

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
LATOUCHE ISLAND TOWNSITE SUBDIVISION, ADDITION NO. 1

In order to protect the following described property the owner, RARE EARTH, INC., does hereby restrict, as set forth in this Declaration, the use of the following described property:

All of LaTouche Island Townsite Subdivision, Addition No. 1, according to the official plat thereof filed under Plat No. 79-3, all in the Valdez Recording District, Third Judicial District, State of Alaska.

1. Definitions.

a. "Lot" or "Lots" means any or all of lots in LaTouche Island Townsite Subdivision, Addition No. 1, according to the official plat thereof filed under Plat No. 79-3, all in the Valdez Recording District, Third Judicial District, State of Alaska.

b. "Lot Owner" or "Lot Owners", means the record owner, whether one or more persons or entities, of an interest in any lot, including contract sellers and contract buyers, but excluding those having such interest merely as security for the performance of an obligation.

c. "Parcel" or "Parcels" means any or all of the parcels referred to in paragraph 12 of this Declaration.

d. "Parcel Owner" or "Parcel Owners" means the record owner, whether one or more persons or entities, of an interest in any parcel, including contract sellers and contract buyers, but excluding those having such interest merely as security for the performance of an obligation.

2. Running With the Land and Duration. Each covenant, condition and restriction contained in this Declaration runs with the land, is binding upon all lot owners, parcel owners, and any other persons or entities claiming any interest in the lots or parcels; and inures to the benefit of RARE EARTH, INC., each lot owner, and each parcel owner for a period of thirty (30) years from the date these covenants are recorded, after which time these covenants will be automatically extended for an additional ten (10) years unless an instrument signed by a majority of the lot owners is then recorded agreeing to change or nullify these covenants in whole or in part and in the event of such recording, these covenants will be changed or nullified in accordance with the instrument so recorded. The purchase of any lot or parcel constitutes an agreement on the part of the purchaser, his heirs, executors, administrators, successors and assigns to be bound by each covenant, condition and restriction contained in this Declaration in their entirety and to abide by the same.

3. Amendment. The covenants, conditions and restrictions in this Declaration may be amended during the first thirty (30) year period from the date this declaration is recorded by an instrument signed by not less than 90% of the lot owners. Any amendment must be recorded.

4. Enforcement. RARE EARTH, INC., any lot owner, or parcel owner may enforce the covenants, conditions and restrictions in this Declaration by any proceeding at law or in equity. No waiver of any breach shall constitute a waiver of any other breach of this Declaration and failure to enforce a breach shall not be construed as a waiver.

5. Land Use and Building Type. No lot or parcel shall be used except for single family residential and recreational purposes. No lot or parcel shall be used as a dumping area for rubbish, trash, garbage, junk automobiles and equipment, or wreckage. No house trailers, mobile homes or temporary housing quarters shall be erected, constructed or placed upon a lot or parcel except for an aggregate period not to exceed twelve (12) months while lot owner is constructing a permanent residence. No quonset hut shall be erected or constructed on any lot or parcel. No fences over three (3) feet high shall be located on any lot or parcel. Tar paper, roofing paper, celotex or like materials as exterior siding or finish will not be permitted.

6. Number of Dwellings. There may be only one residential dwelling per lot or per parcel.

7. Residential Dwelling Type and Size. Each residential dwelling shall be a detached single-family dwelling of not more than two stories in height.

8. Building Location. No structure shall be located nearer than 25 feet to any lot line or any parcel line, water course, or coastline delimited by the mean higher high water line. For the purposes of these declarations, eaves, steps, and open porches shall not be considered as a part of a structure, provided, however, that this shall not be construed to permit any portion of a structure on a lot or parcel to encroach upon another lot or parcel.

9. Outbuilding Requirements. Improvements in addition to residential dwelling: There may be constructed no more than two (2) additional outbuilding such as private workshops, green houses and storage structures. They shall be of the same quality and workmanship as the residential dwellings and shall not exceed two stories in height. In the event that it is necessary and permissible under paragraph 10 to erect an outhouse then such outhouse may be in addition to the two additional out-buildings permitted under this paragraph.

10. Sewage Disposal. All sewage disposal systems shall be designed, located and constructed in accordance with the requirements and standards of the Department of Environmental Conservation and any other governmental authority that may have jurisdiction at the time of the installation of such system.

11. Trees. No trees may be removed from any lot or parcel except those trees necessary for clearing a construction site for the dwelling to be constructed on that lot or parcel. It is the intent of this provision that all persons purchasing lots or parcels shall do their utmost to maintain the trees and the natural wooded surroundings of their properties. In the event of excess removal of trees on any lot or parcel, the owner shall be responsible to replant and maintain live trees.

12. Subdivision of Lots. Lots in excess of two acres in size may be subdivided into smaller parcels provided that each parcel shall be at least one acre in size. For the purpose of determining the number of lot owners necessary to amend this Declaration as provided in Paragraphs two (2) and three (3) above, all the owners of the parcels shall not be aggregated, but shall be instead represented as a single lot. Any subdivision of a lot shall set forth the manner in which the owners of the parcels created by the subdivision of a lot shall determine how to vote as a single lot for the purpose of this Declaration. In the event no such provision is provided, the majority of the owners of the new parcels created by the subdivision of a lot shall make the decision.

13. Commercial and Industrial Lots. Notwithstanding anything contained in this Declaration to the contrary, Lot 1 in Block 5, Lots 4 and 10 in Block 6, and Lots 1 and 47 in Block 8 may be used for residential, commercial, industrial, and other purposes as the owner may from time to time determine. All other provisions of this Declaration apply to these lots except those in paragraphs 3, 6, 7, 8, 9, 11 and the first sentence in paragraph 5.

14. Animals. No animals, livestock or poultry of any kind shall be raised, kept, bred or maintained on any lot or parcel for any commercial purpose.

15. Nuisances. No lot owner or parcel owner shall engage in or permit his lot or parcel to be used either for noxious, offensive or nuisance activity or any activity which may be or may become an annoyance or nuisance to any lot owner or parcel owner.

16. Signs. Only the following signs may be posted on a lot or parcel in the subdivision:

(a) One neat sign not more than one square foot in size identifying the residence and giving other information;

(b) One sign not more than five square feet in size advertising the lot or parcel for sale or for rent;

(c) Signs not more than five square feet in size by RARE EARTH, INC. posted at such locations as it deems appropriate for the purposes of selling lots in the subdivision.

17. Severability. Invalidity of any one of these covenants, conditions or restrictions by judgment or court order shall in no way affect any other provisions of this Declaration which shall remain in full force and effect.

RARE EARTH, INC.

By Donald Mari
Title PRESIDENT

BASIL S. BOLSTRIDGE, ELIZABETH W.
BOLSTRIDGE, ALFRED S. DERKEVERKIAN
and AGNES G. M. DERKEVERKIAN, Bene-
ficiaries under the Deed of Trust
recorded at Book 79, Pages 622-623,
Valdez Recording District, Third
Judicial District, State of Alaska

Basil S. Bolstridge

By Donald Marino
BASIL S. BOLSTRIDGE, by Donald
Marino, his Attorney-in-Fact pur-
suant to paragraph 12 of said Deed
of Trust.

Elizabeth W. Bolstridge

By Donald Marino
ELIZABETH W. BOLSTRIDGE, by Donald
Marino, her Attorney-in-Fact, pur-
suant to paragraph 12 of said Deed
of Trust

Alfred S. Derkeverkian

By Donald Marino
ALFRED S. DERKEVERKIAN, by Donald
Marino, his Attorney-in-Fact, pur-
suant to paragraph 12 of said Deed
of Trust

Agnes G.M. Derkeverkian

By Donald Marino
AGNES G. M. DERKEVERKIAN, by Donald
Marino, her Attorney-in-Fact, pur-
suant to paragraph 12 of said Deed
of Trust

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

On March 3, 1977, before me, the under-
signed, a Notary Public in and for said State, personally
appeared Donald Marino, known to me to be the
President of RARE EARTH, INC., the corporation that
executed the within instrument, and known to me to be the
person who executed the within instrument on behalf of the
corporation therein named, and acknowledged to me that such
corporation executed the same pursuant to its by-laws or a
resolution of its Board of Directors.

WITNESS my hand and official seal.

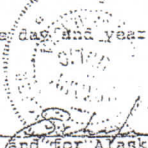
Laura M. Schif
Notary Public in and for Alaska.
My commission expires: 2-3-82

BOOK 85 PAGE 948
Valdez Recording District

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the 3rd day of March, 1979, before me, the undersigned Notary Public in and for the State of Alaska, personally appeared DONALD MARINO as Attorney-in-Fact for BASIL S. BOLSTRIDGE, ELIZABETH W. BOLSTRIDGE, ALFRED S. DERKEVERKIAN, and AGNES G.M. DERKEVERKIAN, known to me to be the person named in and who executed the foregoing instrument, and he acknowledged that he executed the same freely and voluntarily with knowledge of its contents, for the uses the purposes therein mentioned.

WITNESS my hand and official seal the day and year last above written.


Laurel M. Smith
Notary Public in and for Alaska.
My commission expires: 2-3-82

79-000280

13.00

RECEIVED ~~FILED~~
VALDEZ RECORDING
DISTRICT

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REQUESTED BY Rose Earth, Inc.

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Anchorage, Ak. 99503
Suite 6