

DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS FOR
EISLEY GROVE TOWN HOMES.

THIS DECLARATION Made this day of , 2017, by Heritage Development, of Valdez, Alaska (hereinafter called the "Developers").

WITNESSETH:

WHEREAS, the Developers are the owners of the real property described in Article II of this Declaration, and the Developer desires to create or have created thereon a residential planned community, and

WHEREAS, the Developers of Eisley Grove Town homes, under the laws of the State of Alaska, to which shall be assigned the powers and duties of maintaining and administering the common areas and facilities, and administering and enforcing the covenants and restrictions, and collection and disbursing the assessments and charges herein created.

NOW, THEREFORE, the Developers hereby declare that the real property described in Article II is and shall be held, transferred, sold, conveyed, and occupied subject to the covenants, restrictions, easements, charges and liens hereinafter set forth.

ARTICLE I

DEFINITIONS

Section 1. The following words, when used in this Declaration, or any supplemental Declaration (unless the context shall prohibit) shall have the following meaning:

- a. "Association" shall refer to Eisley Grove Town homes, its successors and assigns.
- b. "Lot" shall refer to that portion of the below described lots depicted in plat (on that portion of the Replat referred to as the lots numbered from "5A" to "5F" of Eisley Grove Subdivision). The unimproved areas of the above described Lots shall be included in the common area defined in subsection (h) below.
- c. "Owner" shall refer to the holder of the fee simple title, a contract vendee, life tenants, or lessee under a lease having a term of more than one (1) year. The term "Owner" and "Unit Owner" when used in this Declaration shall include the term "Member".

- d. "Member" shall refer to a member of the Association as provided in Section 1 of Article III hereof.
- e. "Developers" shall refer to Heritage Development, its successors and assigns.
- f. "Mortgage" shall mean and refer to any mortgage of record or other security instrument by which a lot or any part thereof is encumbered.
- g. "Mortgagee" shall mean and refer to any person named as a mortgagee under any mortgage or any successors of the interest of such person under such mortgage.
- h. "Common Area" shall refer to Lot 5 Easley Grove Subdivision, along with any portion of the Lots described in subsection (b) above not included in the plat. Common Area shall also include all installations of power lines, electrical lines, sewer lines, gas lines, water lines, cable lines and snow removal area for common use; and, all parking spaces, sidewalks, driveways, and other open areas as designated in the Replat.
- i. "Recreational Facilities" shall refer to structures, buildings, and personal property, whether attached or detached from the Common Area, acquired by the Association for the use and benefit of the owners, including, any structure located upon the Common Area. These facilities must fit within the scope of the Planned Unit Development as deemed by the City of Valdez.
- j. "Capital Improvement" shall refer to any construction of, reconstruction of, substantial alteration of, substantial repair of, or substantial addition to the physical amenities on the Common Area, exterior amenities such as road maintenance, roofing, building painting, and driveway and parking space sealing, excepting that any construction of a capital improvement shall not refer to any construction by the Developers at its expense, or any duly authorized work performed by governmental bodies.
- k. "Improvements". The separate Improvements constructed upon a Lot are the undecorated or unfinished interior surfaces of the perimeter and all items permanently attached to the interior surfaces of the interior, including but not limited to cabinets, doors, window, door frames and window frames and ceilings, and interior walls and doors. The Improvements attributed to a Lot include the portion of the building constructed upon the Lots encompassing the building as a whole. The paint, tile, wallpaper, or other covering on the interior side of the walls, carpet or other floor coverings on the floors, and the tile or other covering on the interior side of the

Improvements constructed upon a Lot shall be part of a unit and the repair and maintenance of the same shall be the responsibility of the Lot Owner.

1. "Person". The term person shall include an individual, partnership (whether general or limited), trust, corporation, limited liability company, or any other entity.

ARTICLE II

SUBJECT OF DECLARATION

The real property which is and shall be held, transferred, leased, conveyed, and occupied subject to this Declaration is located in the City of Valdez, State of Alaska, and is more particularly described as follows:

Lots 5A-5F, Easley Grove Subdivision

and subject to all of the dedications, restrictions, easements, and agreements shown on or made in connection with said plat.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner of a Lot that is subject to assessment shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot that is subject to assessment pursuant to Article VI and other provisions related there to.

Section 2. The Association shall have two (2) classes of voting membership:

Class A. Class A Members shall be all Owners, with the exception of the Developers, who shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members, and the vote for such Lot shall be exercised as they determine, and notice of such determination shall be filed with the Secretary of the Association, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B Member shall be the Developers who shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership upon the happening of either of the following events, whichever occurs earlier:

- a. When the total votes outstanding in the Class A membership equal the total votes outstanding the Class B membership, or

- b. When the Developers elect to have their Class B membership classed as a Class A membership, by filing such election with the Secretary of the Association, who shall upon such filing give notice thereof to all of the Class A members.

Section 3. FUNDS

The share of an Owner in the funds and assets of the Association cannot be assigned, pledged, encumbered, or transferred in any manner, except as an appurtenance to the lot of which he or she is an Owner, or upon the sale of the lot, and only then to the new Owner/Owners.

ARTICLE IV

Section 4. MEMBERS RIGHTS TO COMMON AREA

Every Member and his or her family, guests and tenants use and enjoyment to the Common Areas; including but not limited to the right of ingress and egress; and parking privileges, as designated by the Association.

Subject to the following and other provisions contained herein:

1. The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated on the Common Area;
2. The right of the Association to suspend the voting rights and rights to use the recreation facilities by any Owner or Member for any period during which any assessments against his Lot remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules and regulations, and to impose a fine of not to exceed \$10.00 for each infraction of its published rules and regulations, which said fine shall be treated for all purposes as an Assessment under Article VI hereof.
3. 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 purposes and subject to such conditions as may be agreed to by the members, providing that no such dedication or transfer shall be effective unless the amount of area does not go below the amount as required by the PUD/CUP as deemed by the City of Valdez. If the amount of area in accordance to the PUD/CUP, an instrument in writing agreeing to such dedication or transfer must be duly signed by 2/3rds of the owners and the same has been duly recorded in the Recorder's Office of the State of Alaska.
4. Any dedications, restrictions or agreements contained in the Plat described in Article II hereof.

5. Easements for water, sewer, and other utilities;
6. The right of the Association to make and enforce reasonable rules and regulations governing the use of the common Area and facilities thereon.

Section 5. TITLE AND IMPROVEMENTS

- a. The Developers shall convey and record marketable record title to the Common Area, subject to the dedications, restrictions or agreements contained with the Plat described in Article II hereof, to the Association, prior to the conveyance of a fee title to any Lot. The Association shall assume any sewer connection and water line fees existing or pending at the time of the conveyance. The acceptance by the Association of such conveyance shall constitute an assumption by the Association of all obligations and duties of the Developers arising out of the Plat described in Article II hereof as to such conveyed property and any federal, state, and local regulations.
- b. The Developers covenant and agree with the Association that it will construct and install, in a workmanlike manner, and pay for all improvements as set forth in the plans and specifications on file with the Association and delivery of the conveyance to the Common Area to the Association shall not constitute a release of the Developers from the obligations to construct and install, in a workmanlike manner, and pay for all such improvements, unless such improvements are to be paid by the Association as provided herein; nor shall this paragraph release the Association from any obligations assumed by it upon the acceptance of such conveyance until the Developers have completed the construction and installation as set forth in the plans and specifications.

ARTICLE V

RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

Section 1. COMMON AREAS

The Association, subject to the rights of the Owners and Members as set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Area and all improvements thereon (including the furnishings and equipment related thereto) and shall keep the same in good, clean, attractive, and sanitary condition, order and repair, and the Association, its agents and employees shall have the right to enter upon any Lot and/or Lots for the purpose of maintaining the common plumbing, sewer, water and utility lines, and the removal of snow.

Section 2. EXTERIOR OF BUILDINGS

The Association shall be responsible for the maintenance and repair of the exterior surfaces of all buildings on any Lot, including, without limitations, the painting of the same as often as is necessary, the replacement of trim and caulking, the maintenance and repair of roofs, gutters, downspouts and overhangs.

In the event any Owner and/or Owners of a Lot and/or Lots desire to provide the exterior maintenance and repair on said Lot and/or Lots, at their own expense, the approval of the Association shall be first obtained in writing in order that the harmony of the external design and location in relation to surrounding structures may be maintained. Easley Grove Town Home Association will give the approval.

Section 3. SERVICES

The Association may obtain and pay for the services of any person or entity to manage its affairs, or perform its duties and obligations under this Declaration, or any part thereof, not prohibited by Heritage Development, or this Declaration as it shall be deemed advisable, as well as such other personnel as the Association shall determine to be necessary or desirable for the property operation of the real property described in Article II hereof for the purposes as set forth in this Declaration, whether such personnel are furnished or employed directly by the Association, or by any person or entity with whom or which it has a contract.

The Association may obtain and pay for legal and accounting services as are necessary or deemed advisable in connection with the fulfillment of its duties and obligations under this Declaration and the enforcement of any of the terms, conditions and/or provisions of this Declaration.

The Association may arrange with others to furnish water, trash collection, sewer service, and other common services to each Lot and the cost thereof shall be charged to each Lot on the basis of the cost thereof divided by the number of Lots so served.

Section 4. PARKING

The Association shall maintain upon the Common Area vehicle parking spaces conveniently located for the use of the Owners, Members, tenants and guests, and shall have the exclusive authority to designate such parking areas for the use of the Owners, Members, tenants and guests limited to three (3) vehicles per town home, provided however, that no boats or trailers over 25 feet, or any vehicles, other than passenger or recreational vehicles shall be parked thereon by anyone for a period of longer than seventy-two (72) hours; nor shall any boat, trailer, recreational vehicles or any vehicles be parked on any driveway so as to interfere with ingress or egress onto any other Lot or any yard. Any violation of the restrictions on parking as contained herein will authorize the Association to approve the removal of any boat, trailer, recreational vehicle or other vehicle and charge the cost of the same to the Owner of the Lot and/or Lots

responsible for such violation.

Section 5. INTERIOR MAINTENANCE

The Owner of any Lot shall be responsible for the repair and maintenance of the interior of any building upon the Owner's lot; provided, however, that in addition to the maintenance of the exterior as provided by Section 2 of this Article, the Association may also provide the maintenance of sewer and water lines and systems which may lead to or are under any Lot, and which lines and systems are owned by the Association or serve two (2) or more Lots.

The cost of such interior maintenance performed by the Association shall be assessed against the Lot and/or Lots upon which such maintenance is done and shall be added to and become a part of any association fees to which such Lot and/or Lots are subject under Article VI hereof.

Section 6. RULES AND REGULATIONS

The Association may adopt reasonable rules and regulations governing the use of the Lots and of the Common Area, which rules and regulations shall be consistent with the rights and duties established by this Declaration for the purpose of promoting the health, safety, and welfare of the residents on the property and to maintain the property values.

ARTICLE VI

COVENANTS FOR ASSESSMENTS

Section 1. LIEN FOR ASSESSMENTS

The Developers, for each Lot within the property described in Article II hereof, covenant, 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, payable as determined by the Association.
2. Special assessments for capital improvements, such as assessments to be established and collected as hereinafter provided.

The 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 lot 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 was the owner of the lot at the time when the assessment fell due. The personal obligation for delinquent

assessments shall not pass to his successors in title unless expressly assumed by such successor and/or successors.

Section 2. PURPOSE OF ASSESSMENTS

The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents on the Lots, to pay for charges for water, garbage pickup, and sewer, for the improvement and maintenance of the Common Area, and any exterior or interior maintenance as might be provided for in this Declaration.

Section 3. MAXIMUM ANNUAL ASSESSMENT

Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be determined at the completion of the project.

- a. 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 each year not more than 5% above the maximum assessment for 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 5% by a vote of 2/3rds of the Owners entitled to vote in person or by proxy, at a meeting duly called for this purpose.
- c. The Association may fix the annual assessment at an amount not in excess of the maximum.

Section 4. SPECIAL ASSESSMENTS FOR CAPITAL IMPROVEMENTS

In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment 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, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3rds) of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. NOTICE, QUORUM, AND MEETINGS

Written notice of any meeting called for the purpose of taking any action authorized under Sections 3 and 4 of this Article shall be sent to all Owners entitled to vote, not less than 15 nor more than 50 days prior to such meeting. At the first such meeting called, the presence in person or by proxy of 60% of all Owners entitled to vote shall be 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 (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 6. UNIFORM RATE OF ASSESSMENT

Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis, provided, however, that any special assessment for exterior maintenance, repair, or improvements on any Lot and/or Lots, to the exclusion of any Lot and/or Lots, for the benefit of such Lot and/or Lots, shall be on the basis of the benefit to any Lot and/or Lots, as determined by the Association, and shall be payable as determined by the Association at the time of making such special assessment.

Section 7. DATE OF COMMENCEMENT

The annual assessments provided for herein shall commence as to the Lots on the first day of the month following the conveyance of the Common Area to the Association. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Association shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period, and written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Association. 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. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 8. EFFECT OF NONPAYMENT

Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the statutory rate of interest on judgments. The lien of the unpaid sums assessed with interest, costs, and reasonable attorney's fees may be foreclosed by action in like manner as a foreclosure of a mortgage or such other action as is permitted by the Laws of the State of Alaska. The Association shall have the power to bid in at such foreclosure sale, and to hold, lease, mortgage, and convey the Lot and/or Lots so acquired. An action to recover a money judgment for unpaid sums assessed, with interest, costs, and reasonable attorney's fees may be brought against the Owner of a Lot and/or Lots against which said unpaid sums were assessed. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of the Lot and/or Lots.

Section 9. SUBORDINATION

The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage on any Lot and/or Lots. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot and/or Lots pursuant to foreclosure of a first

mortgage lien or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which become due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien therefor.

ARTICLE VII

COVENANTS FOR INSURANCE

Section 1. MAINTENANCE OF INSURANCE

The Association shall secure a master policy of fire, extended coverage, vandalism, and malicious mischief with an all risk endorsement insurance, in an amount at the minimum to cover the entire replacement cost of the improvements located on the Common Area in the name of the Association. In addition to such insurance on the Common Area the Association may elect to obtain and continue in effect, on behalf of all owners, a master policy of fire, extended coverage, vandalism, and malicious mischief with an all risk endorsement insurance, in an amount at the minimum to cover the entire replacement cost, without deduction for depreciation or coinsurance, of the improvements located on every lot, and said insurance shall be issued in the name of the Association as insurance trustee for all owners, and shall provide that losses shall be payable to the trustee and the mortgagee and/or mortgagee of record of the Lots, if any.

Section 2. DAMAGE OR DESTRUCTION

In the event of damage to or destruction of any part of the Common Area improvements, the Association shall repair or replace the same from the insurance proceeds available. If such insurance proceeds are insufficient to cover the costs of repair or replacement of the property damaged or destroyed, the Association may make a reconstruction assessment against all Lot Owners to cover the additional cost of repair or replacement in addition to any other assessments against such Lot.

Such insurance costs on the Common Area shall be prorated on the basis of 1/6 of the cost thereof to each Lot.

Such insurance costs shall constitute an assessment within the meaning of Article VI, and assessed as the Association shall determine.

Section 3. INSURANCE TRUSTEE

In the event of destruction or damage by causes covered by the insurance referred to above, all proceeds of said insurance coverage shall be payable to the Association as insurance trustee for the owner of the damaged Lot and/or Lots. Said insurance proceeds

shall be applied and administered as follows,

- a. In the event of such insurance loss, all insurance proceeds paid to the Association, shall be held by them in escrow for restoration or reconstruction.
- b. In the event of an insured loss, the Owner and/or Owners of the insured Lot and/or Lots and the improvements thereon shall within thirty (30) days after the insurance proceeds are deposited with said insurance trustee and mortgagee and/or mortgagees enter into a firm contract with a qualified builder providing for the reconstruction of the insured Lot and/or Lots, and the improvement and/or improvements, in substantially the same condition as existed immediately prior to such insured loss; provided, however, that no contract shall be entered into by such Owner and/or Owners for an amount in excess of the insurance proceeds then held in escrow, until additional funds are deposited in escrow, as above provided for insurance proceeds, by such Owner and/or Owners sufficient to cover the reconstruction costs as determined by the Association. Said proceeds are deposited in escrow as aforesaid, unless an extension is granted by the Association. The Association and the mortgagee and/or mortgagees of record to the Lot and/or Lots affected shall have the right, but not the obligation, to deposit such additional funds in excess of the insurance proceeds in further escrow as may be required to permit the reconstruction as herein provided. Dependent upon inclement weather restrictions, the thirty (30) day dead line may be extended to an acceptable working season with written acknowledgment and confirmation of contract by the qualified builder.
- c. In the event such Owner and/or Owners fail to enter into a contract or in the event that reconstruction is not commenced or completed, as provided in Paragraph B above, then the insurance trustee with the consent of the owner of record, or the owner of record with the consent of the insurance trustee shall have the right, but not the obligation, to enter into those contracts which either shall deem necessary to complete said reconstruction, and the insurance trustee and the owner of record shall have the right to have said insurance proceeds applied in satisfaction of any obligations incurred pursuant to said contract, without liability of any kind to any Owner and/or Owners.

The Association as insurance trustee or the owner of record are empowered to employ any party or parties as agent in exercising those functions given to it in this Section 3, and to pay said agent and/or agents a reasonable fee for the services rendered by such agent and/or agents, and collect said fee and/or fees from the Owner and/or owners by means of an assessment under Article VI.

- d. Disbursement of the insurance proceeds or additional funds placed in escrow, as herein above provided, for the payment and/or payments on a contract and/or contracts for reconstruction or restoration entered into under paragraph b and c

above, shall be made subject to the following:

- (1) Receipt of written consent of any party holding a lien or encumbrance upon said Lot and/or Lots.
 - (2) Receipt of such construction statements, lists of subcontractors, lien waivers and such other receipts as shall be determined by the Association to be appropriate. Disbursements may be periodic or progress payments, and the payments may be withheld as is deemed necessary to insure completion in compliance with the plans and specifications. A reasonable fee may be charged for any inspection of the reconstruction or restoration or the making of any of such payments, and such fees shall be paid by the owner and/or owners by means of an assessment under Article VI.
 - (3) In the event the Owner and/or Owners enter into a contract as provided in paragraph b above, then with the written consent of said owner and/or owners.
- e. Nothing contained in this Section 3 shall be construed to make the Association or any mortgagee and/or mortgagees of record responsible for the collection or non collection of any insurance proceeds, and they shall only, in the case of a dispute with any insurance carrier, take what action said Owner and/or Owners shall legally direct them to take, and only then at the cost and expense of such Owner and/or Owners making such legal directions.

Section 4. WAIVER OF SUBROGATION

All policies for physical damage insurance shall contain waivers of subrogation and waivers of any defense based upon co-insurance or of invalidity arising from any act and/or acts of the insured, and/or any Lot Owner and/or member and it shall be provided that such policy and/or policies may not be cancelled or substantially modified without at least ten (10) days prior written notice to all of the insureds, all Lot Owners and/or Members, and all mortgagees of record of any lot.

ARTICLE VIII

PARTY WALLS

Section 1. GENERAL RULES OF LAW APPLY

Each common wall which is built as part of the original construction of the improvements on a Lot covered by this Declaration shall be conclusively presumed to have been constructed and placed on the dividing line between Lots, notwithstanding any errors in surveying in the

plating of said Lots which might subsequently be asserted, and shall constitute a party wall and to the extent not inconsistent with the provisions of this Article. The general rules of law regarding party walls and of liability for property damage due to negligent or willful acts or omissions shall apply thereto.

Section 2. SHARE 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 by fire or other casualty, either Owner who has used the wall may restore it, and if any Owner thereafter makes use of the wall he shall contribute to the cost of reconstruction or restoration thereof in proportion to such use, without prejudice, however, to the right of any such Owner to call for a larger contribution from others under any rule of law regarding the liability for negligent or willful acts or omissions.

Section 4. WEATHERPROOFING

Notwithstanding any provision of this Article, any owner, who by his negligent or willful act, causes the party wall to be exposed to the elements, shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. RIGHT OF CONTRIBUTION RUNS WITH THE LAND

The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to and run with the Lot 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 under the provisions of this Article, each party shall choose one arbitrator and such arbitrators shall choose an additional arbitrator and the decision of a majority of the arbitrators shall be final and conclusive of the question involved. If any Owner shall fail to choose an arbitrator the Board of Directors of the Association may make a choice in the Owner's behalf.

ARTICLE IX

Section 1. EXTENT OF MUTUAL EASEMENTS

The title to a Lot shall include an exclusive easement on the adjoining Lot or Lots on areas occupied by fireplaces, roof overhangs, air conditioning compressors, decks, balconies, flower boxes, utility installments, and other appurtenances, which are part of the original construction of any improvement on a Lot.

Section 2. DEDICATIONS

Subject to the dedications contained in the Plat described in Article II hereof, nothing contained in this Declaration shall be construed or deemed to constitute a dedication, express or implied, of any part of the Common Area to or for any public use or purpose whatsoever.

ARTICLE X

ADDITIONAL RESTRICTIONS

Section 1.

No Lot shall be used except for residential purposes, except that the Developer shall be entitled to lease each home, and the Association may allow for permitted and conditional uses as permitted by the Valdez Municipal Code. No more than 25% of any home, however, shall be used for the commercial purposes.

Section 2.

No animals, livestock, or poultry of any kind shall be raised, bred or kept on any lot or any of the improvements thereon, excepting that dogs, cats and other household pets may be kept, provided that they are not kept for any commercial purpose, and are controlled at all times so as not to be an annoyance to any other Owner and/or Member. The Association may order the removal of any such household pet which it shall determine is an annoyance to any other Owner and/or Member.

Section 3.

No sign of any kind shall be displayed to public view on any Lot, any improvement on any Lot, or the Common Area, except that a "For Sale" sign may be displayed on any Lot, provided that it is in such form as the Association may require, except that the Developer shall be permitted to erect and maintain on any Lot such signs as he deems appropriate to advertise the Development until the Developer conveys the fee title to said Lot. The Association may also allow signs for the purposes of the allowed permitted and home occupations, the size, placement and design of which may be limited as reasonably deemed by the Association, and in conformance with Valdez Municipal Code.

Section 4.

No garbage, rubbish or trash shall be kept on any Lot, except in sanitary containers. These containers must be kept inside until the morning of trash pick up and taken in the same evening of pick up. All incinerators or other equipment used or kept for the storage or disposal of any such material shall be kept in a clean and sanitary condition. Should there be maintained on any Lot any materials, vehicles, or other objects which the Association deems to be detrimental to the health, safety and welfare of the residents on the property, or tends to depreciate the property values, the Association may give the Owner and/or Owners of said Lot written notice requiring the removal of the same within ten (10) days, and if not removed after that time the Association shall be authorized to remove the same, without any liability whatsoever to the Owner and/or Owners of the lot on which the same is located, and assess the cost of such removal to such Owner and/or Owners as provided in Article VI of this Declaration.

Section 5.

No noxious or offensive activities shall be carried on upon any Lot nor within any improvement upon any Lot, nor shall any trade or business be carried on upon any Lot nor within any improvement upon any Lot which requires a permit or license from any governmental agency or body, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood, or any Lot Owner and/or Member.

Section 6.

No structure of a temporary nature or character, or a basement, trailer, shack, garage, barn or other building shall be used on any lot as a residence, either temporarily or permanently.

Section 7.

No television, radio antennas or broadcast receiving devices shall be erected or placed upon the exterior of any Lot or improvement without the written permission or 75% of the Association under Article III.

Section 8.

All sporting equipment, toys, outdoor cooking equipment, and other equipment and supplies necessary or convenient to residential living shall, when not in use, be stored within the town home or improvement on the Lot, or shall be screened from view, if not part of the original construction by the Developers.

Section 9.

No Lot or improvement thereon shall be used for the storage of materials not customary, necessary, or convenient for residential living.

Section 10.

The harboring of the source of any noise or activity which disturbs the peace, tranquility, comfort or serenity of other owners and/or members is prohibited.

ARTICLE XI

GENERAL PROVISIONS

Section 1. DURATION

The easements created hereby shall be permanent and shall run with the land. The covenants and restrictions contained in this Declaration shall run with and bind the land and shall inure to the benefit of and be enforceable by the Association or the Owner and/or Owners of any Lot subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, from the date this Declaration recorded in the Recorder's Office Valdez Recording District, State of Alaska.

Section 2. ENFORCEMENT OF COVENANTS

Enforcement of these covenants and restrictions shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or restriction, either to restrain the violation or to recover damages, or against the land to enforce any lien created under the provisions of this Declaration. Failure of the Association or any Owner and/or Member to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter, unless otherwise specifically provided in this Declaration.

Section 3. NOTICES

Any notices required to be sent to any Owner and/or Member under the provisions of this Declaration shall be deemed to have been properly sent when mailed prepaid to the last known address of the person and/or persons who appear as a Member and/or Owner on the most recent records of the Association.

Section 4. INTERPRETATION

The singular shall be deemed to include the plural, wherever appropriate, and unless the context clearly indicates to the contrary any obligations of the Owners and/or Members shall be joint and several.

Section 5. SEVERABILITY

Invalidation of one of the covenants or restrictions by judgment or Court Order shall in no

way affect any other provisions which shall remain in full force and effect.

Section 6. AMENDMENT

This Declaration may be amended by an instrument in writing signed by not less than 5/6ths of the Lot Owners (each Lot having one vote notwithstanding Article III above). All amendments shall be recorded in the Recorder's Office; Valdez Recording District, State of Alaska