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Recording Dist: 311 - Palmer

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DECLARATION

FOR

BUNKER HILL CONDOMINIUMS

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DECLARATION
FOR
BUNKER HILL CONDOMINIUMS

Preamble

DEAN BURTIS BUNKER and MAZIE ELLEN BUNKER jointly own property in the Matanuska-Susitna Borough of Alaska, described as:

Lot Two (2), U.S. Survey No. 4716, Palmer Recording District,
Third Judicial District, State of Alaska.

DEAN BURTIS BUNKER and MAZIE ELLEN BUNKER, referred to herein as "Declarant", hereby submit the above-described property to the provisions of AS 34.08, the Uniform Common Interest Ownership Act, for the purpose of creating the BUNKER HILL CONDOMINIUMS. Dean Burtis Bunker and Mazie Ellen Bunker declare that the Units created by this Declaration and shown on the unit survey map filed under Plat No. 2008-47 shall be held and conveyed subject to the following terms, covenants, conditions and restrictions. Bunker Hill Condominiums is a site condominium project within the Units of which residential or recreational structures may be built and, therefore, no floor plans for condominium units are being filed with the unit survey map.

ARTICLE I - Definitions

In the Documents, the following words and phrases shall have the following meanings:

Section 1.1 - Act. The Uniform Common Interest Ownership Act, AS 34.08, as it may be amended from time to time.

Section 1.2 - Allocated Interests. The undivided interest in the Common Elements, the Common Expense liability, and votes in the Association, allocated to Units in the Common Interest Community. The Allocated Interests are described in Article IX of this Declaration and shown on Exhibit 1.

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Section 1.3 - Association. BUNKER HILL CONDOMINIUM 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 of the Act.

Section 1.4 - Bylaws. The Bylaws of the Association, as they may be amended from time to time. Neither such Bylaws nor any amendments to such Bylaws need be recorded in the property records.

Section 1.5 - Common Elements. Each portion of the Common Interest Community other than a Unit.

Section 1.6 - Common Expenses. The expenses or financial liabilities for the operation of the Common Interest Community. These include:

- (a) Expenses of administration, maintenance, repair or replacement of the Common Elements;
- (b) Expenses declared to be Common Expenses by the Documents 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.

Section 1.7 - Common Interest Community. The real property subject to the Declaration for Bunker Hill Condominiums.

Section 1.8 - Condominium. A Common Interest Community in which portions of the real estate are designated for separate ownership, the remainder of the real estate is designated for common ownership solely by the owners of those portions, and the undivided interests in the Common Elements are vested in the Unit Owners.

Section 1.9 - Declarant. A person or a group of persons acting in concert who, as part of a common promotional plan, offer to dispose of its interest in a unit not previously disposed of, or who reserves or succeeds to a special declarant right; in this case, Dean Burtis Bunker and Mazie Ellen Bunker.

Section 1.10 - Declaration. This document, including any amendments.

Section 1.11 - Director. A member of the Executive Board.

Section 1.12 - Documents. The Declaration, Plat and Plans which have been recorded and filed, the Bylaws, and the Rules, if any, as they may be amended from time to time. Any exhibit, schedule, or certification accompanying a Document is a part of that Document.

Section 1.13 - 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 hereof.

Section 1.14 - 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 hereof.

Section 1.15 - Executive Board. The Board of Directors of the Association.

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

Section 1.17 - Majority or Majority of Unit Owners. The Owners of more than 50% of the votes in the Association.

Section 1.18 - Manager. A person, firm or corporation employed or engaged to perform management services for the Common Interest Community and the Association.

Section 1.19 - Notice and Comment. The right of Unit Owners 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 20.1 of this Declaration.

Section 1.20 - Notice and Hearing. The right of Unit Owners 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 22.2 of this Declaration.

Section 1.21 - Person. An individual, corporation, business trust, estate, trust, partnership, association, joint venture, government, government subdivision or agency, or other legal or commercial entity.



Section 1.22 - Plans. The survey map filed under Plat No. 2008- 47, Records of the Palmer Recording District, Third Judicial District, State of Alaska, as it may be amended from time to time.

Section 1.23 - Property. The land and all Improvements, easements, rights and appurtenances which are subject to this Declaration.

Section 1.24 - Rules. Regulations for occupancy of the Units and use of the Common Elements and for the conduct of persons within the Common Interest Community, adopted by the Executive Board pursuant to this Declaration.

Section 1.25 - Security Interest. An interest in real estate or personal property, created by contract or conveyance, which secures payment or performance of an obligation. The term includes a lien created by mortgage, deed of trust, trust deed, security deed, contract for deed, land sales contract, lease intended as security, assignment of lease or rents intended as security, pledge of an ownership interest in an Association, and any other consensual lien or title retention contract intended as security for an obligation.

Section 1.26 - Trustee. The entity which may be designated by the Executive Board as the Trustee for the receipt, administration, and disbursement of funds derived from insured losses, condemnation awards, special assessments for uninsured losses, and other like sources as defined in the Bylaws. If no Trustee has been designated, the Trustee will be the Executive Board from time to time constituted, acting by majority vote, as executed by the President and attested by the Secretary.

Section 1.27 - Unit. A physical portion of the Common Interest Community designated for separate ownership or occupancy, as shown on the unit survey and the development plan attached hereto as Exhibit 2, and the boundaries of which are described in Article IV of this Declaration.

Section 1.28 - Unit Owner. A Person, including the Declarant, who owns a 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 and Association

Section 2.1 - Common Interest Community. The name of the Common Interest Community is BUNKER HILL CONDOMINIUMS.

Section 2.2 - Association. The name of the Association is BUNKER HILL CONDOMINIUM 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 Matanuska-Susitna Borough of Alaska, and is located on land described as:

Lot Two (2), U.S. Survey No. 4716, Palmer Recording District,
Third Judicial District, State of Alaska.

ARTICLE IV - Maximum Number of Units; Boundaries; Areas

Section 4.1 - Maximum Number of Units. The maximum number of Units permitted in the Common Interest Community is ten (10), seven (7) of which are created with the recording of this declaration. The seven Units are shown on the development plan attached hereto as Exhibit 2, and on the unit survey and development plan filed under Plat No. 2008-47. As provided in Article XXV, Unit 7 may, at any future date be subdivided into four (4) Units to bring the total number of units to ten (10).

Section 4.2 - Boundaries. Each Unit created by the Declaration is shown and numbered on Exhibit 2 and on the survey map filed under Plat No. 2008-47. Each Unit at the time of sale may include within it an existing building. The boundaries of the Unit do not create a tract or parcel of land described as a "subdivision" in AS 40.15.290. The Unit boundaries are described as follows:

(a) **Upper Boundary:** A horizontal plane at elevation 480 feet, based on the assumed elevation of 415 feet, shown for the top of monument located at the southeast corner of Unit 6, extending to the vertical perimeter boundaries of the Units.

(b) **Lower Boundary:** The horizontal plane extending to the vertical perimeter boundaries at elevation 395 feet, based on the assumed elevation of 415 feet shown for the top of monument located at the southeast corner of Unit 6, on the survey map filed under Plat No. 2008-47.

(c) **Vertical Perimeter Boundaries:** The vertical planes extending between the upper and lower boundaries and located by reference to the measurements to the property line shown on the survey map filed under Plat No. 2008-47, as it may be amended.

(d) **Inclusions:** Each Unit will include the spaces and Improvements lying within the boundaries described in Section 4.2 (a), (b), and (c) above, and any man-made improvements serving only the Unit.

(e) **Exclusions:** The land lying directly beneath the lower boundary of the Unit, and man-made improvements, if any, below the lower boundary of the Unit that serve more than one Unit.



(f) Inconsistency with Plans: If this definition is inconsistent with the plans, then this definition will control.

Section 4.3 - Areas. Unit ground surface areas are listed in Exhibit 1.

ARTICLE V - Common Elements

Section 5.1 - Common Elements. The Common Elements include all of the land area within the Common Interest Community other than the Units. Manmade Improvements serving more than one Unit are Common Elements. In Bunker Hill Condominiums, the access drive along the west side of Unit 7 and between the common boundary between Units 1 through 5 on the north and Units 6 and 7 on the south, as illustrated on the unit survey and on Exhibit 2 attached hereto, is Common Element.

ARTICLE VI - Conveyance or Encumbrance of Common Elements

Section 6.1 - Homeowner Approval. Portions of the Common Elements, except Limited Common Elements, may be conveyed or subjected to a security interest by the Association if persons entitled to cast at least 80 percent of the votes in the Association, including 80 percent of the votes allocated to Units not owned by the Declarant, agree to this action. Each owner of a Unit to which a Limited Common Element is allocated must agree in order for the Limited Common Element allocated to that Unit to be conveyed or subjected to a Security Interest by the Association.

Section 6.2 - Proceeds of Sale or Loan. The proceeds of a sale and proceeds of a loan secured by encumbering a Common Element are an asset of the Association.

Section 6.3 - Form of Conveyance and Ratification. An agreement to convey Common Elements or to subject the Common Elements to a security interest must be evidenced by the execution of an agreement, or ratification of the agreement, in the same manner as a deed by the requisite number of Unit Owners. The Agreement must specify a date after which the agreement will be void unless recorded before that date. The agreement is effective only upon recording.

Section 6.4 - Association Contract to Convey. The Association on behalf of the Unit Owners may contract to convey an interest in Common Elements as provided in this Article but the contract is not enforceable against the Association until approved as required herein. After approval, the Association has the powers necessary and appropriate to effect the conveyance or encumbrance, including the power to execute a deed or other instrument.

ARTICLE VII - Maintenance, Repair and Replacement

Section 7.1 - Common Elements. The Association shall maintain, repair and



replace all of the Common Elements of the Property, including, but not limited to, the access drive.

Section 7.2 - Units. Each Unit Owner shall maintain, repair and replace, at his or her own expense, all portions of his or her Unit, which includes any structure(s) built within the Unit, any fences constructed within the Unit boundaries and any septic system located on the Unit. If the Unit Owner fails to maintain and repair his or her Unit, including any structures therein, including the yard and fences, and septic systems to a standard established by rules of the Association, the Association may, after Notice and Hearing, repair or maintain the Unit as needed to bring it up to Association standards and assess the Unit Owner therefore as a Common Expense.

Section 7.3 - 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, as described in Section 7.2, or any condition threatening a Unit or the Common Elements, and for the purpose of performing installations, alterations or repairs, and for the purpose of reading, repairing, and replacing utility meters and related pipes, valves, wires and equipment, 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 7.4 - Allocation of Costs of Repairs and Maintenance. Each Unit Owner will reimburse the Association for any costs incurred for repairs and maintenance performed by the Association under the provisions of Section 7.2. In addition, each Unit Owner will reimburse the Association for any costs, including insurance deductibles, incurred by the Association due to damage to any Unit 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. Such expense will be assessed following Notice and Hearing. The Association will be responsible for damage to Units caused intentionally, accidentally, negligently or by its failure to maintain, repair or make replacements to the Common Elements.

ARTICLE VIII - Allocated Interests

Section 8.1 - Allocation of Interests. The table showing Unit numbers and their allocated interests is attached hereto as Exhibit 1. The percentage of undivided interest in the Common Elements appertaining to each Unit for all purposes, voting and the determination of liability for Common Expenses, shall be in accordance with Exhibit 1.

Section 8.2 - Formulas for the Allocation of Interests. The formulas for the allocation of liability for Common Expenses and for the allocation of votes in the Association are as follows:



(a) Liability for Common Expenses. The percentage of liability for Common Expenses allocated to each Unit is based on the square footage of each Unit as a percentage of the total square footage of the Units. Nothing contained in this Subsection shall prohibit certain Common Expenses from being apportioned to particular Units under Section 15.2 of this Declaration.

(b) Votes. The total number of votes in the Association shall equal 100 and each Unit's share of the votes equals that Unit's percentage of liability for Common Expenses. Any specified percentage of Unit Owners, unless otherwise stated in the Documents, means the specified percentage of all votes allocated to Units in the Association.

Section 8.3 - Assignment of Allocated Interests Upon Subdivision of Unit 7. The effective date for assigning Allocated Interests to Units created pursuant to Article XXV and Section 11.7 of this Declaration shall be the date on which the amendment creating the Units is recorded in the records of the Palmer Recording District.

ARTICLE IX - Restrictions on Use, Alienation and Occupancy

Section 9.1 - Use Restrictions. Each Unit is restricted to a single residential structure for the use of a single family including, therein, 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 outside a Unit. A single family is defined as a single housekeeping unit, operating on a non-profit, non-commercial basis between its occupants, cooking and eating with a common kitchen and dining area.

Section 9.2 - Occupancy Restrictions. Subject to the Special Declarant Rights reserved under Article VIII of this Declaration, the following occupancy restrictions apply to the Units and the Common Elements.

(a) All residential structures shall be built of logs or with frame construction as a home or recreational cabin.

(b) All Unit Owners shall maintain their Units in a clean and well maintained condition. No outdoor storage of trash will be permitted on any Unit. The Executive Board may regulate or prohibit the exterior storage of any type of material in order to preserve the overall value, appearance and livability of the Property.

(c) There shall be no more than one non-working vehicle stored in the open anywhere on the Property, and any non-working vehicle stored in the open on the Property shall not be stored within 30 feet of any Unit boundary.

(d) There shall be no parking on the Common Elements.



(e) Domestic animals, livestock and poultry may be kept in any Unit, provided they are not kept, bred, or raised therein for commercial purposes or in unreasonable quantities. Dog kennels and pig farms are prohibited. As used in this Declaration, "unreasonable quantities" shall be deemed to limit the total number of dogs to four. The Executive Board may, after Notice and Hearing limit the sizes and types of dogs, if sizes and types of dogs become a problem for the Association, and the Association may also limit the number of livestock or poultry kept within a Unit. Furthermore, the Executive Board may prohibit the maintenance of any animal that constitutes a nuisance to any other Unit Owner. Dogs and cats belonging to Unit Owners, occupants of Units, or their licensees or invitees, must be kept within the Unit except that they may be taken out of the Unit on a leash held by a person capable of controlling the animal. Should any dog or cat be found outside of the Unit, other than on a leash being held by a person capable of controlling the animal, the animal may be removed by Declarant or any person authorized by the Executive Board to remove the dog or cat from the Property. The dog or cat so removed shall be taken to the borough animal shelter and, if its owner is known, the Association shall notify the owner of the animal's whereabouts. The owner of any pet visiting or residing on the Property shall be absolutely liable to all other Unit Owners, their families, guests and invitees, for any damage to persons or property caused by the pet. Owners of pets are responsible for the removal of their pets' waste from the Units and the Common Elements of the Common Interest Community.

(f) No nuisances shall be allowed on the Condominium Property, nor shall any use be made or practice be maintained by any Unit Owner or tenant of a Unit Owner that shall interfere with the quiet enjoyment of the Property by other Unit Owners and residents. The Executive Board, after Hearing and Comment, may further refine the definition of "nuisance" in the rules of the Association.

(g) No fuel tank shall be buried.

(h) All structures, except a fence, must be set back from the Unit boundaries by at least 30 feet.

(i) During construction of a permanent cabin or home, a temporary dwelling, such as a camper, trailer or motorhome may be occupied for up to five (5) years, but campers, trailers and motorhomes may not otherwise be used as long-term dwellings.

Section 9.3 - Restrictions on Alienation. A Unit may not be conveyed pursuant to a time-sharing plan. A Unit may not be leased or rented for a term of less than thirty (30) days. All leases and rental agreements shall be in writing and subject to the requirements of the Documents and the Association. A copy of all leases and rental agreements shall be given to the Association. All leases of a Unit shall include a provision that the tenant recognizes the Association as landlord, but solely for the purpose of the Association having power to enforce a violation of the provisions of the Documents against the tenant, provided that the Association first gives the Unit Owner notice of its intent to so enforce and



a reasonable opportunity to cure the violation directly, prior to the commencement of an enforcement action.

ARTICLE X - Easements and Licenses

Section 10.1 - Easement for Ingress and Egress Through Common Elements. Each Unit Owner has an easement in common with each other Unit Owner for ingress and egress through all Common Elements, subject to such reasonable rules, regulations and restrictions as may be imposed by the Association. Each Unit is hereby burdened with and subjected to an easement for ingress and egress through all Common Elements by persons lawfully using or entitled to the same.

Section 10.2 - Easements for Support. Each Unit and Common Element shall have an easement for lateral and subjacent support from every other Unit and Common Element.

Section 10.3 - Easements for Encroachments. In the event any portion of the Common Elements encroaches upon any Unit or any Unit encroaches upon the Common Elements or another Unit as a result of the construction, reconstruction, repair, shifting, settlement, or movement of any portion of the Improvements, a valid easement for the encroachment and for the maintenance of the same shall exist so long as the encroachment exists.

Section 10.4 - Recorded Easements and Licenses. All recorded easements or licenses to which the Common Interest Community is presently subject are recited in Exhibit 3 to this Declaration and are shown on the Plats or Plans.

ARTICLE XI - Amendments to Declaration

Section 11.1 - General. Except as otherwise provided by law or elsewhere in this Declaration, this Declaration, including the Plat and Plans, may be amended only by vote or agreement of Unit Owners of Units to which at least sixty-seven (67%) of the votes in the Association are allocated.

Section 11.2 - When Unanimous Consent Required. Except to the extent expressly permitted or required by provisions of the Act and this Declaration, an amendment may not create or increase Special Declarant Rights, create or 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 votes 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 such 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 Condominium is located. The amendment is effective only upon recording.

Section 11.5 - Consent of Holders of Security Interests. Amendments are subject to the consent requirements of Article XIV.

Section 11.6 - Limitations of Challenges. An 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.

Section 11.7 - Amendments to Create Units. An Amendment to split Unit 7 shall be in accordance with Article XXV.

ARTICLE XII - Amendments to Bylaws

The Bylaws may be amended only by 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.

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 Documents, 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 in the aggregate have allocated to them such specified percentage of votes in the Association when compared to the total allocated to 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 default in the performance by the individual Unit borrower of any obligation under the condominium constituent documents which is not cured within sixty (60) days;

(d) Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association and/or the property manager;

(e) Any proposed action which would require the consent of a specified percentage of Eligible Mortgagees as specified in Section 16.4; and

(f) Any judgment rendered against the Association.

Section 14.4 - Consent Required.

(a) Document Changes. Notwithstanding any lower requirement permitted by this Declaration or the Act, no amendment of any material provision of the Documents by the Association or Unit Owners described in this Subsection 14.4(a) may be effective without approval in writing by at least fifty-one percent (51%) of the Eligible Mortgagees. "Material" includes, but is not limited to, any provision affecting:

(i) Assessments, assessment liens or subordination of assessment liens;

(ii) Voting rights;

(iii) Reserves for maintenance, repair and replacement of Common Elements;

(iv) Responsibility for maintenance and repair;

(v) Reallocation of interests in the Common Elements or Limited Common Elements;

- (vi) Rights to use Common Elements and Limited Common Elements;
- (vii) Boundaries of Units;
- (viii) Convertibility of Units into Common Elements or Common Elements into Units;
- (ix) Expansion or contraction of the Common Interest Community or the addition, annexation or withdrawal of property to or from the Common Interest Community;
- (x) Insurance or fidelity bonds;
- (xi) Leasing of Units;
- (xii) Imposition of restrictions on a Unit Owner's right to sell or transfer his or her Unit;
- (xiii) Establishment of self-management when professional management had been required previously by any Eligible Mortgagee;
- (xiv) Restoration or repair of the project after a hazard damage or partial condemnation in a manner other than that specified in the Documents;
- (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 a hazard damage or partial condemnation in a manner other than that specified in the Documents;
- (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 (1) year);
 - (v) The assignment of the future income of the Association, including its right to receive common expense assessments; and
 - (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 First 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 addition or amendment to the Declaration shall constitute an implied approval of the addition 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 must maintain current copies of the Declaration, Bylaws, Rules, books, records and financial statements. The Association shall permit any Eligible Mortgagee or Eligible Insurer, or other first mortgagee of units, to inspect the books and records of the Association during normal business hours.

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.

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 under Article XIX or condemnation of all or a portion of the Community, any Eligible Mortgagee may require that such 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 on Insurance and Condemnation Proceeds. No provision of the Documents of the Association shall be deemed to give priority to an 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.

ARTICLE XV - Assessment and Collection of Common Expenses

Section 15.1 - Apportionment of Common Expenses. Except as provided in Section 15.2, all Common Expenses shall be assessed against all Units in accordance with their percentage interest in the Common Expenses as shown on Exhibit 1 to this Declaration.

Section 15.2 - Common Expenses Attributable to Fewer than all Units.

(a) Any Common Expense for services provided by the Association to an individual Unit, either required by the Declaration or provided 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 of 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) Fees, charges, late charges, fines, collection costs and interest charged against the Unit Owner pursuant to the Documents and the Act are enforceable as Common Expense assessments.

Section 15.3 - Lien.

(a) The Association has a lien on a Unit for an assessment levied against the Unit or fines imposed against its Unit Owner from the time the assessment or fine becomes due. Fees, charges, late charges, collection costs, including reasonable attorney's fees, fines and interest charged pursuant to AS 34.08, as it may be amended from time to time, and any of the Association's Documents 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 and encumbrance recorded before the recordation of the original Declaration described above in the introductory paragraph of this Document; (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 mechanic's or materialmen's liens, nor 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 a 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 US Bankruptcy Code, the period of time for instituting proceedings to enforce the Association's lien shall be tolled until thirty (30) days after the automatic stay of proceedings under §362 of the US Bankruptcy Code is lifted.

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

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

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

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

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

(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. The Executive Board shall adopt a proposed budget for the Common Interest Community, and shall, within thirty (30) days after adoption, provide a summary of the budget to each Unit Owner. The Executive Board shall set a date for a meeting of the Unit Owners to consider ratification of the budget not less than fourteen (14) nor more than thirty (30) days after mailing of the summary. Unless at that meeting a majority of all Unit Owners rejects 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.

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, in an amount greater than fifteen percent (15%) of the current annual operating budget, the Board of Directors shall submit such common expenses 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 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 monthly.

Section 15.8 - Acceleration of Common Expense Assessments. In the event of a 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 fiscal 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 15.9 - Commencement of Common Expense Assessments. Common Expense assessments shall begin on the first day of the month in which conveyance of the first Unit to a Unit Owner other than the Declarant occurs.

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 Areas or by abandonment of the Unit against which the assessments are made.

Section 15.11 - Personal Liability of Unit Owners. The Owner of a Unit at the time a common expense assessment or portion thereof is due and payable is personally liable for the assessment. Personal liability for the assessment shall not pass to a successor in title to the Unit unless he or she agrees to assume the obligation.

Section 15.12 - Reserves. As part of the adoption of the regular budget pursuant to Sections 15.4 and 15.5, the Executive Board shall include an amount which, in its reasonable business judgment, will establish and maintain an adequate reserve fund for the replacement of improvements to the Common Elements and those Limited Common



Elements that it is obligated to maintain, based upon the project's age, remaining life and the quantity and replacement cost of major Common Elements and Limited Common Elements.

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 Documents

Section 17.1 - Compliance with Documents. All Unit Owners, tenants, mortgagees and occupants of Units shall comply with the Documents. The acceptance of a deed or the exercise of any incident of ownership or the entering into of a lease or entering into occupancy of a Unit constitutes agreement that the provisions of the Documents are accepted and ratified by such Unit Owner, tenant, mortgagee or occupant, and all such provisions recorded in the records of the Palmer 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. After Notice and Comment, the Executive Board may adopt Rules regarding the use of the Common Elements, and the use and occupancy of Units and Limited Common Elements, and the activities of occupants as they affect the Common Elements.

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) Property insurance shall be maintained covering all common property of the Association. Structures within the Units and any personal property stored on the Units are not common property of the Association and must be insured by the individual Unit Owners.



(b) Amounts. The common property for an amount (after application of any deductions) equal to one hundred percent (100%) of their replacement cost at the time the insurance is purchased and at each renewal date. Personal property owned by the Association for an amount equal to its actual cash value. The Executive Board is authorized to obtain appraisals periodically for the purpose of establishing said replacement cost of the project facilities and the actual cash value of the personal property, and the cost of such appraisals shall be a Common Expense. The maximum deductible for insurance policies shall be the lesser of \$10,000.00 or one percent (1%) of the policy face amount. Allocation of responsibility for payment of the deductible shall be according to the policy established by the Executive Board.

(c) Risks Insured Against. The insurance shall afford protection against "all risks" of direct physical loss commonly insured against.

(d) 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 covering the same risk covered by the 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 addresses.

(vii) The name of the insured shall be substantially as follows:

"BUNKER HILL CONDOMINIUM ASSOCIATION for the use and benefit of the individual Owners."



Section 18.3 - Liability Insurance. Liability insurance, including medical payments insurance, in an amount determined by the Executive Board but in no event less than \$1,000,000, covering all occurrences commonly insured against for 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. Insurance policies carried pursuant to this Section shall provide that:

(a) 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;

(b) The insurer waives the right to subrogation under the policy against a Unit Owner or member of the household of a Unit Owner;

(c) 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;

(d) 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 policy, the policy of the Association provides primary insurance; and

(e) The insurer issuing the policy 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 last known address.

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. **Structures and personal property within and on the Units are not common property of the Association and must be insured by the individual Unit Owners.**

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.

Section 18.7 - Directors' and Officers' Liability Insurance. The Executive Board shall 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 and/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, including each Owner of a Unit or assigned Limited Common Element that will not be rebuilt, vote not to rebuild.

Section 19.2 - Cost. The cost of repair or replacement 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. Said plans and specifications must meet all existing federal, state and municipal code requirements.

Section 19.4 - Replacement of Less than Entire Property.

- (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) Except to the extent that other persons will be distributees,

(i) The insurance proceeds attributable to a Unit and Limited Common Elements that is not rebuilt must be distributed to the Owner of the Unit and the Owner of the Unit to which the Limited Common Elements were allocated, or to lien holders, as their interests may appear; and

(ii) The remainder of the proceeds must be distributed to each Unit Owner or lien holder, as their interests may appear, in proportion to the Common Element interests of all the Units.

(c) If the Unit Owners vote not to rebuild a Unit, the Allocated Interests of the Unit are reallocated upon the vote as if the Unit had been condemned under Subsection 34.08.740(a) of the Act, and the Association shall promptly prepare, execute and record an amendment to the Declaration reflecting the reallocations.

Section 19.5 - Insurance Proceeds. The insurance trustee, or if there is no insurance trustee, then the Executive Board of the Association, acting through the President, 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 Subsection 19.1(a) through Subsection 19.1(c), 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 19.6 - 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 19.7 - Title Reports and Certificates by Attorneys. 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 a title insurance company or attorney's certificate of title or a title insurance policy based on a search of the records of the District Recorder's Office, Palmer 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.



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

Section 20.1 - Right to Notice and Comment. Before the Executive Board amends the Bylaws or the Rules, whenever the Documents require that an action to 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 in writing and shall be delivered personally or by mail 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. The notice shall be given not less than ten (10) days before the proposed action is to be taken. It 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.

Section 20.2 - Right to Notice and Hearing. Whenever the Documents 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 interest would be significantly affected by the proposed action. The notice shall include a general statement of the proposed action and the date, time and place of the hearing. The notice shall be given not less than ten (10) days before the hearing date. At the hearing, the affected Person shall have the right, personally or by a representative, to give testimony orally, in writing or both (as specified in the notice), subject to reasonable rules of procedure established by the party conducting the meeting to assure a prompt and orderly resolution of the issues. Such evidence shall be considered in making the decision but shall not bind the decision makers. The affected Person shall be notified of the decision in the same manner in which notice of the meeting was given.

Section 20.3 - Appeals. Any Person having a right to Notice and Hearing shall have the right to appeal to the Executive Board from a decision of Persons other than the Executive Board by filing a written notice of appeal with the Executive Board within ten (10) days after being notified of the decision. The Executive Board shall conduct a hearing within thirty (30) days, giving the same notice and observing the same procedures as were required for the original meeting.

ARTICLE XXI - Executive Board

Section 21.1 - Minutes of Executive Board Meetings. The Executive Board shall permit any Unit Owner to inspect the minutes of Executive Board meetings during normal business hours. The minutes shall be available for inspection within fifteen (15) days after 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 are not limited to, the following:

- (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 managing agents;
- (e) Hire and discharge employees, independent contractors, and agents, other than managing agents;
- (f) Institute, defend or intervene in litigation or administrative proceedings or seek injunctive relief for violation of the Association's Declaration, Bylaws or Rules in the Association's name on behalf of the Association or two (2) or more Unit Owners on matters affecting the Common Interest Community;
- (g) Make contracts and incur liabilities;
- (h) Regulate the use, maintenance, repair, replacement and modification of the Common Elements;
- (i) Cause additional improvements to be made as part of the Common Elements;
- (j) Acquire, hold, encumber and convey in the Association's name any right, title or interest to real property or personal property, but Common Elements may be conveyed or subjected to a Security Interest only pursuant to Section 34.08.430 of the Act;
- (k) Grant easements for any period of time, including permanent easements, and leases, licenses and concessions for no more than one (1) year, through or over the Common Elements;
- (l) Impose and receive a payment, fee or charge for the use, rental or operation of the Common Elements, other than Limited Common Elements described in Subsections (2) and (4) of Section 34.08.100 of the Act, 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, the filing and recording of a plat or plan that accompanies an amendment, resale certificates required by Section 34.08.590 of the Act, or a statement of unpaid assessments;
- (o) Provide for the indemnification of the Association's officers and Executive Board and maintain Directors' and officers' liability insurance;
- (p) Assign the Association's right to future income, including the right to receive Common Expense assessments;
- (q) Exercise any other powers conferred by this Declaration or the Bylaws;
- (r) Exercise any other power that may be exercised in this state by legal entities of the same type as the Association;
- (s) Exercise any other power necessary and proper for the governance and operation of the Association; and
- (t) By resolution, establish committees of Directors, permanent and standing, to perform any of the above functions under specifically delegated administrative standards, as designated in the resolution establishing the committee. All committees must maintain and publish notice of their actions to Unit Owners and the Executive Board. However, actions taken by a committee may be appealed to the Executive Board by any Unit Owner within forty-five (45) days of publication of such notice, and such committee action must be ratified, modified or rejected by the Executive Board at its next regular meeting.

Section 21.3 - Executive Board Limitations. The Executive Board may not act on behalf of the Association to amend this Declaration, to terminate the Common Interest Community, or to elect members of the Executive Board or determine the qualifications, powers and duties, or terms of office of Executive Board members, but the Executive Board may fill vacancies in its membership for the unexpired portion of the term.

ARTICLE XXII - Open Meetings

Section 22.1 - Access. All meetings of the Executive Board, at which action is to be taken by vote at such meeting will be open to the Unit Owners, except as hereafter provided.



Section 22.2 - Notice. Notice of every such meeting will be given not less than twenty-four (24) hours prior to the time set for such meeting, by hand delivering a notice, or posting a notice in a conspicuous place within the Project except that such notice will not be required if an emergency situation requires that the meeting be held without delay.

Section 22.3 - Executive Sessions. Meetings of the Executive Board may be held in executive session, without giving notice and without the requirement that they be open to Unit Owners where the action taken at the executive session involves personnel, pending litigation, contract negotiations, or enforcement actions, or where no action is taken at the executive session requiring the affirmative vote of Directors.

ARTICLE XXIII - Condemnation

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

ARTICLE XXIV - Working Capital Fund

Initial purchasers of Units in Bunker Hill Condominiums shall pay at closing the equivalent of two months' assessment payments to establish a working capital fund for the Association. Payments to the working capital fund are not advance payment of regular assessments. Within 60 days after closing of the first Unit, Declarant must pay each unsold Unit's share of the working capital fund to the Association, which shall keep all working capital funds in a segregated account. Declarant shall be reimbursed for its working capital fund payments from funds collected at closing when the unsold units are sold. The working capital fund may be terminated at such time as that is permitted by the Eligible Mortgagees.

ARTICLE XXV - Subdivision of Unit 7

Section 25.1 - Standards and Procedure for Subdivision. Unit 7 may be split by its Unit Owner into four Units, none of which may be smaller than 7.7 acres. The Unit Owner wishing to subdivide Unit 7 shall apply to the Association which shall, at the Unit Owner's expense, and subject to the provisions of the declaration and other provisions of law, prepare, execute, and record an amendment to the Declaration subdividing the Unit. The Association shall also prepare and record, as an accompaniment to the amendment, a plat or plan illustrating the Units created by the subdivision of Unit 7.

Section 25.2 - Execution of Amendment; Reallocation of Interests. The amendment to the Declaration must be executed by the Unit Owner of the Unit to be subdivided, assign an identifying number to the Units created, and reallocate the allocated interests formerly allocated to the subdivided Unit to the new Units according to the formula contained in



Section 8.2 above. Revised Exhibits 1 and 2 to the Declaration shall also be included in the Amendment.

Section 25.3 - Expenses Borne by Unit Owner. The Unit Owner of Unit 7 shall pay all expenses related to the preparation and recording of the amendment before the amendment is recorded and, in the absence of payment, the Association may refuse to record the amendment. Any portion of the costs of preparing and recording the amendment not paid by the Unit Owner of Unit 7 to the Association before recording may be treated as an assessment against the Unit Owners of the Units created from Unit 7.

ARTICLE XXVI - Miscellaneous

Section 26.1 - Captions. The captions contained in the Documents are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of the Documents nor the intent of any provision thereof.

Section 26.2 - 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 Documents so require.

Section 26.3 - Waiver. No provision contained in the Documents 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 26.4 - Invalidity. The invalidity of any provision of the Documents 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 Documents shall continue in full force and effect.

Section 26.5 - Conflict. The Documents are intended to comply with the requirements of the Act and Chapter 10.20 of the Alaska Statutes (Non Profit Corporation Act). In the event of any conflict between the Documents 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.

Section 26.6 - 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 Documents, or with decisions of the Association which are made pursuant to the Documents. Unit Owners shall also have such rights of action against the Association.



IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed this
11th day of June, 2008.

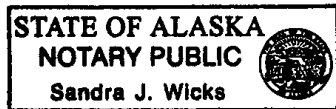
DECLARANT: DEAN BURTIS BUNKER and
MAZIE ELLEN BUNKER

Dean Burtis Bunker
Dean Burtis Bunker

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this 11th day of June, 2008, before me, the undersigned, a Notary Public in and for the State of Alaska, personally appeared known DEAN BURTIS BUNKER, known to me and to me known to be the person who executed the foregoing, and he acknowledged to me that he did so as his free and voluntary act and deed, for the uses and purposes therein set forth.

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



Sandra J. Wicks
Notary Public in and for Alaska
My Commission Expires: 2/21/09

////



Mazie Ellen Bunker

Mazie Ellen Bunker

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

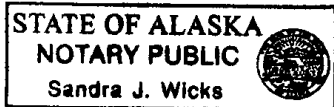
THIS IS TO CERTIFY that on this 11th day of June, 2008, before me, the undersigned, a Notary Public in and for the State of Alaska, personally appeared known MAZIE ELEN BUNKER, known to me and to me known to be the person who executed the foregoing, and she acknowledged to me that she did so as her free and voluntary act and deed, for the uses and purposes therein set forth.

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

Sandra J. Wicks

Notary Public in and for Alaska

My Commission Expires: 2/21/09



AFTER RECORDING RETURN TO:

Sandra J. Wicks, Esq.
3237 W. 31st Avenue
Anchorage, Alaska 99517

DECLARATION FOR BUNKER HILL CONDOMINIUMS



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2008-013848-0

**DECLARATION
FOR
BUNKER HILL CONDOMINIUMS**

Exhibit 1

TABLE OF ALLOCATED INTERESTS

| <u>Unit Number</u> | <u>UnitAcreage</u> | <u>%Liability for Common Expenses*</u> | <u>Votes**</u> |
|--------------------|--------------------|--|----------------|
| 1 | 7.90 acres | 10.1% | 10.1 |
| 2 | 7.90 acres | 10.1% | 10.1 |
| 3 | 7.90 acres | 10.1% | 10.1 |
| 4 | 7.90 acres | 10.1% | 10.1 |
| 5 | 7.90 acres | 10.1% | 10.1 |
| 6 | 7.91 acres | 10.1% | 10.1 |
| 7 | <u>31.07 acres</u> | <u>39.6%</u> | <u>39.6</u> |
| TOTAL | 78.48 acres | 100% | 100 |

*The percentage of liability for Common Expenses is the same as the percentage of undivided interest in the Common Elements. Actual percentages have been rounded and equal approximately 100%. If Unit 7 is eventually re-subdivided as permitted under Article XXV, the percentage of undivided interest of the Units created out of Unit 7 may be as low as 7.7%, or larger, if fewer than four Units are created.

**Actual number of votes equals 100.2.



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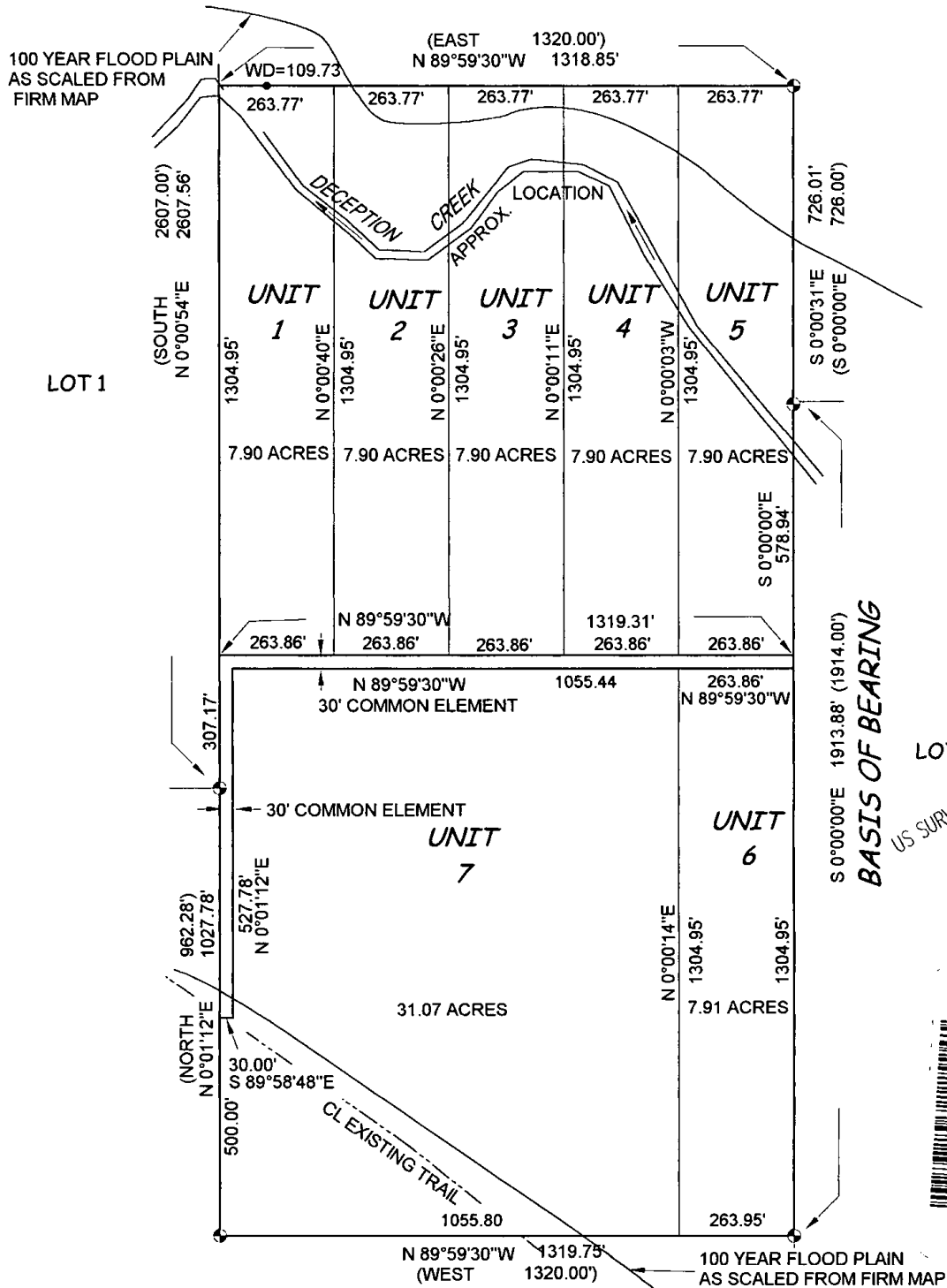
DECLARATION
FOR
BUNKER HILL CONDOMINIUMS
Exhibit 2

DEVELOPMENT PLAN



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BUNKER HILL CONDOMINIUMS LOT 2 U.S. SURVEY 4716



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**DECLARATION
FOR
BUNKER HILL CONDOMINIUMS**

Exhibit 3

RECORDED EASEMENTS AND LICENSES

As of the date this amendment is recorded, the following are the easements and/or licenses of record to the best of Declarant's knowledge:

1. Reservations contained in the U.S. Patent recorded May 3, 1966, Book 61, Page 204, including but not limited to the reservation of oil and gas rights.
2. Selection by the State of Alaska of all mineral rights previously reserved as disclosed by U.S. Patent recorded November 2, 1966 in Book 63D, Page 269, re-recorded March 3, 2006, as Reception No. 2006-008026-0.
3. Rights of the public and/or governmental agencies in and to any portion of the premises lying below the mean high water of Deception Creek.



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