

DECLARATION

OF CONDITIONS, COVENANTS, AND RESTRICTIONS

THIS DECLARATION, made on the date hereinafter set forth by RAINBOW INVESTMENTS, hereinafter referred to as "Declarant".

WHEREAS, Declarant is the Owner of certain property within the Matanuska-Susitna Borough, State of Alaska, which is more particularly described as:

Lot one (1), Block one (1)  
Lots one (1) through eighteen (18), Block two (2)  
Lots one (1) through eleven (11), Block three (3)  
Lots one (1) through nine (9), Block four (4)

SHERWOOD ESTATES SUBDIVISION, a subdivision lying within the N $\frac{1}{2}$ , SW $\frac{1}{2}$  and the N $\frac{1}{2}$  of the SE $\frac{1}{4}$ , Section 34, Township 18 North, Range 2 West, Seward Meridian, Alaska.

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

ARTICLE I

DEFINITIONS

SECTION 1. "Association" shall mean and refer to SHERWOOD ESTATES SUBDIVISION ASSOCIATION, its successors and assigns.

SECTION 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

SECTION 3. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

SECTION 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties.

SECTION 5. "Declarant" shall mean and refer to RAINBOW INVESTMENTS, its successors and assigns if such successors or assigns should acquire more than one undeveloped lot from the Declarant for the purpose of development.

SECTION 6. "Board of Directors" shall be elected by the members Association at any meeting and shall consist of three individuals. They shall be the responsibility of the Board of Directors to conduct the necessary business of the Association. The Declarant shall act as the Board until such time as there are ten (10) Class A Members of the Association.

ARTICLE II

MEMBERSHIP AND VOTING RIGHTS

SECTION 1. Every owner of a lot which is subject to an assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

**"Covenants and restrictions if any, based upon race, color, religion, sex, handicap, familial status, or national origin are deleted unless and only to the extent that said covenant (a) is exempt under Chapter 12, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons"**

## SECTION 2. The Association shall have two classes of voting membership:

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

CLASS B. Class B Member(s) shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on 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 in the Class B membership, or
- (b) on December 31, 1978.

## ARTICLE III

## COVENANT FOR MAINTENANCE ASSESSMENTS

## SECTION 1. CREATION OF THE LIEN AND PERSONAL OBLIGATION OF ASSESSMENTS.

The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agrees to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such 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 property against which each assessment is made.

Each such assessment, together with interest, costs and reasonable attorney's fee, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due.

SECTION 2. The assessments levied by the Association shall be used exclusively to promote the health, safety and welfare of the residents in the Properties and for the improvement and maintenance of the streets, street lights, and snow removal and these public properties within the subdivision not maintained by other entities.

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 SIXTY DOLLARS (\$60.00) per Lot.

- (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 3% 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 3% by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.
- (c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

## SECTION 4. NOTICE AND QUORUM FOR ANY ACTION AUTHORIZED UNDER SECTION 3.

Written notice of any meeting called for the purpose of taking any action authorized under Section 3 shall be sent to all members not less than thirty days nor more than sixty days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast FIFTY-ONE percent (51%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same

notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceeding meeting. No such subsequent meeting shall be held more than sixty days following the preceeding meeting.

SECTION 5. UNIFORM RATE OF ASSESSMENT. Annual assessments must be fixed at a uniform rate for all Lots and Tracts and may be collected on a monthly basis.

SECTION 6. DATE OF COMMENCEMENT OF ANNUAL ASSESSMENTS: DUE DATES. The annual assessments provided for herein shall commence as to all Lots on the first day of October, 1977. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of this annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the association setting forth whether the assessments on a specified Lot have been paid.

SECTION 7. EFFECT ON NONPAYMENT OF ASSESSMENTS: REMEDIES OF THE ASSOCIATION. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of eight percent (8%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of streets or abandonment of his Lot.

SECTION 8. SUBORDINATION OF THE LIEN TO MORTGAGES. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any preceeding in lieu thereof, shall extinguish the lien of such assessment as to payments which became 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 thereof.

#### ARTICLE IV.

##### LAND USE AND BUILDING TYPE

SECTION 1. LAND USE AND BUILDING TYPE. No lots shall be used except for single family residential purposes. No lots shall be resubdivided to smaller than 20,000 s.f. parcels.

SECTION 2. BUILDING LOCATION. No building shall be located on any lot nearer than twenty-five (25) feet to the front lot line, nor nearer than ten (10) feet to an interior lot line nor nearer than forty (40) feet to the rear lot line, for the purposes of this covenant.

SECTION 3. DWELLINGS. No dwelling of less than a total value of \$18.00 per square foot of living area shall be permitted on any lot. Such value shall be exclusive of porches and garages, and be based upon the cost level prevailing on the date these covenants are recorded. Cost for water and sewage facilities shall not be included in the dwelling cost. It being the intention and purpose of the covenants to assure that all dwellings, whether used as occasional homes or year-round residences, shall be of a quality of workmanship and materials substantially the same or better than that which can be produced on the date these covenants are recorded.

SECTION 4. NUISANCES. No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

SECTION 5. TEMPORARY STRUCTURES. No structure of temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any lot at any time as a residence, either temporarily or permanently.

SECTION 6. OUTBUILDINGS. Outbuildings, including greenhouses, storage sheds, barns, etc., shall be permitted only if constructed in a permanent manner and in a style which is compatible with the architectural design of the main dwelling structure. No outbuildings will be permitted which are not properly sited, painted and roofed.

SECTION 7. COMPLETION OF EXTERIORS. All houses and outbuildings must be enclosed and exteriors finished within twelve months of the time of beginning of construction.

SECTION 8. LIVESTOCK AND POULTRY. No animals, livestock or poultry of any kind shall be kept, bred or maintained for any commercial purposes.

SECTION 9. TREES. No trees may be removed from any lot except those trees necessary for clearing of a construction site for the dwelling to be constructed on that lot, or for incidental residential uses, such as a home garden for personal consumption. It is the intent of this provision that all persons purchasing lots shall do their utmost to maintain the trees and natural wooded surroundings of their property.

SECTION 10. SEWAGE DISPOSAL. All on-site sewage disposal systems shall conform to the State of Alaska, Department of Environmental Conservation standards, and shall be placed in locations in conformance with state regulations.

SECTION 11. GARBAGE AND REFUSE DISPOSAL. No lot shall be used or maintained as a dumping ground for rubbish. Rubbish, garbage or other waste shall not be kept, except in sanitary containers. All equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition.

SECTION 12. MOBILE HOME. Mobile Homes with a minimum width of twelve (12) feet and placed on a permanent foundation will be permitted under these covenants on the following lots: Lots three (3) through eighteen (18), Block two (2), Lots one (1) through nine (9), Block four (4) and any future subdivision of Tract B.

#### ARTICLE V

##### GENERAL PROVISIONS

SECTION 1. ENFORCEMENT. The Association, or any Owner, shall have the right to enforce, by and proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by an Owner to enforce any covenant or restrictions herein contained shall in no event be deemed a waiver of the right to do so thereafter.

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

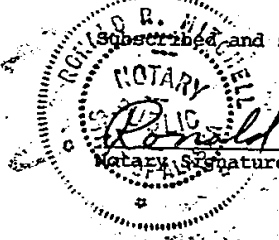
SECTION 3. AMENDMENT. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten years. This Declaration may be amended during the first twenty year period by an instrument signed by not less than fifty-one percent (51%) of the Lot Owners. Any amendment must be recorded and may not be in conflict with existing State and Borough regulations. *W.P.*

In WITNESS WHEREOF, the undersigned, being the Declarant herein, has here-  
unto set its hand and seal this 10<sup>th</sup> day of June, 1977.

RAINBOW INVESTMENTS, Declarant

BY: Robert T. Rogers  
Robert T. Rogers  
General Partner

NOTARY'S ACKNOWLEDGEMENT FOR THE STATE OF ALASKA:

 subscribed and sworn before me this 10<sup>th</sup> day of June, 1977.  
Ronald R Mitchell  
Notary Signature

My Commission Expires  
December 19, 1979.

Date Commission Expires

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RECORDED-FILED  
PALMER REC.  
DISTRICT

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REQUESTED BY MATANUSKA - SUSITNA BOROUGH INC  
ADDRESS BOX 1  
PALMER, ALASKA 99645

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"Covenants and restrictions if any, based upon race, color, religion, sex, handicap, familial status, or national origin are deleted unless and only to the extent that said covenant (a) is exempt under Chapter 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons"