption Status

Tax Year	Status
2026	A - APPROVED

Exemptions

Line #	Exemption Code	Building Exemption	Land Exemption	Other Exemption
1	D-01 - DISABLED VET: SELF			150,000
2	R-01 - OWNERS PRIMARY RESIDENCE			75,000

Land Summary

Land Line #	Zoning	Size (Square Feet)	NBHD
1	R2A	1,756	50D01

Land Characteristics

Line #	
1	VIEW 2 - Average
2	TOPO 4 - Gentle
3	ACCESS 5 - Average
4	PAVING 4 - Curb&Gutter
5	CORNER 4 - None
6	SEWER 4 - Public
7	ENCROACH 4 - None
8	SETBACK 1 - None
9	WATER 4 - Public
10	RESTRICT 4 - None
11	MAIN 4 - None
12	MISC 5 - None
13	WETLANDS 4 - None
14	SHAPE 4 - Typical
15	LOCATION 3 - Average
16	SIZE 3 -
17	SOILS 4 - Average

Residential Card Summary

Card/Building:	1
Stories:	6 - Townhouse
Condition:	7 - Average

Grade: C
 Exterior Wall: 4 - VINYL
 Style: 06 - TOWNHOUSE
 Year Built: 1977
 Effective Year: 1983
 Square Feet of Living Area: 1288
 Total Rooms: 6
 Bedrooms: 3
 Full Baths: 1
 Half Baths: 1
 Additional Fixtures: 0
 Heating: 2 - CENTRAL
 Fuel Type: 2 - NATURAL GAS
 Resi Market Area: BE - BOWL: EASTSIDE

Sections

Card #	Addition #	Description	Area
1	0		548
1	1	SECOND STORY ADDITION	740
1	2	ROOF TOP DECK	108
1	3	ATTACHED GAR	288
1	5	DECK	160

Entrances

Visit Date:	Measure Date:	Entrance Source:
18-AUG-2009		0-Land Characteristics Inspection
30-NOV-2016		9-Quick Re-Inventory Inspection
29-JUN-2018		6-Desk Edit to CAMA record (NOT Inspected)
15-NOV-2019		6-Desk Edit to CAMA record (NOT Inspected)
19-JUL-2021		6-Desk Edit to CAMA record (NOT Inspected)
25-OCT-2024		10-Physically present with photo of front

Permits

Permit #:	Permit Date:	Purpose:	Amount:
RETROP192563	14-NOV-2019	-	\$0

Appraised Value History

Tax Year	Roll Type	LUC	Class	Land	Improvements	Total Appraised
2026	RP	101	R	65,700	225,200	290,900
2025	RP	101	R	65,700	177,100	242,800
2024	RP	101	R	65,700	161,500	227,200
2023	RP	101	R	65,700	146,600	212,300
2022	RP	101	R	65,700	131,000	196,700
2021	RP	101	R	65,700	114,000	179,700
2020	RP	101	R	65,700	123,600	189,300
2019	RP	101	R	65,700	120,800	186,500
2018	RP	101	R	66,500	126,500	193,000
2017	RP	101	R	63,200	117,800	181,000

Exemption Value History

Tax Year	Roll Type	Code	Property Exemption	Sen/Vet Exemption	Res Exemption	Total
2026	RP	D-01	0	150,000	75,000	225,000
2026	RP	R-01	0	150,000	75,000	225,000
2025	RP	D-01	0	150,000	75,000	225,000
2025	RP	R-01	0	150,000	75,000	225,000



After Recording Return To:

INDECOMM GLOBAL SERVICES ATTN: FD NR 9915
1427 ENERGY PARK DR.
ST. PAUL, MN 55108

ATGA/KG 92410 [Space Above This Line For Recording Data]

Loan Number 9784710007

VA Case Number 63-63-6-0414979

MERS Number 100754497847100074

DEED OF TRUST

(ASSIGNMENT OF LEASES AND RENTS, ASSIGNMENT OF CONTRACTS,
SECURITY AGREEMENT, AND FIXTURE FILING)

**THIS LOAN IS NOT ASSUMABLE
WITHOUT THE APPROVAL OF THE
DEPARTMENT OF VETERANS AFFAIRS
OR ITS AUTHORIZED AGENT.**

DEFINITIONS

Words used in multiple sections of this document are defined below and other words are defined under the caption TRANSFER OF RIGHTS IN THE PROPERTY and in Sections 3, 4, 10, 11, 12, 16, 19, 24, and 25. Certain rules regarding the usage of words used in this document are also provided in Section 17.

Parties

(A) "Borrower" is CHRISTIAN KIRBY, AN UNMARRIED PERSON, currently residing at 7020 METEOR CT, ANCHORAGE, ALASKA 99504-4558. Borrower is the trustor under this Security Instrument.



(B) "Lender" is NEWREZ LLC. Lender is a LIMITED LIABILITY COMPANY organized and existing under the laws of DELAWARE. Lender's address is 601 OFFICE CENTER DRIVE, SUITE 100, FORT WASHINGTON, PA 19034. The term "Lender" includes any successors and assigns of Lender.

(C) "Trustee" is MORTGAGE CONNECT LP. Trustee's address is 600 CLUBHOUSE DRIVE MOON TOWNSHIP PA 15108. The term "Trustee" includes any substitute/successor Trustee.

(D) "MERS" is Mortgage Electronic Registration Systems, Inc. MERS is a separate corporation that is acting solely as a nominee for Lender and Lender's successors and assigns. MERS is the beneficiary under this Security Instrument. MERS is organized and existing under the laws of Delaware, and has an address and telephone number of P.O. Box 2026, Flint, MI 48501-2026, tel. (888) 679-MERS.

Documents

(E) "Note" means the promissory note dated APRIL 11, 2025, and signed by each Borrower who is legally obligated for the debt under that promissory note, that is in either (i) paper form, using Borrower's written pen and ink signature, or (ii) electronic form, using Borrower's adopted Electronic Signature in accordance with the UETA or E-SIGN, as applicable. The Note evidences the legal obligation of each Borrower who signed the Note to pay Lender TWO HUNDRED SEVENTY-FIVE THOUSAND ONE HUNDRED SEVENTY AND 00/100THS Dollars (U.S. \$275,170.00) plus interest. Each Borrower who signed the Note has promised to pay this debt in regular monthly payments and to pay the debt in full not later than MAY 01, 2055.

(F) "Riders" means all Riders to this Security Instrument that are signed by Borrower. All such Riders are incorporated into and deemed to be a part of this Security Instrument. The following Riders are to be signed by Borrower [check box as applicable]:

- Adjustable Rate Rider
- Condominium Rider
- Second Home Rider
- 1-4 Family Rider
- Planned Unit Development Rider
- V.A. Rider
- Manufactured Home Rider
- Leasehold Rider
- Revocable Trust Rider

(G) "Security Instrument" means this document (sometimes referred to as the "Security Instrument" or "Deed of Trust") which is dated APRIL 11, 2025, together with all Riders to this document.

Additional Definitions

(H) "Applicable Law" means all controlling applicable federal, state, and local statutes, regulations, ordinances, and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable judicial opinions.

(I) "Community Association Dues, Fees, and Assessments" means all dues, fees, assessments, and other charges that are imposed on Borrower or the Property by a condominium association, homeowners association, or similar organization.



(J) "Default" means: (i) the failure to pay any Periodic Payment or any other amount secured by this Security Instrument on the date it is due; (ii) a breach of any representation, warranty, covenant, obligation, or agreement in this Security Instrument; (iii) any materially false, misleading, or inaccurate information or statement to Lender provided by Borrower or any persons or entities acting at Borrower's direction or with Borrower's knowledge or consent, or failure to provide Lender with material information in connection with the Loan, as described in Section 8; or (iv) any action or proceeding described in Section 12(e).

(K) "Electronic Fund Transfer" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone or other electronic device capable of communicating with such financial institution, wire transfers, and automated clearinghouse transfers.

(L) "Electronic Signature" means an "Electronic Signature" as defined in the UETA or E-SIGN, as applicable.

(M) "E-SIGN" means the Electronic Signatures in Global and National Commerce Act (15 U.S.C. § 7001 *et seq.*), as it may be amended from time to time, or any applicable additional or successor legislation that governs the same subject matter.

(N) "Escrow Items" means: (i) taxes and assessments and other items that can attain priority over this Security Instrument as a lien or encumbrance on the Property; (ii) leasehold payments or ground rents on the Property, if any; (iii) premiums for any and all insurance required by Lender under Section 5; (iv) Mortgage Insurance premiums, if any, or any sums payable by Borrower to Lender in lieu of the payment of Mortgage Insurance premiums in accordance with the provisions of Section 11; and (v) Community Association Dues, Fees, and Assessments if Lender requires that they be escrowed beginning at Loan closing or at any time during the Loan term.

(O) "Loan" means the debt obligation evidenced by the Note, plus interest, any prepayment charges, costs, expenses, and late charges due under the Note, and all sums due under this Security Instrument, plus interest.

(P) "Loan Servicer" means the entity that has the contractual right to receive Borrower's Periodic Payments and any other payments made by Borrower, and administers the Loan on behalf of Lender. Loan Servicer does not include a sub-servicer, which is an entity that may service the Loan on behalf of the Loan Servicer.

(Q) "Miscellaneous Proceeds" means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section 5) for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property.

(R) "Mortgage Insurance" means insurance protecting Lender against the nonpayment of, or Default on, the Loan.

(S) "Partial Payment" means any payment by Borrower, other than a voluntary prepayment permitted under the Note, which is less than a full outstanding Periodic Payment and any late charges or other amounts then due under the Note or this Security Instrument.



referred to in this Security Instrument as the "Property." Borrower understands and agrees that MERS holds only legal title to the interests granted by Borrower in this Security Instrument, but, if necessary to comply with law or custom, MERS (as nominee for Lender and Lender's successors and assigns) has the right: to exercise any or all of those interests, including, but not limited to, the right to foreclose and sell the Property; and to take any action required of Lender including, but not limited to, releasing and canceling this Security Instrument.

BORROWER REPRESENTS, WARRANTS, COVENANTS, AND AGREES that: (i) Borrower lawfully owns and possesses the Property conveyed in this Security Instrument in fee simple or lawfully has the right to use and occupy the Property under a leasehold estate; (ii) Borrower has the right to grant and convey the Property or Borrower's leasehold interest in the Property; and (iii) the Property is unencumbered, and not subject to any other ownership interest in the Property, except for encumbrances and ownership interests of record. Borrower warrants generally the title to the Property and covenants and agrees to defend the title to the Property against all claims and demands, subject to any encumbrances and ownership interests of record as of Loan closing.

THIS SECURITY INSTRUMENT combines uniform covenants for national use with limited variations and non-uniform covenants that reflect specific Alaska state requirements to constitute a uniform security instrument covering real property.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. Payment of Principal, Interest, Escrow Items, Prepayment Charges, and Late Charges. Borrower will pay each Periodic Payment when due. Borrower will also pay any prepayment charges and late charges due under the Note, and any other amounts due under this Security Instrument. Payments due under the Note and this Security Instrument must be made in U.S. currency. If any check or other instrument received by Lender as payment under the Note or this Security Instrument is returned to Lender unpaid, Lender may require that any or all subsequent payments due under the Note and this Security Instrument be made in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check, or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a U.S. federal agency, instrumentality, or entity; or (d) Electronic Fund Transfer.

Payments are deemed received by Lender when received at the location designated in the Note or at such other location as may be designated by Lender in accordance with the notice provisions in Section 16. Lender may accept or return any Partial Payments in its sole discretion pursuant to Section 2.

Any offset or claim that Borrower may have now or in the future against Lender will not relieve Borrower from making the full amount of all payments due under the Note and this Security Instrument or performing the covenants and agreements secured by this Security Instrument.

2. Acceptance and Application of Payments or Proceeds.

(a) Acceptance and Application of Partial Payments. Lender may accept and either apply or hold in suspense Partial Payments in its sole discretion in accordance with this Section 2. Lender is not obligated to accept any Partial Payments or to apply any Partial Payments at the time such payments are accepted, and also is not obligated to pay interest on such unapplied funds. Lender may hold such unapplied funds until Borrower makes payment sufficient to cover a full Periodic Payment,



at which time the amount of the full Periodic Payment will be applied to the Loan. If Borrower does not make such a payment within a reasonable period of time, Lender will either apply such funds in accordance with this Section 2 or return them to Borrower. If not applied earlier, Partial Payments will be credited against the total amount due under the Loan in calculating the amount due in connection with any foreclosure proceeding, payoff request, loan modification, or reinstatement. Lender may accept any payment insufficient to bring the Loan current without waiver of any rights under this Security Instrument or prejudice to its rights to refuse such payments in the future.

(b) Order of Application of Partial Payments and Periodic Payments. Except as otherwise described in this Section 2, if Lender applies a payment, such payment will be applied to each Periodic Payment in the order in which it became due, beginning with the oldest outstanding Periodic Payment, as follows: first to interest and then to principal due under the Note, and finally to Escrow Items. If all outstanding Periodic Payments then due are paid in full, any payment amounts remaining may be applied to late charges and to any amounts then due under this Security Instrument. If all sums then due under the Note and this Security Instrument are paid in full, any remaining payment amount may be applied, in Lender's sole discretion, to a future Periodic Payment or to reduce the principal balance of the Note.

If Lender receives a payment from Borrower in the amount of one or more Periodic Payments and the amount of any late charge due for a delinquent Periodic Payment, the payment may be applied to the delinquent payment and the late charge.

When applying payments, Lender will apply such payments in accordance with Applicable Law.

(c) Voluntary Prepayments. Voluntary prepayments will be applied as described in the Note.

(d) No Change to Payment Schedule. Any application of payments, insurance proceeds, or Miscellaneous Proceeds to principal due under the Note will not extend or postpone the due date, or change the amount, of the Periodic Payments.

3. Funds for Escrow Items.

(a) Escrow Requirement; Escrow Items. Borrower must pay to Lender on the day Periodic Payments are due under the Note, until the Note is paid in full, a sum of money to provide for payment of amounts due for all Escrow Items (the "Funds"). The amount of the Funds required to be paid each month may change during the term of the Loan. Borrower must promptly furnish to Lender all notices or invoices of amounts to be paid under this Section 3.

(b) Payment of Funds; Waiver. Borrower must pay Lender the Funds for Escrow Items unless Lender waives this obligation in writing. Lender may waive this obligation for any Escrow Item at any time. In the event of such waiver, Borrower must pay directly, when and where payable, the amounts due for any Escrow Items subject to the waiver. If Lender has waived the requirement to pay Lender the Funds for any or all Escrow Items, Lender may require Borrower to provide proof of direct payment of those items within such time period as Lender may require. Borrower's obligation to make such timely payments and to provide proof of payment is deemed to be a covenant and agreement of Borrower under this Security Instrument. If Borrower is obligated to pay Escrow Items directly pursuant to a waiver, and Borrower fails to pay timely the amount due for an Escrow Item, Lender may exercise its rights under Section 9 to pay such amount and Borrower will be obligated to repay to Lender any such amount in accordance with Section 9.



Lender may withdraw the waiver as to any or all Escrow Items at any time by giving a notice in accordance with Section 16; upon such withdrawal, Borrower must pay to Lender all Funds for such Escrow Items, and in such amounts, that are then required under this Section 3.

(c) Amount of Funds; Application of Funds. Lender may, at any time, collect and hold Funds in an amount up to, but not in excess of, the maximum amount a lender can require under RESPA. Lender will estimate the amount of Funds due in accordance with Applicable Law.

The Funds will be held in an institution whose deposits are insured by a U.S. federal agency, instrumentality, or entity (including Lender, if Lender is an institution whose deposits are so insured) or in any Federal Home Loan Bank. Lender will apply the Funds to pay the Escrow Items no later than the time specified under RESPA. Lender may not charge Borrower for: (i) holding and applying the Funds; (ii) annually analyzing the escrow account; or (iii) verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and Applicable Law permits Lender to make such a charge. Unless Lender and Borrower agree in writing or Applicable Law requires interest to be paid on the Funds, Lender will not be required to pay Borrower any interest or earnings on the Funds. Lender will give to Borrower, without charge, an annual accounting of the Funds as required by RESPA.

(d) Surplus; Shortage and Deficiency of Funds. In accordance with RESPA, if there is a surplus of Funds held in escrow, Lender will account to Borrower for such surplus. If Borrower's Periodic Payment is delinquent by more than 30 days, Lender may retain the surplus in the escrow account for the payment of the Escrow Items. If there is a shortage or deficiency of Funds held in escrow, Lender will notify Borrower and Borrower will pay to Lender the amount necessary to make up the shortage or deficiency in accordance with RESPA.

Upon payment in full of all sums secured by this Security Instrument, Lender will promptly refund to Borrower any Funds held by Lender.

4. Charges; Liens. Borrower must pay (a) all taxes, assessments, charges, fines, and impositions attributable to the Property which have priority or may attain priority over this Security Instrument, (b) leasehold payments or ground rents on the Property, if any, and (c) Community Association Dues, Fees, and Assessments, if any. If any of these items are Escrow Items, Borrower will pay them in the manner provided in Section 3.

Borrower must promptly discharge any lien that has priority or may attain priority over this Security Instrument unless Borrower: (aa) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, but only so long as Borrower is performing under such agreement; (bb) contests the lien in good faith by, or defends against enforcement of the lien in, legal proceedings which Lender determines, in its sole discretion, operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded; or (cc) secures from the holder of the lien an agreement satisfactory to Lender that subordinates the lien to this Security Instrument (collectively, the "Required Actions"). If Lender determines that any part of the Property is subject to a lien that has priority or may attain priority over this Security Instrument and Borrower has not taken any of the Required Actions in regard to such lien, Lender may give Borrower a notice identifying the lien. Within 10 days after the date on which that notice is given, Borrower must satisfy the lien or take one or more of the Required Actions.



5. Property Insurance.

(a) Insurance Requirement; Coverages. Borrower must keep the improvements now existing or subsequently erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and any other hazards including, but not limited to, earthquakes, winds, and floods, for which Lender requires insurance. Borrower must maintain the types of insurance Lender requires in the amounts (including deductible levels) and for the periods that Lender requires. What Lender requires pursuant to the preceding sentences can change during the term of the Loan, and may exceed any minimum coverage required by Applicable Law. Borrower may choose the insurance carrier providing the insurance, subject to Lender's right to disapprove Borrower's choice, which right will not be exercised unreasonably.

(b) Failure to Maintain Insurance. If Lender has a reasonable basis to believe that Borrower has failed to maintain any of the required insurance coverages described above, Lender may obtain insurance coverage, at Lender's option and at Borrower's expense. Unless required by Applicable Law, Lender is under no obligation to advance premiums for, or to seek to reinstate, any prior lapsed coverage obtained by Borrower. Lender is under no obligation to purchase any particular type or amount of coverage and may select the provider of such insurance in its sole discretion. Before purchasing such coverage, Lender will notify Borrower if required to do so under Applicable Law. Any such coverage will insure Lender, but might not protect Borrower, Borrower's equity in the Property, or the contents of the Property, against any risk, hazard, or liability and might provide greater or lesser coverage than was previously in effect, but not exceeding the coverage required under Section 5(a). Borrower acknowledges that the cost of the insurance coverage so obtained may significantly exceed the cost of insurance that Borrower could have obtained. Any amounts disbursed by Lender for costs associated with reinstating Borrower's insurance policy or with placing new insurance under this Section 5 will become additional debt of Borrower secured by this Security Instrument. These amounts will bear interest at the Note rate from the date of disbursement and will be payable, with such interest, upon notice from Lender to Borrower requesting payment.

(c) Insurance Policies. All insurance policies required by Lender and renewals of such policies: (i) will be subject to Lender's right to disapprove such policies; (ii) must include a standard mortgage clause; and (iii) must name Lender as mortgagee and/or as an additional loss payee. Lender will have the right to hold the policies and renewal certificates. If Lender requires, Borrower will promptly give to Lender proof of paid premiums and renewal notices. If Borrower obtains any form of insurance coverage, not otherwise required by Lender, for damage to, or destruction of, the Property, such policy must include a standard mortgage clause and must name Lender as mortgagee and/or as an additional loss payee.

(d) Proof of Loss; Application of Proceeds. In the event of loss, Borrower must give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Any insurance proceeds, whether or not the underlying insurance was required by Lender, will be applied to restoration or repair of the Property, if Lender deems the restoration or repair to be economically feasible and determines that Lender's security will not be lessened by such restoration or repair.

If the Property is to be repaired or restored, Lender will disburse from the insurance proceeds any initial amounts that are necessary to begin the repair or restoration, subject to any restrictions applicable to Lender. During the subsequent repair and restoration period, Lender will have the right to hold such insurance proceeds until Lender has had an opportunity to inspect such Property to ensure



the work has been completed to Lender's satisfaction (which may include satisfying Lender's minimum eligibility requirements for persons repairing the Property, including, but not limited to, licensing, bond, and insurance requirements) provided that such inspection must be undertaken promptly. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed, depending on the size of the repair or restoration, the terms of the repair agreement, and whether Borrower is in Default on the Loan. Lender may make such disbursements directly to Borrower, to the person repairing or restoring the Property, or payable jointly to both. Lender will not be required to pay Borrower any interest or earnings on such insurance proceeds unless Lender and Borrower agree in writing or Applicable Law requires otherwise. Fees for public adjusters, or other third parties, retained by Borrower will not be paid out of the insurance proceeds and will be the sole obligation of Borrower.

If Lender deems the restoration or repair not to be economically feasible or Lender's security would be lessened by such restoration or repair, the insurance proceeds will be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such insurance proceeds will be applied in the order that Partial Payments are applied in Section 2(b).

(e) Insurance Settlements; Assignment of Proceeds. If Borrower abandons the Property, Lender may file, negotiate, and settle any available insurance claim and related matters. If Borrower does not respond within 30 days to a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may negotiate and settle the claim. The 30-day period will begin when the notice is given. In either event, or if Lender acquires the Property under Section 26 or otherwise, Borrower is unconditionally assigning to Lender (i) Borrower's rights to any insurance proceeds in an amount not to exceed the amounts unpaid under the Note and this Security Instrument, and (ii) any other of Borrower's rights (other than the right to any refund of unearned premiums paid by Borrower) under all insurance policies covering the Property, to the extent that such rights are applicable to the coverage of the Property. If Lender files, negotiates, or settles a claim, Borrower agrees that any insurance proceeds may be made payable directly to Lender without the need to include Borrower as an additional loss payee. Lender may use the insurance proceeds either to repair or restore the Property (as provided in Section 5(d)) or to pay amounts unpaid under the Note or this Security Instrument, whether or not then due.

6. Occupancy. Borrower must occupy, establish, and use the Property as Borrower's principal residence within 60 days after the execution of this Security Instrument and must continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent will not be unreasonably withheld, or unless extenuating circumstances exist that are beyond Borrower's control.

7. Preservation, Maintenance, and Protection of the Property; Inspections. Borrower will not destroy, damage, or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Whether or not Borrower is residing in the Property, Borrower must maintain the Property in order to prevent the Property from deteriorating or decreasing in value due to its condition. Unless Lender determines pursuant to Section 5 that repair or restoration is not economically feasible, Borrower will promptly repair the Property if damaged to avoid further deterioration or damage.

If insurance or condemnation proceeds are paid to Lender in connection with damage to, or the taking of, the Property, Borrower will be responsible for repairing or restoring the Property only if Lender has released proceeds for such purposes. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed,



depending on the size of the repair or restoration, the terms of the repair agreement, and whether Borrower is in Default on the Loan. Lender may make such disbursements directly to Borrower, to the person repairing or restoring the Property, or payable jointly to both. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, Borrower remains obligated to complete such repair or restoration.

Lender may make reasonable entries upon and inspections of the Property. If Lender has reasonable cause, Lender may inspect the interior of the improvements on the Property. Lender will give Borrower notice at the time of or prior to such an interior inspection specifying such reasonable cause.

8. Borrower's Loan Application. Borrower will be in Default if, during the Loan application process, Borrower or any persons or entities acting at Borrower's direction or with Borrower's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Lender (or failed to provide Lender with material information) in connection with the Loan, including, but not limited to, overstating Borrower's income or assets, understating or failing to provide documentation of Borrower's debt obligations and liabilities, and misrepresenting Borrower's occupancy or intended occupancy of the Property as Borrower's principal residence.

9. Protection of Lender's Interest in the Property and Rights Under this Security Instrument.

(a) Protection of Lender's Interest. If: (i) Borrower fails to perform the covenants and agreements contained in this Security Instrument; (ii) there is a legal proceeding or government order that might significantly affect Lender's interest in the Property and/or rights under this Security Instrument (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of a lien that has priority or may attain priority over this Security Instrument, or to enforce laws or regulations); or (iii) Lender reasonably believes that Borrower has abandoned the Property, then Lender may do and pay for whatever is reasonable or appropriate to protect Lender's interest in the Property and/or rights under this Security Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property. Lender's actions may include, but are not limited to: (I) paying any sums secured by a lien that has priority or may attain priority over this Security Instrument; (II) appearing in court; and (III) paying: (A) reasonable attorneys' fees and costs; (B) property inspection and valuation fees; and (C) other fees incurred for the purpose of protecting Lender's interest in the Property and/or rights under this Security Instrument, including its secured position in a bankruptcy proceeding. Securing the Property includes, but is not limited to, exterior and interior inspections of the Property, entering the Property to make repairs, changing locks, replacing or boarding up doors and windows, draining water from pipes, eliminating building or other code violations or dangerous conditions, and having utilities turned on or off. Although Lender may take action under this Section 9, Lender is not required to do so and is not under any duty or obligation to do so. Lender will not be liable for not taking any or all actions authorized under this Section 9.

(b) Avoiding Foreclosure; Mitigating Losses. If Borrower is in Default, Lender may work with Borrower to avoid foreclosure and/or mitigate Lender's potential losses, but is not obligated to do so unless required by Applicable Law. Lender may take reasonable actions to evaluate Borrower for available alternatives to foreclosure, including, but not limited to, obtaining credit reports, title reports, title insurance, property valuations, subordination agreements, and third-party approvals. Borrower authorizes and consents to these actions. Any costs associated with such loss mitigation activities may



be paid by Lender and recovered from Borrower as described below in Section 9(c), unless prohibited by Applicable Law.

(c) Additional Amounts Secured. Any amounts disbursed by Lender under this Section 9 will become additional debt of Borrower secured by this Security Instrument. These amounts may bear interest at the Note rate from the date of disbursement and will be payable, with such interest, upon notice from Lender to Borrower requesting payment.

(d) Leasehold Terms. If this Security Instrument is on a leasehold, Borrower will comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title will not merge unless Lender agrees to the merger in writing.

10. Assignment of Rents.

(a) Assignment of Rents. If the Property is leased to, used by, or occupied by a third party ("Tenant"), Borrower is unconditionally assigning and transferring to Lender any Rents, regardless of to whom the Rents are payable. Borrower authorizes Lender to collect the Rents, and agrees that each Tenant will pay the Rents to Lender. However, Borrower will receive the Rents until (i) Lender has given Borrower notice of Default pursuant to Section 26, and (ii) Lender has given notice to the Tenant that the Rents are to be paid to Lender. This Section 10 constitutes an absolute assignment and not an assignment for additional security only.

(b) Notice of Default. If Lender gives notice of Default to Borrower: (i) all Rents received by Borrower must be held by Borrower as trustee for the benefit of Lender only, to be applied to the sums secured by the Security Instrument; (ii) Lender will be entitled to collect and receive all of the Rents; (iii) Borrower agrees to instruct each Tenant that Tenant is to pay all Rents due and unpaid to Lender upon Lender's written demand to the Tenant; (iv) Borrower will ensure that each Tenant pays all Rents due to Lender and will take whatever action is necessary to collect such Rents if not paid to Lender; (v) unless Applicable Law provides otherwise, all Rents collected by Lender will be applied first to the costs of taking control of and managing the Property and collecting the Rents, including, but not limited to, reasonable attorneys' fees and costs, receiver's fees, premiums on receiver's bonds, repair and maintenance costs, insurance premiums, taxes, assessments, and other charges on the Property, and then to any other sums secured by this Security Instrument; (vi) Lender, or any judicially appointed receiver, will be liable to account for only those Rents actually received; and (vii) Lender will be entitled to have a receiver appointed to take possession of and manage the Property and collect the Rents and profits derived from the Property without any showing as to the inadequacy of the Property as security.

(c) Funds Paid by Lender. If the Rents are not sufficient to cover the costs of taking control of and managing the Property and of collecting the Rents, any funds paid by Lender for such purposes will become indebtedness of Borrower to Lender secured by this Security Instrument pursuant to Section 9.

(d) Limitation on Collection of Rents. Borrower may not collect any of the Rents more than one month in advance of the time when the Rents become due, except for security or similar deposits.

(e) No Other Assignment of Rents. Borrower represents, warrants, covenants, and agrees that Borrower has not signed any prior assignment of the Rents, will not make any further assignment of the Rents, and has not performed, and will not perform, any act that could prevent Lender from exercising its rights under this Security Instrument.



(f) Control and Maintenance of the Property. Unless required by Applicable Law, Lender, or a receiver appointed under Applicable Law, is not obligated to enter upon, take control of, or maintain the Property before or after giving notice of Default to Borrower. However, Lender, or a receiver appointed under Applicable Law, may do so at any time when Borrower is in Default, subject to Applicable Law.

(g) Additional Provisions. Any application of the Rents will not cure or waive any Default or invalidate any other right or remedy of Lender. This Section 10 does not relieve Borrower of Borrower's obligations under Section 6.

This Section 10 will terminate when all the sums secured by this Security Instrument are paid in full.

11. Mortgage Insurance.

(a) Payment of Premiums; Substitution of Policy; Loss Reserve; Protection of Lender.

If Lender required Mortgage Insurance as a condition of making the Loan, Borrower will pay the premiums required to maintain the Mortgage Insurance in effect. If Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, and (i) the Mortgage Insurance coverage required by Lender ceases for any reason to be available from the mortgage insurer that previously provided such insurance, or (ii) Lender determines in its sole discretion that such mortgage insurer is no longer eligible to provide the Mortgage Insurance coverage required by Lender, Borrower will pay the premiums required to obtain coverage substantially equivalent to the Mortgage Insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the Mortgage Insurance previously in effect, from an alternate mortgage insurer selected by Lender.

If substantially equivalent Mortgage Insurance coverage is not available, Borrower will continue to pay to Lender the amount of the separately designated payments that were due when the insurance coverage ceased to be in effect. Lender will accept, use, and retain these payments as a non-refundable loss reserve in lieu of Mortgage Insurance. Such loss reserve will be non-refundable, even when the Loan is paid in full, and Lender will not be required to pay Borrower any interest or earnings on such loss reserve.

Lender will no longer require loss reserve payments if Mortgage Insurance coverage (in the amount and for the period that Lender requires) provided by an insurer selected by Lender again becomes available, is obtained, and Lender requires separately designated payments toward the premiums for Mortgage Insurance.

If Lender required Mortgage Insurance as a condition of making the Loan and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower will pay the premiums required to maintain Mortgage Insurance in effect, or to provide a non-refundable loss reserve, until Lender's requirement for Mortgage Insurance ends in accordance with any written agreement between Borrower and Lender providing for such termination or until termination is required by Applicable Law. Nothing in this Section 11 affects Borrower's obligation to pay interest at the Note rate.

(b) Mortgage Insurance Agreements. Mortgage Insurance reimburses Lender for certain losses Lender may incur if Borrower does not repay the Loan as agreed. Borrower is not a party to the Mortgage Insurance policy or coverage.

Mortgage insurers evaluate their total risk on all such insurance in force from time to time, and may enter into agreements with other parties that share or modify their risk, or reduce losses. These agreements may require the mortgage insurer to make payments using any source of funds that the



mortgage insurer may have available (which may include funds obtained from Mortgage Insurance premiums).

As a result of these agreements, Lender, another insurer, any reinsurer, any other entity, or any affiliate of any of the foregoing, may receive (directly or indirectly) amounts that derive from (or might be characterized as) a portion of Borrower's payments for Mortgage Insurance, in exchange for sharing or modifying the mortgage insurer's risk, or reducing losses. Any such agreements will not: (i) affect the amounts that Borrower has agreed to pay for Mortgage Insurance, or any other terms of the Loan; (ii) increase the amount Borrower will owe for Mortgage Insurance; (iii) entitle Borrower to any refund; or (iv) affect the rights Borrower has, if any, with respect to the Mortgage Insurance under the Homeowners Protection Act of 1998 (12 U.S.C. § 4901 *et seq.*), as it may be amended from time to time, or any additional or successor federal legislation or regulation that governs the same subject matter ("HPA"). These rights under the HPA may include the right to receive certain disclosures, to request and obtain cancellation of the Mortgage Insurance, to have the Mortgage Insurance terminated automatically, and/or to receive a refund of any Mortgage Insurance premiums that were unearned at the time of such cancellation or termination.

12. Assignment and Application of Miscellaneous Proceeds; Forfeiture.

(a) Assignment of Miscellaneous Proceeds. Borrower is unconditionally assigning the right to receive all Miscellaneous Proceeds to Lender and agrees that such amounts will be paid to Lender.

(b) Application of Miscellaneous Proceeds upon Damage to Property. If the Property is damaged, any Miscellaneous Proceeds will be applied to restoration or repair of the Property, if Lender deems the restoration or repair to be economically feasible and Lender's security will not be lessened by such restoration or repair. During such repair and restoration period, Lender will have the right to hold such Miscellaneous Proceeds until Lender has had an opportunity to inspect the Property to ensure the work has been completed to Lender's satisfaction (which may include satisfying Lender's minimum eligibility requirements for persons repairing the Property, including, but not limited to, licensing, bond, and insurance requirements) provided that such inspection must be undertaken promptly. Lender may pay for the repairs and restoration in a single disbursement or in a series of progress payments as the work is completed, depending on the size of the repair or restoration, the terms of the repair agreement, and whether Borrower is in Default on the Loan. Lender may make such disbursements directly to Borrower, to the person repairing or restoring the Property, or payable jointly to both. Unless Lender and Borrower agree in writing or Applicable Law requires interest to be paid on such Miscellaneous Proceeds, Lender will not be required to pay Borrower any interest or earnings on such Miscellaneous Proceeds. If Lender deems the restoration or repair not to be economically feasible or Lender's security would be lessened by such restoration or repair, the Miscellaneous Proceeds will be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such Miscellaneous Proceeds will be applied in the order that Partial Payments are applied in Section 2(b).

(c) Application of Miscellaneous Proceeds upon Condemnation, Destruction, or Loss in Value of the Property. In the event of a total taking, destruction, or loss in value of the Property, all of the Miscellaneous Proceeds will be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property (each, a "Partial Devaluation") where the fair market value of the Property immediately before the Partial Devaluation is equal to or greater than the amount of the sums secured by this Security Instrument immediately



before the Partial Devaluation, a percentage of the Miscellaneous Proceeds will be applied to the sums secured by this Security Instrument unless Borrower and Lender otherwise agree in writing. The amount of the Miscellaneous Proceeds that will be so applied is determined by multiplying the total amount of the Miscellaneous Proceeds by a percentage calculated by taking (i) the total amount of the sums secured immediately before the Partial Devaluation, and dividing it by (ii) the fair market value of the Property immediately before the Partial Devaluation. Any balance of the Miscellaneous Proceeds will be paid to Borrower.

In the event of a Partial Devaluation where the fair market value of the Property immediately before the Partial Devaluation is less than the amount of the sums secured immediately before the Partial Devaluation, all of the Miscellaneous Proceeds will be applied to the sums secured by this Security Instrument, whether or not the sums are then due, unless Borrower and Lender otherwise agree in writing.

(d) Settlement of Claims. Lender is authorized to collect and apply the Miscellaneous Proceeds either to the sums secured by this Security Instrument, whether or not then due, or to restoration or repair of the Property, if Borrower (i) abandons the Property, or (ii) fails to respond to Lender within 30 days after the date Lender notifies Borrower that the Opposing Party (as defined in the next sentence) offers to settle a claim for damages. "Opposing Party" means the third party that owes Borrower the Miscellaneous Proceeds or the party against whom Borrower has a right of action in regard to the Miscellaneous Proceeds.

(e) Proceeding Affecting Lender's Interest in the Property. Borrower will be in Default if any action or proceeding begins, whether civil or criminal, that, in Lender's judgment, could result in forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. Borrower can cure such a Default and, if acceleration has occurred, reinstate as provided in Section 20, by causing the action or proceeding to be dismissed with a ruling that, in Lender's judgment, precludes forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. Borrower is unconditionally assigning to Lender the proceeds of any award or claim for damages that are attributable to the impairment of Lender's interest in the Property, which proceeds will be paid to Lender. All Miscellaneous Proceeds that are not applied to restoration or repair of the Property will be applied in the order that Partial Payments are applied in Section 2(b).

13. Borrower Not Released; Forbearance by Lender Not a Waiver. Borrower or any Successor in Interest of Borrower will not be released from liability under this Security Instrument if Lender extends the time for payment or modifies the amortization of the sums secured by this Security Instrument. Lender will not be required to commence proceedings against any Successor in Interest of Borrower, or to refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument, by reason of any demand made by the original Borrower or any Successors in Interest of Borrower. Any forbearance by Lender in exercising any right or remedy including, without limitation, Lender's acceptance of payments from third persons, entities, or Successors in Interest of Borrower or in amounts less than the amount then due, will not be a waiver of, or preclude the exercise of, any right or remedy by Lender.

14. Joint and Several Liability; Signatories; Successors and Assigns Bound. Borrower's obligations and liability under this Security Instrument will be joint and several. However, any Borrower who signs this Security Instrument but does not sign the Note: (a) signs this Security Instrument to mortgage, grant, and convey such Borrower's interest in the Property under the terms of



this Security Instrument; (b) signs this Security Instrument to waive any applicable inchoate rights such as dower and curtesy and any available homestead exemptions; (c) signs this Security Instrument to assign any Miscellaneous Proceeds, Rents, or other earnings from the Property to Lender; (d) is not personally obligated to pay the sums due under the Note or this Security Instrument; and (e) agrees that Lender and any other Borrower can agree to extend, modify, forbear, or make any accommodations with regard to the terms of the Note or this Security Instrument without such Borrower's consent and without affecting such Borrower's obligations under this Security Instrument.

Subject to the provisions of Section 19, any Successor in Interest of Borrower who assumes Borrower's obligations under this Security Instrument in writing, and is approved by Lender, will obtain all of Borrower's rights, obligations, and benefits under this Security Instrument. Borrower will not be released from Borrower's obligations and liability under this Security Instrument unless Lender agrees to such release in writing.

15. Loan Charges.

(a) Tax and Flood Determination Fees. Lender may require Borrower to pay (i) a one-time charge for a real estate tax verification and/or reporting service used by Lender in connection with this Loan, and (ii) either (A) a one-time charge for flood zone determination, certification, and tracking services, or (B) a one-time charge for flood zone determination and certification services and subsequent charges each time remappings or similar changes occur that reasonably might affect such determination or certification. Borrower will also be responsible for the payment of any fees imposed by the Federal Emergency Management Agency, or any successor agency, at any time during the Loan term, in connection with any flood zone determinations.

(b) Default Charges. If permitted under Applicable Law, Lender may charge Borrower fees for services performed in connection with Borrower's Default to protect Lender's interest in the Property and rights under this Security Instrument, including: (i) reasonable attorneys' fees and costs; (ii) property inspection, valuation, mediation, and loss mitigation fees; and (iii) other related fees.

(c) Permissibility of Fees. In regard to any other fees, the absence of express authority in this Security Instrument to charge a specific fee to Borrower should not be construed as a prohibition on the charging of such fee. Lender may not charge fees that are expressly prohibited by this Security Instrument or by Applicable Law.

(d) Savings Clause. If Applicable Law sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the Loan exceed the permitted limits, then (i) any such loan charge will be reduced by the amount necessary to reduce the charge to the permitted limit, and (ii) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge (whether or not a prepayment charge is provided for under the Note). To the extent permitted by Applicable Law, Borrower's acceptance of any such refund made by direct payment to Borrower will constitute a waiver of any right of action Borrower might have arising out of such overcharge.

16. Notices; Borrower's Physical Address. All notices given by Borrower or Lender in connection with this Security Instrument must be in writing.

(a) Notices to Borrower. Unless Applicable Law requires a different method, any written notice to Borrower in connection with this Security Instrument will be deemed to have been given to



Borrower when (i) mailed by first class mail, or (ii) actually delivered to Borrower's Notice Address (as defined in Section 16(c) below) if sent by means other than first class mail or Electronic Communication (as defined in Section 16(b) below). Notice to any one Borrower will constitute notice to all Borrowers unless Applicable Law expressly requires otherwise. If any notice to Borrower required by this Security Instrument is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Security Instrument.

(b) Electronic Notice to Borrower. Unless another delivery method is required by Applicable Law, Lender may provide notice to Borrower by e-mail or other electronic communication ("Electronic Communication") if: (i) agreed to by Lender and Borrower in writing; (ii) Borrower has provided Lender with Borrower's e-mail or other electronic address ("Electronic Address"); (iii) Lender provides Borrower with the option to receive notices by first class mail or by other non-Electronic Communication instead of by Electronic Communication; and (iv) Lender otherwise complies with Applicable Law. Any notice to Borrower sent by Electronic Communication in connection with this Security Instrument will be deemed to have been given to Borrower when sent unless Lender becomes aware that such notice is not delivered. If Lender becomes aware that any notice sent by Electronic Communication is not delivered, Lender will resend such communication to Borrower by first class mail or by other non-Electronic Communication. Borrower may withdraw the agreement to receive Electronic Communications from Lender at any time by providing written notice to Lender of Borrower's withdrawal of such agreement.

(c) Borrower's Notice Address. The address to which Lender will send Borrower notice ("Notice Address") will be the Property Address unless Borrower has designated a different address by written notice to Lender. If Lender and Borrower have agreed that notice may be given by Electronic Communication, then Borrower may designate an Electronic Address as Notice Address. Borrower will promptly notify Lender of Borrower's change of Notice Address, including any changes to Borrower's Electronic Address if designated as Notice Address. If Lender specifies a procedure for reporting Borrower's change of Notice Address, then Borrower will report a change of Notice Address only through that specified procedure.

(d) Notices to Lender. Any notice to Lender will be given by delivering it or by mailing it by first class mail to Lender's address stated in this Security Instrument unless Lender has designated another address (including an Electronic Address) by notice to Borrower. Any notice in connection with this Security Instrument will be deemed to have been given to Lender only when actually received by Lender at Lender's designated address (which may include an Electronic Address). If any notice to Lender required by this Security Instrument is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Security Instrument.

(e) Borrower's Physical Address. In addition to the designated Notice Address, Borrower will provide Lender with the address where Borrower physically resides, if different from the Property Address, and notify Lender whenever this address changes.

17. Governing Law; Severability; Rules of Construction. This Security Instrument is governed by federal law and the law of the State of Alaska. All rights and obligations contained in this Security Instrument are subject to any requirements and limitations of Applicable Law, including, but not limited to, Department of Veterans Affairs regulations (38 C.F.R. Part 36) in effect on the date the Loan is closed. If any provision of this Security Instrument or the Note conflicts with Applicable Law (i) such conflict will not affect other provisions of this Security Instrument or the Note that can be



given effect without the conflicting provision, and (ii) such conflicting provision, to the extent possible, will be considered modified to comply with Applicable Law. Applicable Law might explicitly or implicitly allow the parties to agree by contract or it might be silent, but such silence should not be construed as a prohibition against agreement by contract. Any action required under this Security Instrument to be made in accordance with Applicable Law is to be made in accordance with the Applicable Law in effect at the time the action is undertaken.

As used in this Security Instrument: (a) words in the singular will mean and include the plural and vice versa; (b) the word "may" gives sole discretion without any obligation to take any action; (c) any reference to "Section" in this document refers to Sections contained in this Security Instrument unless otherwise noted; and (d) the headings and captions are inserted for convenience of reference and do not define, limit, or describe the scope or intent of this Security Instrument or any particular Section, paragraph, or provision.

18. Borrower's Copy. One Borrower will be given one copy of the Note and of this Security Instrument.

19. Transfer of the Property or a Beneficial Interest in Borrower. For purposes of this Section 19 only, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract, or escrow agreement, the intent of which is the transfer of title by Borrower to a purchaser at a future date.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, Lender will not exercise this option if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender will give Borrower notice of acceleration. The notice will provide a period of not less than 30 days from the date the notice is given in accordance with Section 16 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to, or upon, the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower and will be entitled to collect all expenses incurred in pursuing such remedies, including, but not limited to: (a) reasonable attorneys' fees and costs; (b) property inspection and valuation fees; and (c) other fees incurred to protect Lender's Interest in the Property and/or rights under this Security Instrument.

20. Borrower's Right to Reinstate the Loan after Acceleration. If Borrower meets certain conditions, Borrower will have the right to reinstate the Loan and have enforcement of this Security Instrument discontinued at any time up to the later of (a) five days before any foreclosure sale of the Property, or (b) such other period as Applicable Law might specify for the termination of Borrower's right to reinstate. This right to reinstate will not apply in the case of acceleration under Section 19.

To reinstate the Loan, Borrower must satisfy all of the following conditions: (aa) pay Lender all sums that then would be due under this Security Instrument and the Note as if no acceleration had occurred; (bb) cure any Default of any other covenants or agreements under this Security Instrument or the Note; (cc) pay all expenses incurred in enforcing this Security Instrument or the Note, including, but not limited to: (i) reasonable attorneys' fees and costs; (ii) property inspection and valuation fees; and (iii) other fees incurred to protect Lender's interest in the Property and/or rights under this Security Instrument or the Note; and (dd) take such action as Lender may reasonably require to assure



that Lender's interest in the Property and/or rights under this Security Instrument or the Note, and Borrower's obligation to pay the sums secured by this Security Instrument or the Note, will continue unchanged.

Lender may require that Borrower pay such reinstatement sums and expenses in one or more of the following forms, as selected by Lender: (aaa) cash; (bbb) money order; (ccc) certified check, bank check, treasurer's check, or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a U.S. federal agency, instrumentality, or entity; or (ddd) Electronic Fund Transfer. Upon Borrower's reinstatement of the Loan, this Security Instrument and obligations secured by this Security Instrument will remain fully effective as if no acceleration had occurred.

21. Sale of Note. The Note or a partial interest in the Note, together with this Security Instrument, may be sold or otherwise transferred one or more times. Upon such a sale or other transfer, all of Lender's rights and obligations under this Security Instrument will convey to Lender's successors and assigns.

22. Loan Servicer. Lender may take any action permitted under this Security Instrument through the Loan Servicer or another authorized representative, such as a sub-servicer. Borrower understands that the Loan Servicer or other authorized representative of Lender has the right and authority to take any such action.

The Loan Servicer may change one or more times during the term of the Note. The Loan Servicer may or may not be the holder of the Note. The Loan Servicer has the right and authority to: (a) collect Periodic Payments and any other amounts due under the Note and this Security Instrument; (b) perform any other mortgage loan servicing obligations; and (c) exercise any rights under the Note, this Security Instrument, and Applicable Law on behalf of Lender. If there is a change of the Loan Servicer, Borrower will be given written notice of the change which will state the name and address of the new Loan Servicer, the address to which payments should be made, and any other information RESPA requires in connection with a notice of transfer of servicing.

23. Notice of Grievance. Until Borrower or Lender has notified the other party (in accordance with Section 16) of an alleged breach and afforded the other party a reasonable period after the giving of such notice to take corrective action, neither Borrower nor Lender may commence, join, or be joined to any judicial action (either as an individual litigant or a member of a class) that (a) arises from the other party's actions pursuant to this Security Instrument or the Note, or (b) alleges that the other party has breached any provision of this Security Instrument or the Note. If Applicable Law provides a time period that must elapse before certain action can be taken, that time period will be deemed to be reasonable for purposes of this Section 23. The notice of Default given to Borrower pursuant to Section 26(a) and the notice of acceleration given to Borrower pursuant to Section 19 will be deemed to satisfy the notice and opportunity to take corrective action provisions of this Section 23.

24. Hazardous Substances.

(a) Definitions. As used in this Section 24: (i) "Environmental Law" means any Applicable Laws where the Property is located that relate to health, safety, or environmental protection; (ii) "Hazardous Substances" include (A) those substances defined as toxic or hazardous substances, pollutants, or wastes by Environmental Law, and (B) the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, corrosive materials or agents, and radioactive materials; (iii) "Environmental Cleanup" includes any response action, remedial action, or removal



action, as defined in Environmental Law; and (iv) an “Environmental Condition” means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

(b) Restrictions on Use of Hazardous Substances. Borrower will not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Borrower will not do, nor allow anyone else to do, anything affecting the Property that: (i) violates Environmental Law; (ii) creates an Environmental Condition; or (iii) due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects or could adversely affect the value of the Property. The preceding two sentences will not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property (including, but not limited to, hazardous substances in consumer products).

(c) Notices; Remedial Actions. Borrower will promptly give Lender written notice of: (i) any investigation, claim, demand, lawsuit, or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge; (ii) any Environmental Condition, including but not limited to, any spilling, leaking, discharge, release, or threat of release of any Hazardous Substance; and (iii) any condition caused by the presence, use, or release of a Hazardous Substance that adversely affects the value of the Property. If Borrower learns, or is notified by any governmental or regulatory authority or any private party, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower will promptly take all necessary remedial actions in accordance with Environmental Law. Nothing in this Security Instrument will create any obligation on Lender for an Environmental Cleanup.

25. Electronic Note Signed with Borrower’s Electronic Signature. If the Note evidencing the debt for this Loan is electronic, Borrower acknowledges and represents to Lender that Borrower: (a) expressly consented and intended to sign the electronic Note using an Electronic Signature adopted by Borrower (“Borrower’s Electronic Signature”) instead of signing a paper Note with Borrower’s written pen and ink signature; (b) did not withdraw Borrower’s express consent to sign the electronic Note using Borrower’s Electronic Signature; (c) understood that by signing the electronic Note using Borrower’s Electronic Signature, Borrower promised to pay the debt evidenced by the electronic Note in accordance with its terms; and (d) signed the electronic Note with Borrower’s Electronic Signature with the intent and understanding that by doing so, Borrower promised to pay the debt evidenced by the electronic Note in accordance with its terms.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

26. Acceleration; Remedies.

(a) Notice of Default. Lender will give a notice of Default to each person who is liable under the Note, as well as to each Borrower under this Security Instrument, prior to acceleration following a Default, except that such notice of Default will not be sent when Lender exercises its right under Section 19 unless Applicable Law provides otherwise. The notice will specify, in addition to any other information required by Applicable Law: (i) the Default; (ii) the action required to cure the Default; (iii) a date, not less than 30 days (or as otherwise specified by Applicable Law) from the date



the notice is given to Borrower, by which the Default must be cured; (iv) that failure to cure the Default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property; (v) Borrower's right to reinstate after acceleration; and (vi) Borrower's right to bring a court action to deny the existence of a Default or to assert any other defense of Borrower to acceleration and sale.

(b) Acceleration; Power of Sale; Expenses. If the Default is not cured on or before the date specified in the notice, Lender may require immediate payment in full of all sums secured by this Security Instrument without further demand and those remedies permitted by Applicable Law may be invoked. Unless prohibited by Applicable Law, Lender will be entitled to collect all expenses incurred in pursuing the remedies provided in this Section 26, including, but not limited to: (i) reasonable attorneys' fees and costs; (ii) property inspection and valuation fees; and (iii) other fees incurred to protect Lender's interest in the Property and/or rights under this Security Instrument.

Lender may bring suit in any court of competent jurisdiction to foreclose the lien of this Security Instrument judicially and/or obtain judgment on the Note which it secures. Any election by Lender to invoke the power of sale provisions of this Section 26 will not be considered a final and binding election of remedies that would preclude such a judicial foreclosure, until conclusion of the sale of the Property by the Trustee as described in this Section 26.

(c) Notice of Sale; Sale of Property. If the power of sale is invoked, Trustee will execute a written notice of the occurrence of an event of Default and of the election to cause the Property to be sold and will record such notice in each Recording District in which any part of the Property is located. Lender or Trustee will mail copies of the notice to the persons and in the manner prescribed by Applicable Law. Trustee will give public notice of sale to the persons and in the manner prescribed by Applicable Law. At a time permitted, and in accordance with Applicable Law, Trustee, without further demand on Borrower, will sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order Trustee determines. Trustee may postpone sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale. Lender or its designee may purchase the Property at any sale.

(d) Trustee's Deed; Proceeds of Sale. Trustee will deliver to the purchaser a Trustee's deed conveying the Property without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed will be prima facie evidence of the truth of the statements made in that deed. Trustee will apply the proceeds of the sale in the following order: (i) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees; (ii) to all sums secured by this Security Instrument; and (iii) any excess to the person or persons legally entitled to it.

27. Reconveyance. Upon payment of all sums secured by this Security Instrument, Lender will request Trustee to reconvey the Property and will surrender this Security Instrument and all Notes evidencing the debt secured by this Security Instrument to Trustee. Upon such request, Trustee will reconvey the Property without warranty to the person or persons legally entitled to it. Such person or persons will pay any recordation costs associated with such reconveyance. Lender may charge such person or persons a fee for reconveying the Property, but only if the fee is paid to a third party (such as the Trustee) for services rendered and the charging of the fee is permitted under Applicable Law.

28. Substitute Trustee. Lender may, from time to time, by itself or through the Loan Servicer, remove Trustee and appoint a successor trustee to any Trustee appointed under this Security Instrument. Without conveyance of the Property, the successor trustee will succeed to all the rights,



title, power, and duties conferred upon Trustee in this Security Instrument and by Applicable Law.

29. Right to Demand Full Payoff. Notwithstanding Section 20 or any other provision of this Security Instrument, if a notice of Default under this Security Instrument has been recorded two or more times previously and the Default has been cured pursuant to Applicable Law, Lender will have the right to refuse to accept a subsequent cure of a subsequent Default under Section 20 and will be entitled to proceed with foreclosure of this Security Instrument unless Borrower pays all sums secured by this Security Instrument as allowed by Applicable Law. Acceptance by Lender of a cure of the subsequent Default giving rise to the foreclosure will not constitute a waiver of the right to reject a cure and proceed with foreclosure in the event of any future Default.

30. Maturity of Lien. The maturity of this Deed of Trust, for purposes of A.S. §34.20.150 or any similar statute, will occur upon the full satisfaction of all indebtedness and other obligations secured by this Deed of Trust, or 50 years from the execution of this instrument, whichever is later.


31. Notice of Remedies. Each person who signed the Note is personally obligated and fully liable for the amount due under the Note. The Lender has the right to sue on the Note and obtain a personal judgement against such person(s) for satisfaction of the amount due under the Note either before or after a judicial foreclosure of the mortgage or deed of trust under AS 09.45.170-09.45.220.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any Rider signed by Borrower and recorded with it.

Witnesses:

Witness -

Witness -



Borrower - CHRISTIAN KIRBY (Seal)



[Space Below This Line For Acknowledgment]

State of ALASKA
3rd Judicial District (or County of ANCHORAGE)

The foregoing instrument was acknowledged before me this 11 day of April,
2025 by **CHRISTIAN KIRBY**.

[Affix Notarial Seal, if any]



Signature of Person Taking Acknowledgment

Title or rank: Notary Public

My Commission expires: 1-1-26

[] This notarial act involved the use of communication technology.

Loan Originator Organization: **NEWREZ LLC**
NMLS ID: **3013**
Loan Originator: **MARTY PETERSON**
NMLS ID: **1915527**

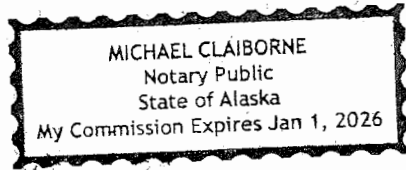


Exhibit A
Legal Description

Lot 26, Rainbow Terrace, according to the official plat thereof filed under Plat No. 77-20, in the records of the

Anchorage Recording District, Third Judicial District, State of Alaska.

Tax Account No.: 007-183-27-000

Parcel ID: 00718327000



PLANNED UNIT DEVELOPMENT RIDER

THIS PLANNED UNIT DEVELOPMENT RIDER is made this **11TH** day of **APRIL, 2025**, and is incorporated into and amends and supplements the Mortgage, Mortgage Deed, Deed of Trust, or Security Deed (the "Security Instrument") of the same date, given by the undersigned (the "Borrower") to secure Borrower's Note to **NEWREZ LLC** (the "Lender") of the same date and covering the Property described in the Security Instrument and located at:

7020 METEOR CT, ANCHORAGE, ALASKA 99504-4558

[Property Address]

The Property includes, but is not limited to, a parcel of land improved with a dwelling, together with other such parcels and certain common areas and facilities, as described in

COVENANTS, CONDITIONS, AND RESTRICTIONS OF RECORD

(the "Declaration"). The Property is a part of a planned unit development known as

RAINBOW TERRACE TOWNHOUSES ASSOCIATION

[Name of Planned Unit Development]

(the "PUD"). The Property also includes Borrower's interest in the homeowners association or equivalent entity owning or managing the common areas and facilities of the PUD (the "Owners Association") and the uses, benefits, and proceeds of Borrower's interest.

PUD COVENANTS. In addition to the representations, warranties, covenants, and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

A. PUD Obligations. Borrower will perform all of Borrower's obligations under the PUD's Constituent Documents. The "Constituent Documents" are the: (i) Declaration; (ii) articles of incorporation, trust instrument, or any equivalent document which creates the Owners Association; and (iii) any by-laws or other rules or regulations of the Owners Association. Borrower will promptly pay, when due, all dues and assessments imposed pursuant to the Constituent Documents.

B. Property Insurance. So long as the Owners Association maintains, with a generally accepted insurance carrier, a "master" or "blanket" policy insuring the Property which is satisfactory to Lender and which provides insurance coverage in the amounts (including deductible levels), for the periods, and against loss by fire, hazards included within the term "extended coverage," and any other hazards, including, but not limited to, earthquakes, winds, and floods, for which Lender requires insurance, then (i) Lender waives the provision in Section 3 for the portion of the Periodic Payment made to Lender consisting of



the yearly premium installments for property insurance on the Property, and (ii) Borrower's obligation under Section 5 to maintain property insurance coverage on the Property is deemed satisfied to the extent that the required coverage is provided by the Owners Association policy.

What Lender requires as a condition of this waiver can change during the term of the loan.

Borrower will give Lender prompt notice of any lapse in required property insurance coverage provided by the master or blanket policy.

In the event of a distribution of property insurance proceeds in lieu of restoration or repair following a loss to the Property, or to common areas and facilities of the PUD, any proceeds payable to Borrower are hereby assigned and will be paid to Lender. Lender will apply the proceeds to the sums secured by the Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.

C. Public Liability Insurance. Borrower will take such actions as may be reasonable to insure that the Owners Association maintains a public liability insurance policy acceptable in form, amount, and extent of coverage to Lender.

D. Condemnation. The proceeds of any award or claim for damages, direct or consequential, payable to Borrower in connection with any condemnation or other taking of all or any part of the Property or the common areas and facilities of the PUD, or for any conveyance in lieu of condemnation, are hereby assigned and will be paid to Lender. Such proceeds will be applied by Lender to the sums secured by the Security Instrument as provided in Section 12.

E. Lender's Prior Consent. Borrower will not, except after notice to Lender and with Lender's prior written consent, either partition or subdivide the Property or consent to: (i) the abandonment or termination of the PUD, except for abandonment or termination required by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain; (ii) any amendment to any provision of the Constituent Documents unless the provision is for the express benefit of Lender; (iii) termination of professional management and assumption of self-management of the Owners Association; or (iv) any action which would have the effect of rendering the public liability insurance coverage maintained by the Owners Association unacceptable to Lender.

F. Remedies. If Borrower does not pay PUD dues and assessments when due, then Lender may pay them. Any amounts disbursed by Lender under this paragraph F will become additional debt of Borrower secured by the Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts will bear interest from the date of disbursement at the Note rate and will be payable, with interest, upon notice from Lender to Borrower requesting payment.



BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this PUD Rider.


Borrower - **CHRISTIAN KIRBY** _____ (Seal)

MULTISTATE PLANNED UNIT DEVELOPMENT RIDER
-Single Family--Fannie Mac/Freddie Mac UNIFORM INSTRUMENT

Form 3150 07/2021
Page 3 of 3



Loan Number 9784710007
VA Case Number 63-63-6-0414979

V.A. ASSUMPTION POLICY RIDER

**THIS LOAN IS NOT ASSUMABLE
WITHOUT THE APPROVAL OF THE
DEPARTMENT OF VETERANS
AFFAIRS OR ITS AUTHORIZED
AGENT.**

THIS ASSUMPTION POLICY RIDER is made this **11TH** day of **APRIL, 2025**, and is incorporated into and amends and supplements the Mortgage, Mortgage Deed, Deed of Trust, or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Note (the "Note") to **NEWREZ LLC** (the "Lender") of the same date and covering the property described in the Security Instrument and located at:

7020 METEOR CT, ANCHORAGE, ALASKA 99504-4558

[Property Address]

ADDITIONAL COVENANTS. Notwithstanding anything to the contrary set forth in the Security Instrument, Borrower and Lender covenant and agree as follows:

Acceleration Clause. This Loan may be declared immediately due and payable upon transfer of the Property securing such Loan to any transferee, unless the acceptability of the assumption of the Loan is established pursuant to 38 U.S.C. § 3714.

V.A. ASSUMPTION POLICY RIDER (7/23)
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25769625 - 34000008

Page 1 of 3



An authorized transfer (“assumption”) of the Property will be subject to additional covenants and agreements as follows:

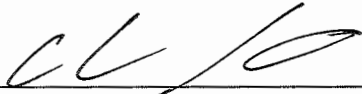
(a) Assumption Funding Fee Clause. A fee equal to one-half of one percent of the balance of this Loan as of the date of transfer of the Property will be payable at the time of transfer to Lender or its authorized agent, as trustee for the Department of Veterans Affairs. If the assumer fails to pay this fee at the time of transfer, the fee will constitute an additional debt to that already secured by this Security Instrument, will bear interest at the Note rate, and at the option of Lender will be immediately due and payable. This fee is automatically waived if the assumer is exempt under the provisions of 38 U.S.C. § 3729(c).

(b) Assumption Processing Charge Clause. Upon application for approval to allow assumption of this Loan, a processing fee may be charged by Lender or its authorized agent for determining the creditworthiness of the assumer and subsequently revising Lender’s ownership records when an approved transfer is completed. The amount of this charge will not exceed the maximum established by the Department of Veterans Affairs for a loan to which 38 U.S.C. § 3714 applies.

(c) Indemnity Liability Assumption Clause. If this obligation is assumed, then the assumer agrees to assume all of the obligations of Borrower under the terms of the instruments creating and securing the Loan. The assumer further agrees to indemnify the Department of Veterans Affairs to the extent of any claim payment arising from the guaranty or insurance of the indebtedness created and secured by the Note and this Security Instrument.



BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Assumption Policy Rider.



Borrower - **CHRISTIAN KIRBY**

(Seal)

V.A. ASSUMPTION POLICY RIDER (7/23)
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25769625 - 34000008

Page 3 of 3





AFTER RECORDING, RETURN TO:

Christian Kirby
7020 Meteor Court
Anchorage, AK 99504

STA 2292496

WARRANTY DEED

A.S. 34.15.030

The Grantors, **ROBERT C. McCORMACK and CASSANDRA M. ROTHER, husband and wife, who acquired title as unmarried persons, each as to an undivided one-half interest, as tenants in common**, whose address is 11825 Neal Avenue South, Hastings, MN 55033, for and in consideration of TEN DOLLARS (\$10.00) and other good and valuable consideration in hand paid, the receipt of which is hereby acknowledged, convey and warrant to **CHRISTIAN KIRBY, an unmarried person**, Grantee, whose mailing address is 7020 Meteor Court, Anchorage, AK 99504, the following-described real estate:

Lot 26, RAINBOW TERRACE, according to the official plat thereof, filed under Plat Number 77-20, Records of the Anchorage Recording District, Third Judicial District, State of Alaska (the "Property").

SUBJECT TO the reservations and exceptions as contained in the United States Patent and/or in Acts authorizing the issuance thereof.

FURTHER SUBJECT TO the minerals of whatsoever kind, subsurface and surface substances, including but not limited to coal, lignite, oil, gas, uranium, clay, rock, sand and gravel in, on, under and that may be produced from the Land, together with all rights, privileges, and immunities relating thereto, whether or not appearing in the Public Records.

FURTHER SUBJECT TO the easement for electrical transmission and/or telephone distribution and incidental purposes, including terms and provisions thereof and granted to Chugach Electric Association, Inc. recorded September 3, 1952 in Book 78 at Page 190. Affects Blanket Easement.

FURTHER SUBJECT TO the easement for electrical transmission and/or telephone distribution and incidental purposes, including terms and provisions thereof and granted to Chugach Electric Association, Inc. recorded September 10, 1952 in Book 78 at Page 365. Affects Blanket Easement.

FURTHER SUBJECT TO the covenants, conditions, reservations, restrictions and/or by-laws, including terms and provisions thereof, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin to the extent such covenant, condition or restrictions violate USC 3604 (c), and/or as submitted to the Horizontal Property Regimes Act and/or the Uniform Common Interest Ownership Act of the State of Alaska, and any amendments thereto recorded September 24, 1976 in Book 134 at Page 204 and amended by instrument recorded November 10, 1976 in Book 146 at Page 349; October 21, 2016 as Instrument No. 2016-044537-0.

FURTHER SUBJECT TO the terms, conditions, provisions and future liens of the Uniform Common Interest Ownership Act, and/or the Horizontal Property Regimes Act, and any amendments thereto, of the State of Alaska (Chapter 34.07 and Chapter 34.08 AS).

FURTHER SUBJECT TO the Articles of Incorporation of Rainbow Terrace Townhouse Association, including the terms and provisions thereof recorded November 10, 1976 in Book 146 at Page 343.

FURTHER SUBJECT TO all matters shown on the plat filed under Plat No. 77-20 located in the Anchorage Recording District, Third Judicial District, State of Alaska.

FURTHER SUBJECT TO the terms, conditions and provisions of that certain instrument entitled "AS is Property Sale, AHP Earnest Money Receipt and Agreement to Purchase", executed by and between Alaska Home Properties, as Seller and Brent W. Jennison, as Purchase, disclosed by affidavit recorded February 22, 1994 in Book 2599 at Page 866. Terms, conditions and provisions of that certain instrument entitled "AHP 'As-Is' Amendment to Purchase Agreement Regarding Property Condition and Releasing Seller From Liability recorded February 22, 1994 in Book 2599 at Page 867. Terms, conditions and provisions of that certain instrument entitled "Statement Regarding As-Is Amendment recorded December 23, 2021 as Instrument No. 2021-068365-0.



DATED this 18 day of April, 2024.

GRANTORS:

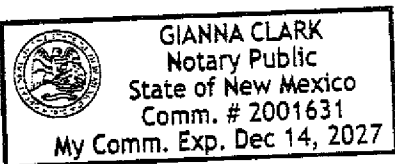
* *[Signature]*
 ROBERT C. McCORMICK McCormack

* *[Signature]*
 CASSANDRA M. ROTHER

STATE OF New Mexico)
)
 COUNTY OF Dona Ana) ss.

The foregoing instrument was acknowledged before me this 18th April, 2024, by **ROBERT C. McCORMICK** and **CASSANDRA M. ROTHER**.
McCormack

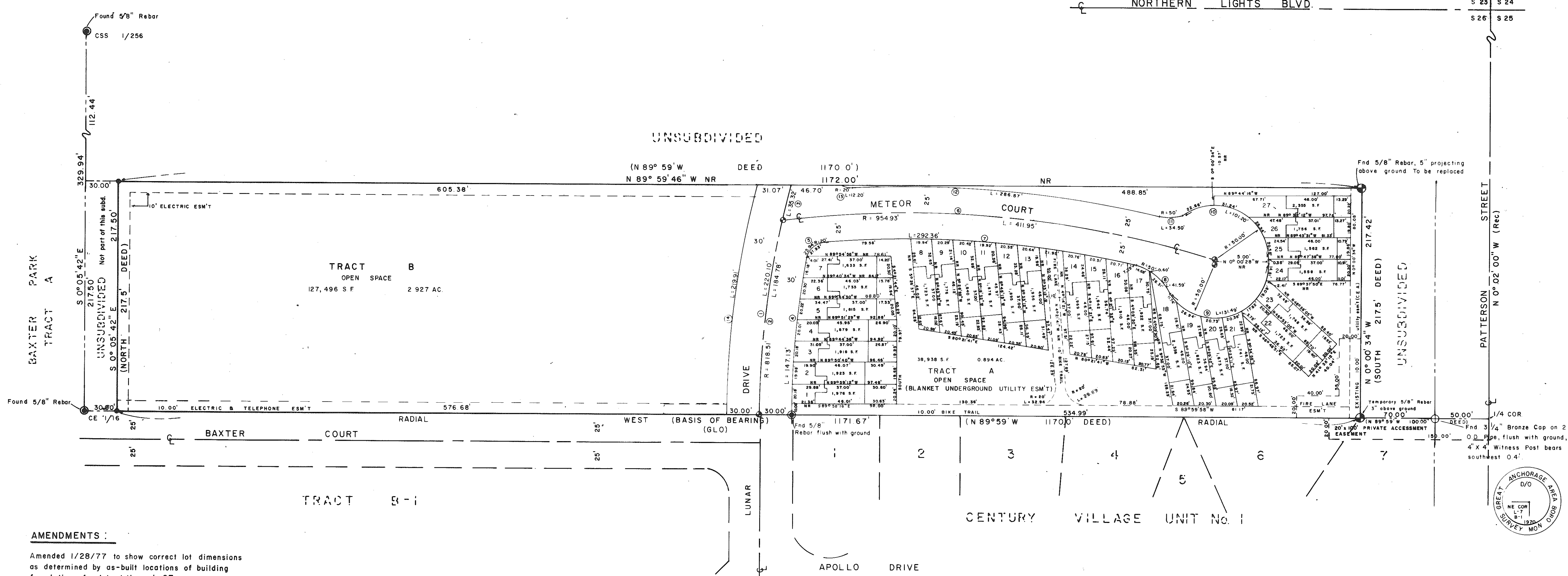
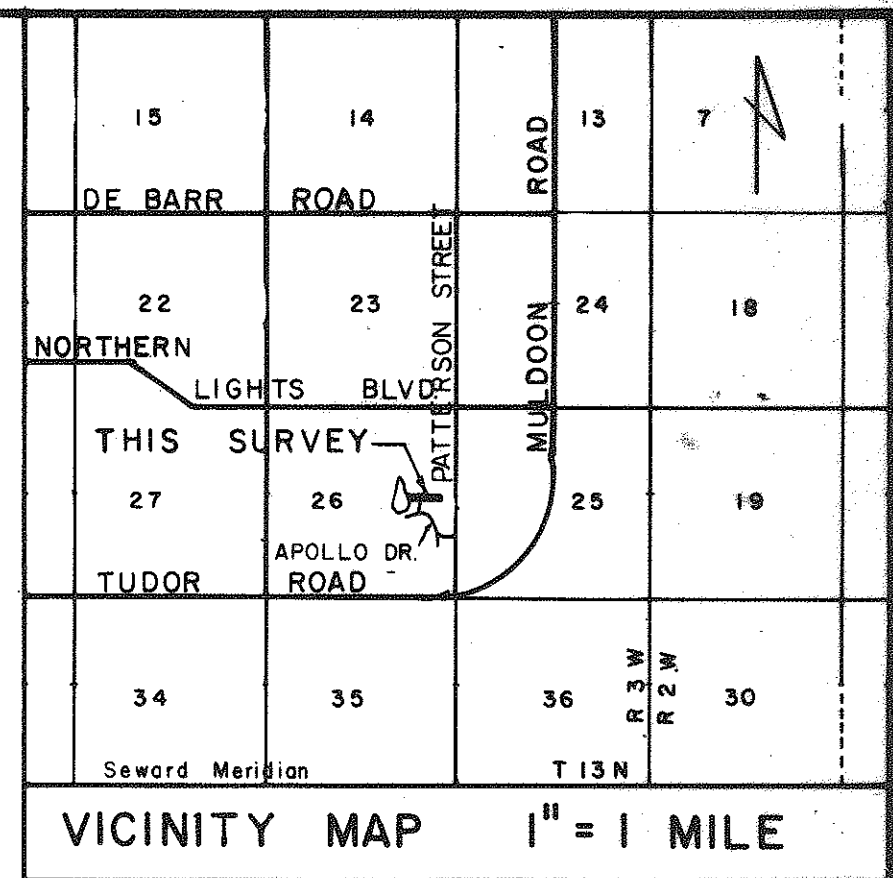
WITNESS my hand and official seal on the day and year in this certificate first above written.



Gianna Clark
 Notary Public in and for New Mexico
 My Commission Expires: 12/14/2027

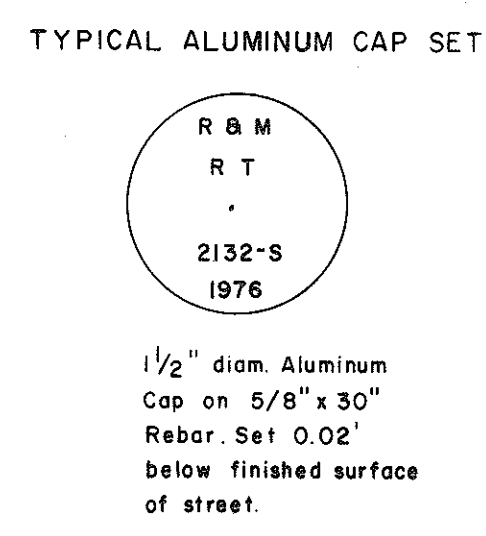
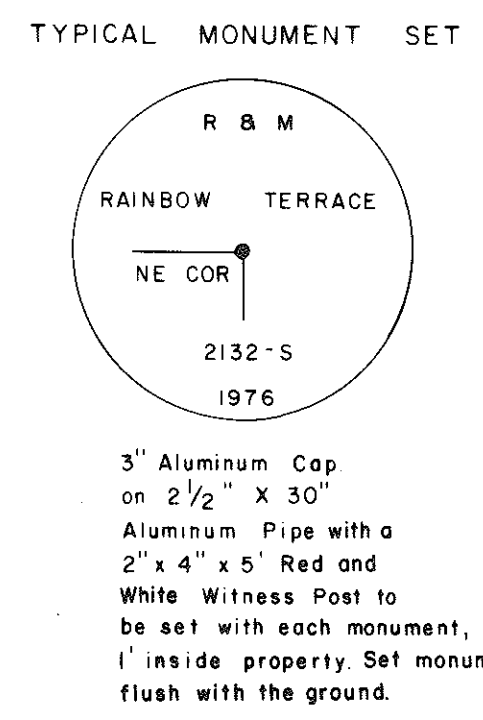


CURVE		DATA					
NO.	DELTA	RADIUS	LENGTH	CHORD	C. BEARING	TANGENT	NO.
1	16° 24' 25"	818.51'	220.10'	219.44'	N07°42'09"E	110.72'	1
2	12° 56' 08"	818.51'	184.79'	184.39'	N06°28'01"E	92.78'	2
3	2° 28' 20"	818.51'	35.32'	35.31'	N14° 0' 0" E	17.56'	3
4	10° 41' 26"	788.51'	147.13'	146.91'	N05°20'42"E	73.78'	4
5	74° 18' 26"	20.00'	25.94'	24.16'	N47°50'37"E	15.16'	5
6	24° 43' 02"	954.93'	411.95'	408.77'	S84°58'39"E	209.23'	6
7	18° 00' 47"	929.93'	292.36'	291.16'	S85°59'50"E	147.40'	7
8	47° 39' 43"	50.00'	41.59'	40.40'	S53°09'35"E	22.08'	8
9	150° 40' 45"	50.00'	131.49'	96.74'	N75°19'54"E	191.13'	9
10	115° 58' 08"	50.00'	101.20'	84.79'	N57°59'31"W	79.97'	10
11	39° 32' 08"	50.00'	34.50'	33.92'	S83°47'39"W	17.87'	11
12	16° 46' 24"	979.93'	285.87'	285.85'	N84°49'39"W	144.47'	12
13	34° 57' 45"	20.00'	12.20'	12.02'	N75°43'47"W	6.30'	13
14	14° 50' 58"	848.51'	219.91'	219.30'	N07°25'28"E	110.58'	14



LEGEND

- REBAR RECOVERED THIS SURVEY
- ⊙ 5/8" X 30" REBAR SET
- ⊕ 5/8" X 30" REBAR WITH ALUMINUM CAP SET THIS SURVEY
- ⊗ BRASS CAPPED MON RECOVERED THIS SURVEY
- ⊙ ALUMINUM MON TO BE SET BY AUGUST 1, 1976



AMENDMENTS:
Amended 1/28/77 to show correct lot dimensions as determined by as-built locations of building foundations for lots 1 through 27.

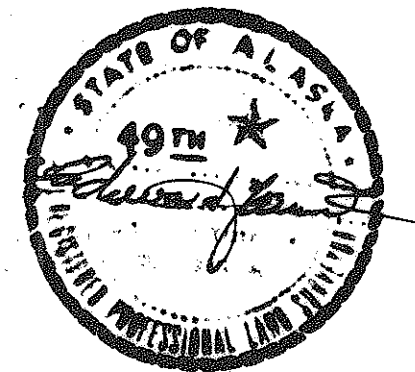
BENEFICIARIES:
DEED OF TRUST, RECORDED APRIL 9, 1976, IN BOOK 96 AT PAGE 281.
[Signature]
ALASKA MUTUAL SAVINGS BANK

NOTARY'S ACKNOWLEDGEMENT:
Subscribed and sworn to before me this 12th day of July, 1976.
[Signature]
Notary for Alaska
My commission expires 16 Sept, 1980

- NOTES**
- Lot corners shall be set after building foundations have been constructed, or before April 1978.
 - All lot corners will be 5/8" X 30" Rebar except where noted otherwise.
 - The centerline of the constructed common walls are the lot lines.
 - Street Centerline P.C.'s, P.T.'s, intersections, and Center of cul-de-sac shall be 5/8" X 30" Rebar with Aluminum Cap and shall be set 0.02' Below finished surface of pavement within 90 days after construction.
 - Tracts A & B are hereby dedicated to the Rainbow Terrace Homeowners Association as Open Space.
 - Subdivision improvements shall be completed prior to April 1978.

Acceptance of Dedication by the Anchorage Municipality
The Municipality hereby accepts for public uses and for public purposes the real property dedicated on this plat including but not limited to the easements, rights-of-way, alleys, roadways, thoroughfares, and parks shown hereon. Dated at Anchorage, Alaska, this 20th day of July, 1976. Attest:
[Signature] Municipal Clerk
[Signature] Municipal Mayor

76-186
RECORDED FILED 5.00
Anchorage, Alaska
August 3, 1976
1:12 P.M.
Municipality of Anchorage



77-20
RECORDED FILED 3.00
Anchorage, Alaska
Feb. 14, 1977
10:32 A.M.
Municipality of Anchorage

CERTIFICATE OF OWNERSHIP & DEDICATIONS:
I (we), hereby certify that I am (we are) the owner(s) of the property described hereon. I (we) hereby dedicate to the public all easements for public utilities, streets, alleys, thoroughfares, parks and other public areas shown hereon. There shall be reserved adjacent to the dedicated rights-of-way shown hereon, a slope reservation sufficient to contain cut & fill slopes of 1-1/2 feet horizontally for each foot vertically (1-1/2 to 1) of cut or fill, for the purpose of providing & maintaining lateral support of the constructed street and there is reserved to the grantors, their heirs, successors & assigns, the right to remove said slopes at anytime upon providing & maintaining other adequate lateral support, as approved by the Municipality.
Date _____

RAINBOW ENTERPRISES
5306 Arctic Blvd
Anchorage, Alaska 99502
Larry A Dale *[Signature]*
Grady H Colson *[Signature]*

NOTARY'S ACKNOWLEDGEMENT:
Subscribed and sworn to before me this 11th day of June, 1976.
[Signature]
Notary for Alaska
My commission expires 16 Sept, 1976

PLAT APPROVAL:
Plat approved by the Municipality Platting Authority this 4th day of February, 1976.
[Signature]
Authorized Official

SURVEYOR'S CERTIFICATE:
I, EDWARD YARMAK professional land surveyor, do hereby certify that the plat of Rainbow Terrace is a true and correct representation of lands actually surveyed and that all the distances and bearings are shown correctly and that all permanent exterior control monuments, all other monuments and lot corners have been set and staked, or if final completion is assured by subdivision agreement they will be set as specified in said subdivision agreement.
[Signature]
signature of land surveyor

R & M CONSULTANTS, INC.
259 E 51st Ave Anchorage, Alaska
(AMENDED) PLAT OF RAINBOW TERRACE including Lots 1-27 & Tracts A & B Located within NE 1/4, Sec 25, T13N, R3W, S.M. AK Containing 585 Acres
Grid 1639 FB 5-8 Date: 14 May 1976 Scale: 1" = 50'
Drawn By: P.L.A. Chkd By: _____ Proj No: 657105



ENGINEERS
GEOLOGISTS
PLANNERS
SURVEYORS

AFFIDAVIT

RAINBOW TERRACE, LOTS 1-27 AND TRACTS A & B

The above referenced subdivision plat as filed in the office of the District Recorder, Anchorage Recording District, Alaska, under Plat File Number 76-186, has been revised as follows:

1. Altered lot line data for Lots 1 through and including 27 and corrected areas to conform to construction thereon.

The above revisions constitute the sole changes made to the plat, aside from their notation under the heading "Amendments" and the word "(Amended)" added to the title block.

The above revisions do not affect or influence any change of ownership, drainage features, rights-of-way or any other item which would adversely affect this or adjacent properties. We therefore submit this plat for refileing as corrected.



R & M CONSULTANTS, INC.

77-20

FILED

Anchorage REC. DIST.

DATE Feb. 14, 1977

TIME 10:32 A.M.

Requested by Municipality of Anchorage

Address of Anchorage

[Signature]
Rainbow Enterprises

5406 Arctic Blvd.
Anchorage, Alaska 99502

DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS FOR
RAINBOW TERRACE TOWNHOUSES

THIS DECLARATION, made on this 24th day of September, 1976, by Rainbow Enterprises, a partnership within the State of Alaska, hereinafter called "Declarant", for itself, its successors, grantees and assigns.

W I T N E S S E T H:

WHEREAS, Declarant is the owner of certain property in the Third Judicial District, Anchorage, Alaska, which is more particularly described as:

Lots One (1) through Twenty-seven (27), inclusive, of the RAINBOW TERRACE SUB-DIVISION, Records of the Anchorage Recording District, Third Judicial District, State of Alaska.

WHEREAS, Declarant desires to subject such property certain covenants, conditions, restrictions and charges for the benefit of such property and its present and subsequent owners as hereinafter specified; and,

WHEREAS, the power to enforce such covenants, conditions, restrictions, and charges is to reside in Rainbow Terrace Homeowners Association, a nonprofit corporation, organized under the laws of the State of Alaska;

NOW, THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold, and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property contained therein, and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall enure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to Rainbow Terrace Homeowners Association, its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of the properties, including contract purchasers.

Section 3. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association, pursuant to the provisions of Article VII, Section 4, relating to Annexation.

Section 4. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the owners. The common area to be owned by the Association at the time of the conveyance of the first lot shall include Tracts "A" and "B" of the Rainbow Terrace Subdivision, as recorded in the Anchorage Recording District, Third Judicial District, State of Alaska.

Section 5. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the properties with the exception of the common area.

Section 6. "Declarant" shall mean and refer to Rainbow Enterprises, a partnership, its successors and assigns.

ARTICLE II

PROPERTY RIGHTS

Section 1. Owners Easement of Enjoyment. Every owner of a lot within Rainbow Terrace Townhouses shall have the right and easement of enjoyment in and to the common area which shall be appurtenant to ownership and shall pass with the title to every lot contained in the development, subject to the following provisions:

(a) The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated on the common area;

(b) The right of the Association to suspend the voting rights and right to use of the recreational facilities by an owner for any period during which any assessment against his lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of any of its published rules and regulations;

(c) The right of the Association to dedicate or transfer all or any part of the common area to any public

agency, authority, or utility for such public purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be affected unless an instrument be signed by two-thirds of each class of members agreeing to such dedication or transfer has been recorded.

Section 2. Delegation of Use. Any owner of a lot within the Rainbow Terrace Townhouses may delegate, in accordance with the Bylaws, its right of enjoyment to the common area and facilities to the members of his family or tenants, who reside on the property.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every owner of a lot subject to assessment shall be a member of Rainbow Terrace Homeowners Association. Membership shall be appurtenant to and shall not be separated from ownership of a lot subject to assessment. A contract purchaser shall be considered an owner for purposes of voting.

Section 2. Rainbow Terrace Homeowners Association shall have two classes of voting membership:

Class A. Class A members shall be owners of all lots with the exception of the Declarant, and shall be entitled to one vote for each lot owned. When more than one person holds an interest in any one lot, all such persons shall be members. The vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any one lot.

Class B. Class B members shall be the Declarant, and shall be entitled to three votes for each lot owned. Class B membership shall terminate and be converted to Class A membership upon the occurrence of either of the following events, whichever first occurs:

(a) When the total votes outstanding in Class A membership equal total votes outstanding in Class B membership, or

(b) On December 31, 1980.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each lot

owned within the properties, hereby covenants, and each owner of any lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association:

- (1) Annual assessments or charges to, and
- (2) Special assessments for capital improvement, so long as such assessments are established and collected as hereafter provided.

Annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who is the owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessment shall not pass to successors in title, unless expressly assumed by them.

Section 2. Nature of Assessments. Assessments levied by the Association shall be used exclusively to promote recreation, health, safety and welfare of the residents in the properties and for the improvement, maintenance and repair of the common area, and of the home situated upon the properties, including the establishment of adequate reserves for these purposes.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first lot to an owner, the maximum assessment shall be \$ _____ per unit.

(a) From and after January 1 of the year immediately following a conveyance of the first lot to an owner, the maximum annual assessment may be increased each year not more than three percent (3%) above the maximum assessment of the previous year, without a vote of the membership.

(b) From and after January 1 of the year immediately following the conveyance of the first lot to an owner, the maximum annual assessment may be increased above three percent (3%) by a vote of two-thirds of each class of members who are voting in person or by proxy, at a meeting held by the Rainbow Terrace Homeowners Association for such purpose.

(c) The Board of Directors will fix the annual assessment at an amount not in excess of the maximum assessment in accordance with the Bylaws of the Association.

Section 4. Special Assessments. In addition to the annual assessments authorized above, the Rainbow Terrace Homeowners Association may levy in any assessment year a special assessment over and above the annual assessment, which special assessment shall be applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement on the common area, including fixtures and personal property related thereto, provided that any such assessment shall have been authorized by two-thirds of the votes of each class of members who are voting in person or by proxy at an authorized Association meeting.

Section 5. Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Notice of any meeting called for the purpose of taking any action authorized under Sections 3 or 4 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6. Uniform Rate of Assessment. The annual and special assessment must be fixed at a uniform rate for all lots and may be collected on a monthly basis.

Section 7. Date of Commencement. The annual assessments provided for herein shall commence as to all lots on the first day of the month following conveyance of the common area. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each lot at least thirty (30) days in advance of each annual assessment herein. Written notice of the annual assessment shall be sent to every owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified lot have been paid.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days of the due date shall bear interest from

the due date at the rate of six percent (6%) per annum. The Association may bring an action at law against the owner personally obligated to pay the same, or foreclose a lien against the property. No owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the common area or abandonment of its lot.

Section 9. Subordination of the Lien to Mortgages.

The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any lot shall not affect an assessment lien. However, the sale or transfer of any lot pursuant to mortgage foreclosure of any proceeding in lieu thereof shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such lot for liability for any assessments thereafter becoming due, or for the lien thereof.

ARTICLE V

ARCHITECTURAL CONTROL

Section 1. No building, fence, wall or other structure shall be commenced, erected or maintained upon the properties, nor shall any exterior addition to or change or alteration be made until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing as in harmony with external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event the Board, or its designated committee, fail to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this article will be deemed to have been fully complied with.

ARTICLE VI

PURPOSES

Section 1. The sole purpose for this development shall be use as a single family residential living area by owner or owners, lessees, sub-lessees, or assignees of the units contained therein. Residential units and structures located within the development shall not be used for purposes other than single family residences.

Section 2. No owner, lessee, assignee or inhabitant of townhouses within the development shall use units or

areas within the development in any manner that would obstruct passage into or out of the development. There shall be no outside storage of vehicles, supplies, materials or other items except for on-street parking of guest motor vehicles or otherwise as authorized by the Board of Directors.

Section 3. No owner, lessee, assignee or inhabitant of townhouses within the development shall use property within the development for activities or storage of materials whether on a temporary or permanent basis which might result in an increase of insurance rates or cancellation of insurance for the development.

Section 4. No owner, lessee, assignee or inhabitant of townhouses within the development shall use property within the development for display of signs without prior consent of the Board of Directors, except developer may display signs for marketing purposes.

Section 5. No owner, lessee, assignee or inhabitant of townhouses within the development shall use property within the development for keeping, raising, breeding or care of livestock or poultry, except that household pets may be kept by residents so long as such pets are kept in accordance with reasonable rules and regulations promulgated by the Board of Directors and provided such pets are not kept for commercial purposes. Any pets which become a nuisance shall be permanently removed from the development upon three (3) days written notice.

Section 6. No owner, lessee, assignee or inhabitant of townhouses within the development shall in any way alter the structural integrity of the development by construction activity upon his unit or a common area without prior consent of the Board of Directors or other committees established by the Bylaws.

Section 7. No owner, lessee, assignee or inhabitant of townhouses within the development shall use property within the development for drilling, mining or excavating in any area within the development without prior consent of the Board of Directors.

Section 8. No owner, lessee, assignee or inhabitant of townhouses within the development shall violate reasonable rules and regulations promulgated for residents within the development.

Section 9. No owner, lessee, assignee or inhabitant of townhouses within the development shall use property within the development in any manner which is the source of annoyance to residents or which interferes with the peaceful

possession and proper use of the property by its residents. All parts of the development shall be kept in a clean and sanitary condition and no rubbish, refuse, or garbage allowed to accumulate, nor any fire hazard to exist. No immoral or improper or offensive conduct, or unlawful use shall be made of the townhouse property or any part thereof. All valid laws, zoning ordinances and use restrictions of any applicable governmental bodies shall be observed.

Section 10. Subdivision or Combination of Townhouses. Residential units within the development will not be subdivided. Lots may be combined with prior consent of the Board of Directors, but the purposes and uses of the development shall not thereby be altered. In the event residential lots are combined with approval of the Board of Directors, voting shares and ownership will be changed to reflect an interest equal to the number of lots combined.

Section 11. An owner shall be permitted to lease his lot to a third party, but such a lease must be in writing and shall provide that the failure to comply in all respects with the provisions of this Declaration and the Association Bylaws shall be a default under the terms of the lease. No owner may lease his unit for transient or hotel purposes.

ARTICLE VII

MAINTENANCE

Section 1. The Association will maintain all common areas and shall additionally provide exterior maintenance upon all structures in the development, to include painting, repair, replacement and care of roofs, gutters, exterior building surfaces, trees, shrubs, grass, walks and other exterior improvements. Exterior maintenance shall not include repair or replacement of glass surfaces. All such maintenance shall be funded through the assessment procedure provided for in this Declaration, the Articles, Bylaws and Alaska Statutes.

Section 2. In the event of damage or destruction of all or a part of the property contained within the development, the Association may vote to rebuild, repair, restore or sell the property contained within the development where directed to do so by vote of at least sixty percent (60%) of the property owners or other persons authorized to vote under the terms of this Declaration, the Articles, the Bylaws and the Alaska Statutes.

Section 3. In the event that the need for maintenance or repair is caused by the willful or negligent act of

the owner, the cost of such maintenance and repair shall be added to and become a part of the assessment to which the residential unit is subject.

ARTICLE VIII

GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any owner, shall have the right to enforcement by any proceeding at law or in equity, including injunctive relief, all restrictions, conditions, covenants, reservations, fees and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any owner to enforce any covenant or restriction herein contained shall in no manner be deemed to waive the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no manner affect other provisions which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land for a term of twenty (20) years from the date this Declaration is recorded, after which time it shall be automatically extended for successive periods of ten (10) years. This declaration may be amended during the first twenty-year period by an instrument signed by not less than ninety percent (90%) of the lot owners; and thereafter by an instrument signed by not less than seventy-five percent (75%) of the lot owners. Any amendment must be recorded.

Section 4. Annexation. Additional residential property and common areas may be annexed to the properties with consent of two-thirds of each class of members.

Section 5. FHA and VA Approval. As long as there is a Class B membership, the following action will require the prior approval of the Federal Housing Administration and the Veterans Administration: Annexation of additional properties, dedication of common area, and amendment of this Declaration of covenants, conditions and restrictions.

ARTICLE IX

PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the townhouses upon the property and placed upon dividing

line between the lots shall constitute a party wall, and to extent not inconsistent with the provisions of this article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance.

The cost of reasonable repair and maintenance of a party wall shall be shared by the owners who make use of the wall in proportion to such use.

Section 3. Destruction by Fire or Other Casualty.

If a party wall is destroyed or damaged by fire or other casualty, any owner who has used the wall may restore it, and if the other owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to right of any such owner to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4. Weatherproofing. Notwithstanding any

other provisions of this article, an owner who by his negligence or willful acts causes a party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. Right to Contribution Runs With the Land.

The right of any owner to contribution from any other owner under this article shall be appurtenant to the land and shall pass to such owner's successors in title.

Section 6. Arbitration. In the event of any

dispute arising concerning a party wall or other provisions of this article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators.

ARTICLE X

INSURANCE

Section 1. The Association shall obtain and continue in effect adequate blanket public liability insurance for the common areas, and fire insurance with coverage for the full replacement value of the project. Insurance premiums for any such 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. The Association is hereby granted the authority to negotiate loss settlements with the appropriate insurance carriers.

ARTICLE XI

RIGHTS OF MORTGAGEES

Section 1. Default. A breach of any of the provisions of this Declaration, 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 lot owner in good faith and for value upon the interest of a lot owner. A first mortgagee, upon request, is entitled to written notification from the Homeowners Association of any default in the performance by the individual mortgagor of any unit under this Declaration or Bylaws which default is not cured within sixty (60) days. First mortgagees of the lots, may jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any common property and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of the policy, and the first mortgagees making such payments shall be owed immediate reimbursement therefor from the Association. The Association shall enter into an agreement in favor of all first mortgagees of lots in the project reflecting this covenant.

Section 2. Right to Inspect Association Records and Notice. The holder of a first mortgage of record shall have the right to inspect the Association's books of account and other financial records, and shall be able to require the Association to provide to it such additional financial data as may be reasonably requested to protect its interests, including an annual audited financial statement of the Association within ninety (90) days following the end of the fiscal or calendar year. Written notice of all Association meetings shall be sent to first mortgagees of record and the designated agent to attend such meetings.

Section 3. Prior Approval. Unless at least seventy-five percent (75%) of the first mortgagees, or owners, have given their prior written approval, the Association shall not be entitled to:

(1) By act or omission seek to abandon, partition, subdivide, encumber, sell or transfer real estate or improvements thereon which are owned, directly or indirectly, by such Association.

(2) Change the method of determining the obligations, assessments, dues or other charges which may be levied against a lot owner.

(3) By act or omission change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of units, exterior maintenance of units, the maintenance of party walls, or common fences and driveways, or the upkeep of lawns and plantings in the project.

(4) Use hazard insurance proceeds for losses to any common property, for other than the repair, replacement, or reconstruction of such improvements. In the event of substantial damage or destruction to any lot or any part of the common areas, timely written notice shall be given to the institutional holder of any first mortgage on the damaged property.

Section 4. Condemnation. In the event of any condemnation or eminent domain proceedings, the Association shall give prompt notice thereof to all first mortgagees. Any first mortgagee shall have a prior claim to the proceeds of such condemnation or eminent domain proceedings.

Section 5. Parking Facilities. So long as the Federal National Mortgage Association is the holder of any first mortgage on the property, the Association shall provide sufficient parking space to accomodate at least one automobile for each lot.

Section 6. Easements. Any right of the Association to grant easements for utilities in similar related purposes, or to transfer, release or hypothecate any of the common areas requires the approval of all holders of first mortgage liens. The Declarant also reserves an easement for encroachment upon the common areas and facilities as a result of the construction, reconstruction, repair, shifting, settlement or movement of any portion of the project.

Section 7. Notice of Amendment. The Association shall give notice to first mortgage holders of any proposed action to materially amend the Declaration and Association Bylaws, or to terminate any professional management of the project. Any contract for professional management must conform to the guidelines of the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation at such time as those entities are holders of a first mortgage on any lot or common area.

DATED this 24 day of September, 1976.

RAINBOW ENTERPRISES

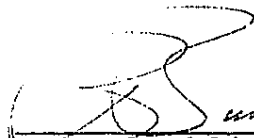
By Larry A. Dale, Partner
Larry A. Dale, Partner

By Grady H. Colson, Partner
Grady H. Colson, Partner

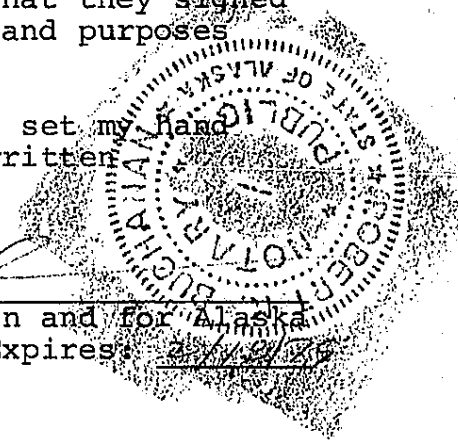
STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this 24th day of September, 1976, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn as such, personally appeared LARRY A. DALE and GRADY H. COLSON, known to me to be the partners of RAINBOW ENTERPRISES, a partnership named above, and known to me to be the persons named in and who executed the within and foregoing instrument, for and on behalf of said partnership by authority duly vested in them; and they acknowledged to me that they signed the same freely and voluntarily for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first hereinabove written.



Notary Public in and for Alaska
My Commission Expires: 2/11/80



76-042406
2900

RECORDED FILES
ANCHORAGE REC.
DISTRICT

29039

SEP 24 12 59 PM '76

REQUESTED BY Rainbow Enterprises
ADDRESS 5306 Arctic Blvd.

City 99502

Amended
 DECLARATION OF COVENANTS, CONDITIONS
 AND RESTRICTIONS FOR
 RAINBOW TERRACE TOWNHOUSES

THIS DECLARATION, made on this 10th day of November, 1976, by Rainbow Enterprises, a partnership within the State of Alaska, hereinafter called "Declarant", for itself, its successors, grantees and assigns.

W I T N E S S E T H:

WHEREAS, Declarant is the owner of certain property in the Third Judicial District, Anchorage, Alaska, which is more particularly described as:

Lots One (1) through Twenty-seven (27), inclusive, of the RAINBOW TERRACE SUB-DIVISION, Records of the Anchorage Recording District, Third Judicial District, State of Alaska.

WHEREAS, Declarant desires to subject such property certain covenants, conditions, restrictions and charges for the benefit of such property and its present and subsequent owners as hereinafter specified; and,

WHEREAS, the power to enforce such covenants, conditions, restrictions, and charges is to reside in Rainbow Terrace Homeowners Association, a nonprofit corporation, organized under the laws of the State of Alaska;

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COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each lot

owned within the properties, hereby covenants, and each owner of any lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association:

- (1) Annual assessments or charges to, and
- (2) Special assessments for capital improvement, so long as such assessments are established and collected as hereafter provided.

Annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who is the owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessment shall not pass to successors in title, unless expressly assumed by them.

Section 2. Nature of Assessments. Assessments levied by the Association shall be used exclusively to promote recreation, health, safety and welfare of the residents in the properties and for the improvement, maintenance and repair of the common area, and of the home situated upon the properties, including the establishment of adequate reserves for these purposes.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first lot to an owner, the maximum assessment shall be \$ 30.00 per unit.

(a) From and after January 1 of the year immediately following a conveyance of the first lot to an owner, the maximum annual assessment may be increased each year not more than three percent (3%) above the maximum assessment of the previous year, without a vote of the membership.

(b) From and after January 1 of the year immediately following the conveyance of the first lot to an owner, the maximum annual assessment may be increased above three percent (3%) by a vote of two-thirds of each class of members who are voting in person or by proxy, at a meeting held by the Rainbow Terrace Homeowners Association for such purpose.

(c) The Board of Directors will fix the annual assessment at an amount not in excess of the maximum assessment in accordance with the Bylaws of the Association.

Section 4. Special Assessments. In addition to the annual assessments authorized above, the Rainbow Terrace Homeowners Association may levy in any assessment year a special assessment over and above the annual assessment, which special assessment shall be applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement on the common area, including fixtures and personal property related thereto, provided that any such assessment shall have been authorized by two-thirds of the votes of each class of members who are voting in person or by proxy at an authorized Association meeting.

Section 5. Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Notice of any meeting called for the purpose of taking any action authorized under Sections 3 or 4 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6. Uniform Rate of Assessment. The annual and special assessment must be fixed at a uniform rate for all lots and may be collected on a monthly basis.

Section 7. Date of Commencement. The annual assessments provided for herein shall commence as to all lots on the first day of the month following conveyance of the common area. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each lot at least thirty (30) days in advance of each annual assessment herein. Written notice of the annual assessment shall be sent to every owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified lot have been paid.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days of the due date shall bear interest from

the due date at the rate of six percent (6%) per annum. The Association may bring an action at law against the owner personally obligated to pay the same, or foreclose a lien against the property. No owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the common area or abandonment of its lot.

Section 9. Subordination of the Lien to Mortgages.

The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any lot shall not affect an assessment lien. However, the sale or transfer of any lot pursuant to mortgage foreclosure of any proceeding in lieu thereof shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such lot for liability for any assessments thereafter becoming due, or for the lien thereof.

ARTICLE V

ARCHITECTURAL CONTROL

Section 1. No building, fence, wall or other structure shall be commenced, erected or maintained upon the properties, nor shall any exterior addition to or change or alteration be made until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing as in harmony with external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event the Board, or its designated committee, fail to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this article will be deemed to have been fully complied with.

ARTICLE VI

PURPOSES

Section 1. The sole purpose for this development shall be use as a single family residential living area by owner or owners, lessees, sub-lessees, or assignees of the units contained therein. Residential units and structures located within the development shall not be used for purposes other than single family residences.

Section 2. No owner, lessee, assignee or inhabitant of townhouses within the development shall use units or

areas within the development in any manner that would obstruct passage into or out of the development. There shall be no outside storage of vehicles, supplies, materials or other items except for on-street parking of guest motor vehicles or otherwise as authorized by the Board of Directors.

Section 3. No owner, lessee, assignee or inhabitant of townhouses within the development shall use property within the development for activities or storage of materials whether on a temporary or permanent basis which might result in an increase of insurance rates or cancellation of insurance for the development.

Section 4. No owner, lessee, assignee or inhabitant of townhouses within the development shall use property within the development for display of signs without prior consent of the Board of Directors, except developer may display signs for marketing purposes.

Section 5. No owner, lessee, assignee or inhabitant of townhouses within the development shall use property within the development for keeping, raising, breeding or care of livestock or poultry, except that household pets may be kept by residents so long as such pets are kept in accordance with reasonable rules and regulations promulgated by the Board of Directors and provided such pets are not kept for commercial purposes. Any pets which become a nuisance shall be permanently removed from the development upon three (3) days written notice.

Section 6. No owner, lessee, assignee or inhabitant of townhouses within the development shall in any way alter the structural integrity of the development by construction activity upon his unit or a common area without prior consent of the Board of Directors or other committees established by the Bylaws.

Section 7. No owner, lessee, assignee or inhabitant of townhouses within the development shall use property within the development for drilling, mining or excavating in any area within the development without prior consent of the Board of Directors.

Section 8. No owner, lessee, assignee or inhabitant of townhouses within the development shall violate reasonable rules and regulations promulgated for residents within the development.

Section 9. No owner, lessee, assignee or inhabitant of townhouses within the development shall use property within the development in any manner which is the source of annoyance to residents or which interferes with the peaceful

possession and proper use of the property by its residents. All parts of the development shall be kept in a clean and sanitary condition and no rubbish, refuse, or garbage allowed to accumulate, nor any fire hazard to exist. No immoral or improper or offensive conduct, or unlawful use shall be made of the townhouse property or any part thereof. All valid laws, zoning ordinances and use restrictions of any applicable governmental bodies shall be observed.

Section 10. Subdivision or Combination of Townhouses. Residential units within the development will not be subdivided. Lots may be combined with prior consent of the Board of Directors, but the purposes and uses of the development shall not thereby be altered. In the event residential lots are combined with approval of the Board of Directors, voting shares and ownership will be changed to reflect an interest equal to the number of lots combined.

Section 11. An owner shall be permitted to lease his lot to a third party, but such a lease must be in writing and shall provide that the failure to comply in all respects with the provisions of this Declaration and the Association Bylaws shall be a default under the terms of the lease. No owner may lease his unit for transient or hotel purposes.

ARTICLE VII

MAINTENANCE

Section 1. The Association will maintain all common areas and shall additionally provide exterior maintenance upon all structures in the development, to include painting, repair, replacement and care of roofs, gutters, exterior building surfaces, trees, shrubs, grass, walks and other exterior improvements. Exterior maintenance shall not include repair or replacement of glass surfaces. All such maintenance shall be funded through the assessment procedure provided for in the Declaration, the Articles, Bylaws and Alaska Statutes.

Section 2. In the event of damage or destruction of all or a part of the commonly-owned property contained within the development, the Association may vote to rebuild, repair, restore or sell the commonly-owned property contained within the development where directed to do so by vote of at least sixty percent (60%) of the property owners or other persons authorized to vote under the terms of this Declaration, the Articles, the Bylaws and the Alaska Statutes.

Section 3. In the event that the need for maintenance or repair is caused by the willful or negligent act of

the owner, the cost of such maintenance and repair shall be added to and become a part of the assessment to which the residential unit is subject.

ARTICLE VIII

GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any owner, shall have the right to enforcement by any proceeding at law or in equity, including injunctive relief, all restrictions, conditions, covenants, reservations, fees and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any owner to enforce any covenant or restriction herein contained shall in no manner be deemed to waive the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no manner affect other provisions which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land for a term of twenty (20) years from the date this Declaration is recorded, after which time it shall be automatically extended for successive periods of ten (10) years. This declaration may be amended during the first twenty-year period by an instrument signed by not less than ninety percent (90%) of the lot owners; and thereafter by an instrument signed by not less than seventy-five percent (75%) of the lot owners. Any amendment must be recorded.

Section 4. Annexation. Additional residential property and common areas may be annexed to the properties with consent of two-thirds of each class of members.

Section 5. FHA and VA Approval. As long as there is a Class B membership, the following action will require the prior approval of the Federal Housing Administration and the Veterans Administration: Annexation of additional properties, dedication of common area, and amendment of this Declaration of covenants, conditions and restrictions.

ARTICLE IX

PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the townhouses upon the property and placed upon dividing

line between the lots shall constitute a party wall, and to extent not inconsistent with the provisions of this article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance.

The cost of reasonable repair and maintenance of a party wall shall be shared by the owners who make use of the wall in proportion to such use.

Section 3. Destruction by Fire or Other Casualty.

If a party wall is destroyed or damaged by fire or other casualty, any owner who has used the wall may restore it, and if the other owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to right of any such owner to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4. Weatherproofing.

Notwithstanding any other provisions of this article, an owner who by his negligence or willful acts causes a party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. Right to Contribution Runs With the Land.

The right of any owner to contribution from any other owner under this article shall be appurtenant to the land and shall pass to such owner's successors in title.

Section 6. Arbitration.

In the event of any dispute arising concerning a party wall or other provisions of this article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators.

ARTICLE X

INSURANCE

Section 1.

The Association shall obtain and continue in effect adequate blanket public liability insurance for the common areas, and fire insurance with coverage for the full replacement value of the commonly-owned property. Insurance premiums for any such 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. The Association is hereby granted the authority to negotiate loss settlements of the commonly-owned portion of the project with the appropriate insurance carriers.

ARTICLE XI

RIGHTS OF MORTGAGEES

Section 1. Default. A breach of any of the provisions of this Declaration, 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 lot owner in good faith and for value upon the interest of a lot owner. A first mortgagee, upon request, is entitled to written notification from the Homeowners Association of any default in the performance by the individual mortgagor of any unit under this Declaration or Bylaws which default is not cured within sixty (60) days. First mortgagees of the lots, may jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any common property and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of the policy, and the first mortgagees making such payments shall be owed immediate reimbursement therefor from the Association. The Association shall enter into an agreement in favor of all first mortgagees of lots in the project reflecting this covenant.

Section 2. Right to Inspect Association Records and Notice. The holder of a first mortgage of record shall have the right to inspect the Association's books of account and other financial records, and shall be able to require the Association to provide to it such additional financial data as may be reasonably requested to protect its interests, including an annual audited financial statement of the Association within ninety (90) days following the end of the fiscal or calendar year. Written notice of all Association meetings shall be sent to first mortgagees of record and the designated agent to attend such meetings.

Section 3. Prior Approval. Unless at least seventy-five percent (75%) of the first mortgagees, or owners, have given their prior written approval, the Association shall not be entitled to:

(1) By act or omission seek to abandon, partition, subdivide, encumber, sell or transfer real estate or improvements thereon which are owned, directly or indirectly, by such Association.

(2) Change the method of determining the obligations, assessments, dues or other charges which may be levied against a lot owner.

(3) By act or omission change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of units, exterior maintenance of units, the maintenance of party walls, or common fences and driveways, or the upkeep of lawns and plantings in the project.

(4) Use hazard insurance proceeds for losses to any common property, for other than the repair, replacement, or reconstruction of such improvements. In the event of substantial damage or destruction to any lot or any part of the common areas, timely written notice shall be given to the institutional holder of any first mortgage on the damaged property.

Section 4. Condemnation. In the event of any condemnation or eminent domain proceedings, the Association shall give prompt notice thereof to all first mortgagees. Any first mortgagee shall have a prior claim to the proceeds of such condemnation or eminent domain proceedings.

Section 5. Parking Facilities. So long as the Federal National Mortgage Association is the holder of any first mortgage on the property, the Association shall provide sufficient parking space to accommodate at least one automobile for each lot.

Section 6. Easements. Any right of the Association to grant easements for utilities in similar related purposes, or to transfer, release or hypothecate any of the common areas requires the approval of all holders of first mortgage liens. The Declarant also reserves an easement for encroachment upon the common areas and facilities as a result of the construction, reconstruction, repair, shifting, settlement or movement of any portion of the project.

Section 7. Notice of Amendment. The Association shall give notice to first mortgage holders of any proposed action to materially amend the Declaration and Association Bylaws, or to terminate any professional management of the project. Any contract for professional management must conform to the guidelines of the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation at such time as those entities are holders of a first mortgage on any lot or common area.

DATED this 5th day of November, 1976.

RAINBOW ENTERPRISES

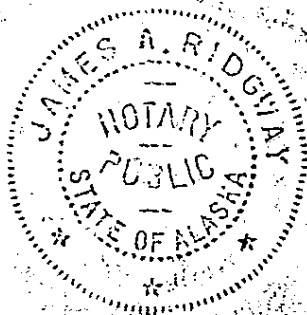
By Larry A. Dale
Larry A. Dale, Partner

By Grady H. Colson
Grady H. Colson, Partner

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this 5th day of November, 1976, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn as such, personally appeared LARRY A. DALE and GRADY H. COLSON, known to me to be the partners of RAINBOW ENTERPRISES, a partnership named above, and known to me to be the persons named in and who executed the within and foregoing instrument, for and on behalf of said partnership by authority duly vested in them; and they acknowledged to me that they signed the same freely and voluntarily for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first hereinabove written.



James A. Ridgway
Notary Public in and for Alaska
My Commission Expires: 3-2-80

76-050282
29-

~~RECORDED-FILES~~
ANCHORAGE REC.
DISTRICT

Nov 10 10 34 AM '76

REQUESTED BY RAINBOW TERR. TOWNHOUSE ASSOC.
ADDRESS _____



**AMENDED AND RESTATED DECLARATION
OF
RAINBOW TERRACE
(A Planned Community/Planned Unit Development)
(AS 34.08.090)**

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**AMENDED AND RESTATED DECLARATION SUBMITTING
RAINBOW TERRACE, A PLANNED COMMUNITY,
TO THE UNIFORM COMMON INTEREST OWNERSHIP ACT (AS 34.08)**

PREAMBLE

This declaration affects property identified as Rainbow Terrace in Anchorage, Alaska. The entire development consists of six buildings; one building containing seven units, one building containing six units, one building containing two units and three buildings each containing four units. Each unit (which includes land and is designated as a "Lot" in the Plat) is individually owned. The development also contains two common area greenbelts, which are owned by Rainbow Terrace Townhouse Association. There are no future development rights. The development was created by declaration recorded and amended as follows:

Item	Date of Recording	Book	Page
Declaration	September 24, 1976	134	204
Restrictions Amendment	November 10, 1976	146	349

Which Declaration and Amendment are hereinafter collectively referred to as "The Declaration." The Declaration submitted the project known as Rainbow Terrace to certain restrictions, under Alaska Law applicable to planned communities at the time.

The purpose of this Amended and Restated Declaration is to clarify the declaration and implement provisions of the Uniform Common Interest Ownership Act, which was adopted by the Alaska legislature effective January 1, 1986. All provisions of the prior declaration are repealed in their entirety and replaced with the following:

ARTICLE I - Definitions

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

Section 1.1 - Act.

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

Section 1.2 - Allocated Interests.

The equal allocation of Common Expense liability, and Votes in the Association, assigned to each Unit in the Common Interest Community. The Allocated Interests are described in Article VII of this Declaration and are shown on Exhibit "A."



Section 1.3 - Association.

RAINBOW TERRACE TOWNHOUSE ASSOCIATION, a non-profit corporation organized under Chapter 10.20 of the statutes of the State of Alaska. It is the Association of Unit Owners pursuant to Section 34.08.310 and Section 34.08.990(3) of the Act.

Section 1.4 - Bylaws.

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

Section 1.5 - Common Elements.

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

Section 1.6 - Common Expenses.

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

- (a) Expenses of administration, maintenance, repair or replacement of the Common Elements;
- (b) Expenses declared to be Common Expenses by the Governing Instruments or by the Act;
- (c) Expenses agreed upon as Common Expenses by the Association; and
- (d) Such reasonable reserves as may be established by the Association, whether held in trust or by the Association, for repair, replacement or addition to the Common Elements or any other real or personal property acquired or held by the Association or for which the Association has maintenance or repair responsibilities.

Section 1.7 - Common Expense Liability.

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

Section 1.8 - Common Interest Community.

The real property subject to the Declaration for RAINBOW TERRACE, as identified in Plat No. 77-20. (The development was originally recorded under Plat No. 76-186, with Plat No. 77-20 correcting certain lot line data). Pursuant to AS 34.08.990(7), persons subject to the Declaration, by virtue of ownership of a unit, are obligated to pay for Common Expenses of other real estate described in the Declaration.



Section 1.9 - Declaration.

This document, including any amendments.

Section 1.10 - Director.

A member of the Executive Board.

Section 1.11 - Governing Instruments.

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

Section 1.12 - Eligible Insurer.

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

Section 1.13 - Eligible Mortgagee.

The holder of a first Security Interest in a Unit which has notified the Association in writing of its name and address and that it holds a first Security Interest in a Unit. Such notice shall be deemed to include a request that the Eligible Mortgagee be given the notices and other rights described in Article XIV.

Section 1.14 - Executive Board.

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

Section 1.15 - Floor Plans.

Those floor plans on file in the office of the Recorder, Anchorage, Alaska as Plat No. 77-20 as may be from time to time amended. (The development was originally recorded under Plat No. 76-186, with Plat No. 77-20 correcting certain lot line data).

Section 1.16 - Improvements.

Any construction, structure, fixture or facility existing or to be constructed on the land included in the Common Interest Community including, but not limited to, buildings,



fences, trees and shrubbery planted by the Association, paving, utility wires, pipes, and light poles.

Section 1.17 - Limited Common Elements.

Any portion of the Common Elements allocated for the exclusive use of one or more but fewer than all the unit owners by the Declaration or by operation of AS 34.08.100(2) or AS 34.08.100(4). There are no Limited Common Elements in the development.

Section 1.18 - Majority or Majority of Unit Owners.

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

Section 1.19 - Manager.

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

Section 1.20 - Notice.

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

Section 1.21 - Notice and Comment.

The right of a Unit Owner to receive notice of an action proposed to be taken by or on behalf of the Association, and the right to comment thereon. The procedures for Notice and Comment are set forth in Section 20.2 of this Declaration.

Section 1.22 - Notice and Hearing.

The right of a Unit Owner to receive notice of an action proposed to be taken by the Association, and the right to be heard thereon. The procedures for Notice and Hearing are set forth in Section 20.3 of this Declaration.

Section 1.23 - Person.

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



Section 1.24 - Property.

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

Section 1.25 - Residential Purposes.

Use by a single housekeeping unit on a non-profit basis between occupants, for dwelling or recreational purposes, or both, as described in AS 34.08.990(28).

Section 1.26 - Rules.

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

Section 1.27 - Security Interest.

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

Section 1.28 - Trustee.

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

Section 1.29 - Unit.

A physical portion of the Common Interest Community designated for separate ownership or occupancy (Lots 1-27 as shown on the Plat), the boundaries of which are described under Article IV of this Declaration.

Section 1.30 - Unit Owner.

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



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

Section 2.1 - Common Interest Community.

The name of the Common Interest Community is RAINBOW TERRACE, a Planned Community (previously referred to as a "Planned Unit Development" prior to statutory changes which now replace that term with "Planned Community" as a type of "Common Interest Community."

Section 2.2 - Association.

The name of the Association is RAINBOW TERRACE TOWNHOUSE ASSOCIATION, a non-profit corporation organized under the laws of the State of Alaska.

ARTICLE III - Description of Land

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

Lots 1-27, Tract A and Tract B, RAINBOW TERRACE, according to Plat No. 77-20 (originally Plat No. 76-186), records of the Anchorage Recording District, Third Judicial District, State of Alaska.

ARTICLE IV - Maximum Number of Units: Boundaries

Section 4.1 - Maximum Number of Units.

The Common Interest Community presently consists of twenty-seven (27) Units contained in six buildings. There are no further development rights.

Section 4.2 - Boundaries.

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

(a) Upper and Lower Boundaries: The Units have no upper or lower horizontal boundaries. Each Unit has the lot lines indicated on the Plat and Floor Plans, extending beneath the surface of the ground and up into the airspace above the ground to the fullest extent of the law.

(b) Vertical Perimeter Boundaries: The vertical perimeter boundaries are shown on the Plat and Floor Plans. The side boundaries are intended to include all portions of the building structure as originally constructed, to the furthest outside edge of the building exterior wall or to the center of the party wall separating one unit from another. The front and back yards are part of each Unit, with boundaries as indicated on the Plat.



(c) Inconsistency with Plans: If any definition of boundaries is inconsistent with the Floor Plans of the project, then this definition will control. If a Unit or Common Element encroaches on another Unit or Common Element, a valid easement for maintenance of the same shall exist.

ARTICLE V - Common and Limited Common Elements

Section 5.1 - Common Elements.

The Common Elements for the project are Tract A and Tract B, commonly referred to as the "RV Lot" and the greenbelts surrounding the RV Lot and adjoining the Units.

Section 5.2 - Limited Common Elements.

There are no Limited Common Elements in the development.

ARTICLE VI - Maintenance, Repair and Replacement

Attached hereto as Exhibit "B" is a maintenance chart, which is expressly adopted as part of this Declaration. The chart is an effort to assign maintenance tasks as outlined below, although in the event of any inconsistency, the chart shall govern. In the event of any ambiguity in maintenance allocations set forth above, the Executive Board may reasonably interpret the Governing Documents, setting forth same in the Rules or Book of Resolutions, which interpretations shall be binding on the Unit Owners.

Section 6.1 - Common Elements.

The Association shall maintain, repair and replace the Common Elements, and shall provide limited exterior maintenance on the exterior of each Unit as shown in the maintenance chart.

Section 6.2 - Units.

Each Unit owner shall maintain, repair and replace, at his or her own expense, all portions of his or her Unit, except the portions thereof which are expressly agreed to be maintained, repaired or replaced by the Association. As shown in the maintenance chart attached as Exhibit B, the Association periodically paints the building exteriors, repairs/replaces shingles and rain gutters and mows grass. Most remaining improvements are maintained by each individual Unit Owner at their own expense.

Section 6.3 – Driveways, Parking Areas, and Walkways.

Each individual Unit Owner clears snow and ice (and uses sand as needed) for their own Unit driveway and walkways, with the city maintaining the adjacent street. The Executive Board may, but is not required to, fund a basic plowing and/or sanding contract as a Common Expense. In the event the Association enters into such blanket contract,



however, each individual Unit Owner remains solely and entirely responsible for ensuring proper sanding and snow removal occurs. The Association shall be responsible for periodically repairing or replacing the asphalt and concrete surfaces.

Section 6.4 - Access.

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

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

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

Section 6.6 - Quality of Work.

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

Section 6.7 - Necessity.

The necessity for any work shall be determined by the Executive Board whose decision in such matters shall be final, except that the determination to effectuate any maintenance or repair item which will cost a Unit Owner in excess of a maximum cost set by the Executive Board from time to time shall be subject to the right of the affected Unit Owner to Notice and Hearing by the Executive Board prior to the commencement of any work.

Section 6.8 - Examination.

Repair and maintenance records of the Association, shall be available for examination and copying by any Unit Owner, or his or her duly authorized agents or attorneys, at the expense of the Unit Owner, during normal business hours and after reasonable notice. The Association may charge a reasonable fee to supervise the



inspection and to provide any copies requested. The Association is not required to compile or synthesize information, but shall provide records as normally kept in the course of business. Such records shall include, but not be limited to:

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

ARTICLE VII - Allocated Interests And Voting

Section 7.1 - Allocated Interests.

Each Unit in the development is assigned an equal 1/27 Allocated Interest for purposes of liability for Common Expenses. A table showing Unit numbers and their Allocated Interests is attached hereto as Exhibit "A".

Section 7.2 - Voting.

Each Unit in the Common Interest Community shall have one (1) equal Vote for all purposes.



ARTICLE VIII - Restrictions on Use, Alienation and Occupancy

Section 8.1 - Use and Occupancy Restrictions.

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

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

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

Section 8.2 – Parking Restrictions on Adjacent Public Streets.

Because certain parking restrictions intended to preserve aesthetics and marketability would be readily circumvented if owners simply relocated offending vehicles from parking areas to curbside locations on adjacent streets, the Association may by Rules restrict parking to no more than two passenger vehicles within any driveway and shall also have authority to regulate parking on said streets, to the extent such parking involves Unit Owners or their guests and tenants.

Section 8.3 - Restrictions on Alienation/Time Shares.

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

Section 8.4 - Leasing of Units.

(a) No Owner shall be permitted to rent or lease a Unit for transient or hotel purposes. No Owner may lease or rent less than the entire Unit. Any lease or rental agreement shall provide that the terms thereof shall be subject in all respects to the provisions of the Declaration, the Bylaws, and the Rules, and that any failure by the lessee to comply with the terms of such documents shall be a default under the lease or rental agreement. All leases and rental agreements shall be in writing and a copy given to the Executive Board. Unit Owners may redact the rental price from the lease before providing a copy to the Board.



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

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

(ii) exercise any other rights directly against the tenant for the violation which the Unit Owner could lawfully have exercised under the lease or which the Association could lawfully have exercised directly against the Unit Owner. This subsection 9.3(b)(ii) shall not apply unless the tenant or Unit Owner fails to cure the violation within 10 days after Notice by the Association.

ARTICLE IX - Easements and Licenses

Section 9.1 - Owner's Easement of Enjoyment in Common Elements.

Every Unit Owner, his heirs, successors, executors, administrators and assigns forever, in common with each other, shall have a right and easement of enjoyment in and to the Common Elements, and such easement shall be appurtenant to, and shall run with, the title to every Unit. Such easement shall include, among other consistent rights, the non-exclusive right to pass and repass across the Common Elements; to use the Common Elements pursuant to the provisions of this Declaration, and the right to prevent the restriction or alienation of the Common Elements.

Section 9.2 - Limitations on Owner's Easement.

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

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

(b) The right of the Association to reasonably regulate the Common Elements, assigning exclusive parking rights and restricting hours of access as reasonably necessary to allow Unit Owners to enjoy the Common Elements for their intended purposes.

(c) The right of the Association, as provided and limited in its Certificate of Incorporation and Bylaws, to suspend the enjoyment rights (except rights of egress and ingress) of any Unit owner for any period during which any Assessment remains unpaid,



and for a period not exceeding thirty (30) days for any infraction of the Declaration, Bylaws or Rules, and to levy fines for such infractions in accordance with AS 34.08.320(11) after Notice and Hearing.

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

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

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

Section 9.3 - Walks, Passways, Pipes, Ducts, Cables, Wires, Conduits, Public Utility Lines and Other Elements.

Each Unit Owner has an easement in common with all other Unit Owners for use of all walks, passways, pipes, wires, ducts, cables, drainage ways, conduits, public utility lines sanitary drainage system facilities and other service elements, if any, located in any of the Units or Common Elements at the time of initial construction or thereafter placed thereon by the Association and serving his or her Unit. Each Unit is subject to an easement in favor of other Units and the Common Elements for use of such walks, passways, drainage ways, pipes, ducts, cables, wires, conduits, public utility lines, sanitary sewerage facilities, and other elements, if any, serving other Units or Common Elements and located in each such Unit. In addition, each Unit shall be subject to, and shall have such easements of support and shelter from and over such other Unit and the Common Elements as may be necessary for the quiet enjoyment of such Unit and the maintenance of facilities. The Executive Board has the right to reasonable access to each Unit to inspect the same, to remove violations therefrom and to maintain, repair or replace the Common Elements and such facilities which the Association has the duty to maintain contained therein or elsewhere on the Units. Reasonable notice shall be given to any and all Unit Owners prior to entry for repairs and maintenance by the Executive Board, except for emergency situations which would require the Executive Board to access a Unit or Units without such reasonable notice first having been given. The Executive Board shall have the power to adopt by Resolution further rules and regulations defining "reasonable



notice" and "emergency conditions." Any property disturbed by maintenance or repair will be reasonably restored.

ARTICLE X - Additions, Alterations and Improvements

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

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

(b) The Executive Board shall answer any written request for such approval, after Notice and Hearing, within sixty (60) days after the request therefor. Failure to do so within such time shall not constitute a consent by the Executive Board to the proposed action. If, after such plans and specifications have been approved, the improvements are altered, erected or maintained otherwise than as approved by the Board, such alteration, erection and maintenance shall be deemed to have been undertaken without the approval of the Board having been obtained as required by the Declaration. The approval of the Board of any plans or specifications submitted for approval as herein specified shall not be deemed to be a waiver by the Board of its right to object to any of the features or elements embodied in such plans and specifications, if or when the same features or elements are embodied in any subsequent plans and specifications submitted for approval herein as provided for use on other Units. No member of the Board shall be liable to any person for his or her decisions or failure to act in making decisions as a member of said Board.

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

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

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



Section 10.2 - Additions, Alterations and Improvements by Association.

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

ARTICLE XI - Amendments to Declaration

Section 11.1 - General.

Except as otherwise provided by law or elsewhere in this Declaration, this Declaration, including the Exhibits hereto, may be amended only by vote or agreement of Unit Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated. The same approval shall be required to terminate the Common Interest Community or to establish self-management by the Association where professional management has been required by an Eligible Mortgagee or Eligible Insurer.

Section 11.2 - When Unanimous Consent Required.

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

Section 11.3 - Execution of Amendments.

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

Section 11.4 - Recordation of Amendments.

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

Section 11.5 - Consent of Holders of Security Interests.

Amendments are subject to the consent requirements of Article XV.



Section 11.6 - Limitation of Challenges.

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

ARTICLE XII - Amendments to Bylaws

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

ARTICLE XIII - Termination

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

ARTICLE XIV - Mortgagee Protection

Section 14.1 - Introduction.

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

Section 14.2 - Percentage of Eligible Mortgagees.

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

Section 14.3 - Notice of Actions.

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

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

(b) Any delinquency in the payment of Common Expense assessments owed by an Owner whose Unit is subject to a first Security Interest held, insured, or guaranteed, by such Eligible Mortgagee or Eligible Insurer, which remains uncured for a period of sixty (60) days;



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

(d) Any proposed action which would require the consent of a specified percentage of Eligible Mortgagees as specified in section 15.4 of this Article; and

(e) Any judgment rendered against the Association.

Section 14.4 - Consent Required.

(a) Document Changes. Notwithstanding any lower requirement permitted by the Declaration or the Act, no amendment of any material provision of the Governing Instruments by the Association or Unit owners described in this subsection 15.4(a) may be effective without approval in writing by at least fifty-one percent (51%) of the Eligible Mortgagees. The foregoing approval requirements do not apply to amendments affected by the exercise of any Development Right. A "material" provision includes, but is not limited to, any provision affecting:

- (i) Assessments, assessment liens or priority of assessment liens;
- (ii) Voting rights;
- (iii) Reserves for maintenance, repair and replacement of Common Elements;
- (iv) Responsibility for maintenance and repair;
- (v) Alterations in the formula for Allocated Interests in the Common Elements;
- (vi) Rights to use Common Elements;
- (vii) Boundaries of Units;
- (viii) Convertibility of Units into Common Elements or Common Elements into Units;
- (ix) Expansion or contraction of the Common Interest Community, or the addition, annexation or withdrawal of property to or from the Common Interest Community;
- (x) Insurance or fidelity bonds;
- (xi) Leasing of Units;
- (xii) Imposition of restrictions on a Unit Owner's right to sell or transfer his or her Unit or change in purposes to which any Unit or the Common Elements are restricted;



- (xiii) Establishment of self-management when professional management had been required previously by any Eligible Mortgagee;
- (xiv) Restoration or repair of the project after hazard damage or partial condemnation in a manner other than that specified in the Governing Instruments;
- (xv) Termination of the Common Interest Community after occurrence of substantial destruction or condemnation; and
- (xvi) The benefits of mortgage holders, insurers or guarantors.

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

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

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

- (i) An eighty percent (80%) Eligible Mortgagee approval is required to convey or encumber the Common Elements or any portion thereof. (The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements by the Common Interest Community will not be deemed a transfer within the meaning of this clause);



- (ii) A sixty-seven percent (67%) Eligible Mortgagee approval is required for the termination of the Common Interest Community for reasons other than substantial destruction or condemnation;
- (iii) When Unit boundaries are not otherwise being affected, only the owners of Units affected and Eligible Mortgagees of those Units need approve the alteration of any partition or creation of any aperture between adjoining Units;
- (iv) The Association may not change the period for collection of regularly budgeted Common Expense assessments to other than monthly without the unanimous (100%) consent of Eligible Mortgagees.

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

Section 14.5 - Inspection of Books.

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

Section 14.6 - Financial Statements.

The Association shall provide any Eligible Mortgagee or Eligible Insurer which submits a written request, with a copy of an annual financial statement within ninety (90) days following the end of each fiscal year of the Association. Such financial statement shall be audited or reviewed by an independent accountant.

Section 14.7 - Enforcement.

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

Section 14.8 - Attendance at Meetings.

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



Section 14.9 - Appointment of Trustee.

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

Section 14.10 - Priority to Insurance and Condemnation Proceeds.

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

Section 14.11 - Right to Reimbursement.

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

ARTICLE XV - Assessment and Collection of Common Expenses

Section 15.1 - Apportionment of Common Expenses.

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

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

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

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



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

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

(e) In the event the Association determines that it will separately meter any utilities presently being supplied at Common Expense, it may install separate meters or arrange for individual utility connections, in which case each individual Unit Owner shall thereafter be assessed based upon actual consumption, or each Unit Owner may be required to establish a separate utility account in the Unit Owner's name.

(f) Fees, charges, late charges, fines, collection costs, and interest charged against a Unit Owner pursuant to the Governing Instruments and the Act are enforceable as Common Expense assessments. Fines assessed hereunder may include any enhanced insurance premiums (or estimates thereof) attributable to a Unit Owner's failure to accurately certify compliance with applicable law or insurance carrier requirements or recommendations (including but not limited to carbon monoxide and smoke detector installation/functionality, and installation/maintenance of properly sized and date checked fire extinguisher(s)).

Section 15.3 - Lien.

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

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



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

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

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

(f) When the Association acquires a judgment or decree in any action brought under this Section, such judgment or decree shall include an award to the Association for actual collection costs and attorney's fees incurred both before and after litigation, unless held unreasonable by the court.

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

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

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

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

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



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

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

Section 15.4 - Budget Adoption and Ratification.

Within thirty (30) days after adoption of a proposed budget for the Common Interest Community, the Executive Board shall provide a summary of the budget to each Unit Owner, and shall set a date for a meeting of the Unit Owners to consider ratification of the budget not less than fourteen (14) or more than thirty (30) days after mailing of the summary. Unless at that meeting a Majority of Unit Owners reject the budget, the budget is ratified, whether or not a quorum is present. If the proposed budget is rejected, the periodic budget last ratified by the Unit Owners continues until the Unit Owners ratify a budget proposed by the Executive Board. For purposes of voting on ratification of the annual budget, the vote of each Unit Owner shall not be equal, but shall be weighted in accordance with the Allocated Interest of liability for Common Expenses according to the fraction described in Section 7.1 of this Declaration.

Section 15.5 - Non-budgeted Common Expense Assessments.

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

Section 15.6 - Certificate of Payment of Common Expense Assessments.

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

Section 15.7 - Monthly Payment of Common Expenses.

All Common Expenses assessed under this Article XV shall be due and payable on the first day of each and every month and shall become delinquent if not paid by the last day of each and every month.

Section 15.8 - Interest, Late Fees and Collection Expenses.

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

Section 15.9 - Acceleration of Common Expense Assessments.

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

Section 15.10 - No Waiver of Liability for Common Expenses.

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

ARTICLE XVI - Right to Assign Future Income

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

ARTICLE XVII - Persons and Units Subject to Governing Instruments

Section 17.1 - Compliance with Governing Instruments.

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



Section 17.2 - Adoption of Rules.

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

ARTICLE XVIII - Insurance

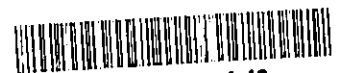
Section 18.1 - Coverage.

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

Section 18.2 - Property Insurance.

(a) If any improvements are constructed on the Common Elements, the Association shall maintain property insurance insuring against all risks of direct physical loss commonly insured against. Earthquake and Flood insurance shall not be required, unless deemed appropriate pursuant to Section 18.8 of this Declaration. The total amount of insurance after application of any deductibles shall be not less than one hundred percent (100%) of the current replacement value, if required by an Eligible Mortgagee, and in any event, not less than the higher of eighty percent (80%) of the actual cash value of the insured property or an amount sufficient to avoid coinsurance under any applicable insurance policy, at the time the insurance is purchased and at each renewal date, exclusive of land, excavations, foundations and other items normally excluded from property policies. The insurance maintained under this section shall not include the Units or the improvements and betterments installed by Unit Owners (personal property not permanently attached to the premises). The Association shall maintain insurance in an amount equal to the actual cash value of personal property owned by the Association. Prior to obtaining any insurance on Common Elements under this section, and at least annually thereafter, the Executive Board shall take reasonable steps satisfactory to the insurance company to determine the replacement cost of the Common Elements or obtain an agreed amount endorsement. The maximum deductible for insurance policies shall be the lesser of \$10,000.00 or one percent (1%) of the policy face amount. The Executive Board may adopt a policy for allocation of any deductible, and the deductible portion of any claim shall otherwise be considered "uninsured," such that the affected Unit Owner(s) may be required to pay the deductible (if the Unit Owner fails to procure individual coverage) in the event of a loss.

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



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

Section 18.3 - Liability Insurance.

Liability insurance, including medical payments insurance, shall be carried in an amount determined by the Executive Board but in no event less than \$1,000,000, covering all occurrences commonly insured against (death, bodily injury and property damage) arising out of or in connection with the use, ownership or maintenance of the Common Elements, and the activities of the Association.

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

- (i) Each Unit Owner is an insured person under the policy with respect to liability arising out of the interest of the Unit owner in the Common Elements or membership in the Association;
- (ii) The insurer waives the right to subrogation under the policy against a Unit Owner or member of the household of a Unit Owner;

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

Section 18.4 - Fidelity Bonds.

A blanket fidelity bond is required for anyone who either handles or is responsible for funds held or administered by the Association, whether or not they receive compensation for their services. The bond shall name the Association as obligee and shall cover the maximum funds that will be in the custody of the Association or the manager at any time while the bond is in force, and in no event less than the sum of three (3) months' assessments plus reserve funds. The bond shall include a provision that calls for ten (10) days' written notice to the Association, to each holder of a Security Interest in a Unit, to each servicer that services a FNMA-owned, VA-owned, FHLMC-owned, or AHFC-owned mortgage on a Unit and to the insurance trustee, if any, before the bond can be canceled or substantially modified for any reason.

Section 18.5 - Unit Owner Policies.

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

Section 18.6 - Workers' Compensation Insurance.

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

Section 18.7 - Directors' and Officers' Liability Insurance.

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



Section 18.8 - Other Insurance.

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

Section 18.9 - Premiums.

Insurance premiums shall be a Common Expense.

ARTICLE XIX - Damage To Or Destruction Of Property

Section 19.1 - Duty to Restore.

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

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

Section 19.2 - Cost.

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

Section 19.3 - Plans.

The Property must be repaired and restored in accordance with either the original plans and specifications or other plans and specifications which have been approved by the Executive Board, a majority of Unit Owners and fifty-one percent (51%) of Eligible Mortgagees.

Section 19.4 - Insurance Proceeds.

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

(b) The insurance trustee, or if there is no insurance trustee, then the Executive Board of the Association, acting as Trustee, shall hold any insurance proceeds in trust for the Association, Unit Owners and lien holders as their interests may appear. Subject to



the provisions of Section 19.1, the proceeds shall be disbursed first for the repair or restoration of the damaged Property, and the Association, Unit Owners and lien holders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the Property has been completely repaired or restored, or the Common Interest Community is terminated.

Section 19.5 - Certificates by the Executive Board.

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

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

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

Section 19.6 - Certificates by Attorneys or Title Reports.

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

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

Section 20.1 - Notice.

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

Section 20.2 - Right to Notice and Comment.

Before the Executive Board amends the Bylaws or the Rules, whenever the Governing Instruments require that an action be taken after "Notice and Comment", and at any other time the Executive Board determines, the Unit Owners have the right to



Notice of the proposed action and the right to comment orally or in writing. Notice of the proposed action shall be given to each Unit Owner not less than five (5) days before the proposed action is to be taken. The Notice shall invite comment to the Executive Board orally or in writing before the scheduled time of the meeting. The right to Notice and Comment does not entitle a Unit Owner to be heard at a formally constituted meeting as provided in Section 20.3.

Section 20.3 - Right to Notice and Hearing.

Whenever the Governing Instruments require that an action be taken after "Notice and Hearing", the following procedure shall be observed: The party proposing to take the action (e.g., the Executive Board, a committee, an officer, the manager, etc.) shall give written Notice of the proposed action to all Unit Owners or occupants of Units whose interests would be significantly affected by the proposed action. The Notice shall include a general statement of the proposed action and the date, time and place of the hearing; alternatively, the Notice may state that a decision will be made without hearing unless the affected Unit Owner(s) submit a written hearing request prior to a specified deadline. The Notice shall be given not less than seven (7) days before the hearing date or specified deadline for requesting a hearing. In the event a hearing is requested in response to the first Notice, the Association shall schedule a hearing and again provide Notice of the hearing date, time and place as stated above. At any hearing, the affected person shall have the right, personally or by a representative, to give testimony orally, in writing or both (as specified in the notice), subject to reasonable rules of procedure established by the party conducting the meeting to assure a prompt and orderly resolution of the issues. Such evidence shall be considered in making the decision but shall not bind the decision makers. The affected person shall be notified of the decision in the same manner in which Notice of the meeting was given.

Section 20.4 - Appeals.

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

ARTICLE XXI - Executive Board

Section 21.1 - Minutes of Executive Board Meetings.

The Executive Board shall permit any Unit Owner to inspect the minutes of Executive Board meetings during normal business hours. The minutes shall be available for inspection within thirty (30) days after any such meeting.



Section 21.2 - Powers and Duties.

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

- (a) Adopt and amend Bylaws, Rules and regulations;
- (b) Adopt and amend budgets for revenues, expenditures and reserves;
- (c) Collect assessments for Common Expenses from Unit Owners;
- (d) Hire and discharge Managers;
- (e) Hire and discharge employees and agents, other than managing agents, and independent contractors;
- (f) Institute, defend or intervene in litigation or administrative proceedings or seek injunctive relief for violation of the Association's Declaration, Bylaws or Rules in the Association's name on behalf of the Association or two (2) or more Unit Owners on matters affecting the Common Interest Community;
- (g) Make contracts and incur liabilities;
- (h) Regulate the use, maintenance, repair, replacement and modification of the Common Elements;
- (i) Cause additional improvements to be made as part of the Common Elements;
- (j) Acquire, hold, encumber and convey in the Association's name any right, title or interest to real property or personal property, but Common Elements may be conveyed or subjected to a Security Interest only pursuant to Section 34.08.430 of the Act;
- (k) Grant easements for any period of time, including permanent easements, and leases, licenses and concessions for no more than one (1) year, through or over the Common Elements;
- (1) Impose and receive a payment, fee or charge for the use, rental or operation of the Common Elements, and for services provided to Unit Owners;



(m) Impose a reasonable charge for late payment of assessments and, after Notice and hearing, levy reasonable fines for violations of this Declaration, Bylaws, Rules and regulations of the Association;

(n) Impose a reasonable charge for the preparation and recordation of amendments to this Declaration, resale certificates required by Section 34.08.590 of the Act or a statement of unpaid assessments;

(o) Provide for the indemnification of the Association's officers and Executive Board and maintain Directors' and officers' liability insurance;

(p) Assign the Association's right to future income, including the right to receive Common Expense assessments;

(q) Exercise any other powers conferred by this Declaration or the Bylaws;

(r) Exercise any other power that may be exercised in this state by legal entities of the same type as the Association;

(s) Exercise any other power necessary and proper for the governance and operation of the Association; and

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

Section 21.3 - Executive Board Limitations.

The Executive Board may not act on behalf of the Association to amend this Declaration, to terminate the Common Interest Community or to elect members of the Executive Board or determine the qualifications, powers and duties, or terms of office of Executive Board members, but the Executive Board may fill vacancies in its membership until a successor is elected to complete the remaining term at the next annual meeting of the Association.

ARTICLE XXII - Open Meetings

Section 22.1 - Access.

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



Section 22.2 - Notice of Executive Board Meetings.

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

Section 22.3 - Executive Sessions.

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

ARTICLE XXIII - Condemnation

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

ARTICLE XXIV - Miscellaneous

Section 24.1 - Captions.

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

Section 24.2 - Gender.

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

Section 24.3 - Nonwaiver.

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

Section 24.4 - Severability.

The invalidity of any provision of the Governing Instruments does not impair or affect in any manner the validity, enforceability or effect of the remainder, and in such



event, all of the other provisions of the Governing Instruments shall continue in full force and effect.

Section 24.5 - Conflict.

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

Section 24.6 - Rights of Action.

The Association and any aggrieved Unit Owner shall have a right of action against Unit Owners for failure to comply with the provisions of the Governing Instruments, or with decisions of the Association which are made pursuant to the Governing Instruments. Unit Owners shall also have such rights of action against the Association. In any action arising from, or relating to, this Declaration, the prevailing party shall recover full attorney fees, unless declared unreasonable by the court.

Section 24.7 – Prospective Application Only With Respect to Mortgagees.

This amendment shall take effect immediately upon recordation, but shall not effect the rights of holders, insurers and guarantors of certain Security Interests under existing encumbrances. Any holders, insurers and guarantors of a Security Interest arising from recordation after this amendment, however, shall be completely subject to this Amended and Restated Declaration.

Section 24.8 - Proper Adoption.

The undersigned president and secretary of Rainbow Terrace Townhouse Association, hereby certify that this Amended and Restated Declaration was properly adopted in accordance with Article VIII, Section 3 of the Declaration, receiving 75% approval from the Unit Owners. Written notice was earlier provided to all first mortgage holders of record as required by Article XI, Section 7 of the Declaration. This amendment shall take effect immediately upon recording.



**Rainbow Terrace Allocated Interests
Declaration Exhibit A**

Unit No.	Allocated Share of Common Expense Liability	Votes
1	3.7037%	1
2	3.7037%	1
3	3.7037%	1
4	3.7037%	1
5	3.7037%	1
6	3.7037%	1
7	3.7037%	1
8	3.7037%	1
9	3.7037%	1
10	3.7037%	1
11	3.7037%	1
12	3.7037%	1
13	3.7037%	1
14	3.7037%	1
15	3.7037%	1
16	3.7037%	1
17	3.7037%	1
18	3.7037%	1
19	3.7037%	1
20	3.7037%	1
21	3.7037%	1
22	3.7037%	1
23	3.7037%	1
24	3.7037%	1
25	3.7037%	1
26	3.7037%	1
27	3.7037%	1



Rainbow Terrace Maintenance Chart

Declaration Exhibit B

Item	Responsibility (X)	
	Owner	Association
Asphalt/Concrete Maintenance		
1. Common Areas (RV Lot & Community Bike Path)		X
2. Driveways or Within Lots		X
3. Walkways (Cracking repairs/replacement of concrete)		X
Snow Removal/Sanding		
1. RV Lot (Funded by RV Lot Fees) & Community Bike Path		X
2. Driveways, Walkways, Within Lots	X	
3. Deck Roofs	X	
Lawn Care		
1. Common Areas		X
2. Mowing (ONLY) Within Lots		X
3. Any OTHER Lawn Care Within Lots (Includes watering)	X	
Groundskeeping		
1. Landscaped & Paved Areas outside of Owner's Lot		X
2. Landscape inside Owner's Lot (ALL except mowing)	X	
Retaining Walls		
1. Retaining Walls (Common Area)		X
2. Retaining Walls (on Owner's Lot)	X	
Fences and Party (Common) Walls		
1. Party Fences dividing two ENCLOSED yards or Party Walls	X	
2. ALL Maintenance/Painting of fence portion enclosing one yard	Adjoining*	
Building Exterior		
1. Paint (Exterior Surfaces per Reserve Schedule)		X
2. Siding Repair/Replacement		X
3. Doors/Windows/Trim	X	
4. Framing/Structural	X	
5. Insulation/Vapor Barrier Issues	X	
6. Foundation/Crawlspace Issues	X	
7. Gutters and Downspouts (repair/replacement)		X
8. Dryer Vents	X	
Roofs		
1. Replacement per reserve schedule (Shingles, ice/watershield ONLY)		X
2. Water barrier ONLY on garage roof/deck		X
3. "Whirly Bird" Roof Ventilators		X
4. All other repairs (including decking, insulation, ventilation issues)	X	
5. All Structural repairs beneath roof membrane (regardless of cause)	X	
6. Chimney inspection/cleaning/repairs	X	
Mailboxes		
1. Mailbox Maintenance/Replacement (except keys)		X
2. Mailbox Keys	X	
Water/Sewer Lines		
1. Any portion of a line serving an individual Unit/lot	X	
Utilities (ALL except refuse, unless located on common areas)	X	

The association maintains overall control for all exterior modifications, regardless of expense allocations (i.e. owner cannot "repair" cedar fence with chain link). ALL exterior changes require board approval. Board to Address additional items case-by-case basis with above examples as a guideline.

*Party wall/fence expenses are shared by the affected owners, subject to arbitration provisions in the declaration. The board is not responsible for party wall maintenance allocations.

