

**PROTECTIVE COVENANTS, CONDITIONS
AND RESTRICTIONS FOR
SERENDIPITY II**

PART A. PREAMBLE

KNOW ALL MEN BY THESE PRESENTS,

WHEREAS, the undersigned is the owner of the following described real property:

SERENDIPITY .11, according to **Plat No. 2003-47** recorded in the Palmer Recording District, Third Judicial District, State of Alaska; excepting therefrom **Tract A-1 and Tract A-2** hereinafter referred to as “The covered property”;

And,

WHEREAS, the undersigned desires to assure the continued development of The covered property on a high level for the benefit of future property owners therein:

And,

WHEREAS, the undersigned desires to place on and against The covered property certain protective covenants regarding the improvements and/or use of said property;

NOW, THEREFORE, the undersigned does hereby establish and record the following declarations, reservations, protective covenants, limitations, conditions, restrictions and provisions regarding the use and/or improvements of the covered property as follows.

PART B. AREA OF APPLICATION.

B-1. FULLY PROTECTED AREA. These covenants shall apply to all lots in the Subdivision. "Lot" shall mean and refer to any of the numbered plots or tracts of land shown upon any recorded plat of SERENDIPITY II **excepting Tract A-1 and Tract A-2.**

B-2. SPECIAL EXCEPTIONS TO THE PROTECTIVE COVENANTS, CONDITIONS AND RESTRICTIONS. Nothing contained in this document shall prevent the undersigned or its designees from maintaining sales offices on a lot or lots in SERENDIPITY II for the purpose of conducting sales or resale's of lots and/or residential units in SERENDIPITY II.' The undersigned or its designees shall have an unqualified right to maintain such office or offices until such time as all lots in SERENDIPITY II are sold.

B-3. WATER SUPPLY. Each improved lot shall have its own water supply system located on the lot to be served thereby. No individual water supply system shall be permitted on any lot unless such a system is located, constructed and equipped in accordance with the requirements, standards and recommendations of the Alaska Department of Environmental Conservation. Approval of such a system as installed shall be the responsibility of the individual owner.

B-4. SANITARY WASTE DISPOSAL. Each improved lot shall have its own sanitary waste disposal system. No individual system shall be permitted on any lot unless such a system is located, constructed and equipped in accordance with the requirements, standards and recommendations of the Alaska Department of Environmental Conservation, 18 AAC 72, or such other regulations which may be promulgated by state or local authority. Approval of such a system as installed shall be the responsibility of the individual owner.

PART C. PROPERTY RESTRICTIONS.

C-1. SINGLE FAMILY RESIDENCES. Lots may be used for single family residential purposes only. Temporary buildings may not be placed on any lot for any purpose. No group homes, commercial activities nor natural resource extraction shall be allowed on any lot.

C-2. COMPLETION OF CONSTRUCTION. All residential dwellings must have a finished exterior with six (6) months from groundbreaking and be fully completed within one (1) year from groundbreaking.

C-3. OFF-SITE PREFABRICATION. No mobile homes, modular homes, homes prefabricated off-site, tents or travel trailers shall be utilized within the subdivision.

C-4. STORAGE OF RECREATIONAL ITEMS. Travel trailers, motor homes, boats, snow machines and other similar recreational vehicles, including trailers for such items, shall be stored while not in actual usage only so long as such on-site storage is within an enclosed or fenced-in area so that said items are not visible from the street. It is the intent of these restrictions that no recreational vehicles or items may be seen from any street during such time as such items are not actually being used and that a fence or similar structure is used to accomplish this purpose.

C-5. DWELLING COSTS, QUALITY AND SIZE.

(a) Value and Building Size. No single family dwelling structure shall be permitted on any lot which has an appraised value of less than \$140,000, excluding land and outbuildings, based upon 2003 costs. The minimum finished gross area of the dwelling in square feet, exclusive of open porches and garages shall be as follows:

(1) if the dwelling is a single level, one-story building: 1400 square feet;

(2) if the dwelling is a two-story building: 1600 square feet, of which at least 800 square feet must be on the ground floor; and,

(3) if the dwelling is a split entry or tri-level building: 1600 square feet of which at least 800 square feet must be on the ground floor.

(b) Construction Standards. Construction of all residential structures contemplated herein shall be at least equal to the present FHA minimum building standards. The minimum cost figure is based upon cost levels obtained on the date these covenants are recorded, it being the intention and purpose of the covenants to

assure that all dwellings 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 at the minimum cost stated herein.

(c) Garage Driveways. Each dwelling shall have at least a two-car garage. All structures shall have a full-width driveway that is paved from the building or garage entrance to the street

(d) Building Height. No building shall exceed 42 feet in height from ground level on the front of the building.

(e) Exterior Appearance, Colors, and Materials. To ensure the development of the Subdivision as a subdivision of high standards, owners shall be responsible for utilizing exterior colors to promote a pleasing and compatible neighborhood appearance. Overly vibrant colors are disallowed, as are color schemes which clash with the neighborhood's overall appearance. Exterior colors shall be restricted to soft "earth tones." Clear lacquer or varnish is discouraged as it does not withstand the harsh elements and tends to fade rapidly. Residents who elect such exterior finishes will be required to keep their properties in a high state of repair. (Note: this usually requires refinishing approximately every 2-3 years.) No owner of any lot or living unit shall alter the exterior color of any structure situated within or forming part of such lots or living unit unless such alteration otherwise complies with the terms of this section.

All siding shall be of finish quality and shall be natural wood siding, OSB, real brick, real stone, cultured stone, designer block, vinyl, cement fiber, (Hard plank or similar) metal, (other than metal roofing products) stucco or any approved equal finish. The application of stucco is to be used only as an accent treatment and is limited to not more than ten percent (10%) of the exterior surface area of any dwelling. Siding materials, known as T- 111 or panel siding products will not be approved on the side of any structure visible from the street, (T-1 11 or panel siding may be utilized on the rear side of a structure if it is not visible from the Street.)

C-6. ARCHITECTURAL CONTROL COMMITTEE.. An Architectural Control Committee (ACC) may be appointed by the Board of Directors and operate under such terms and conditions as the membership may approve. Any plans approved by the Architectural Control Committee must also comply with these covenants in all respects. The ACC may refuse to grant approval, and make such exceptions to the choices it deems appropriate without adversely affecting the

overall appearance of the neighborhood. No alterations to the exterior of any living unit, including color alteration, may be made unless written application is submitted to and approved by written endorsement of the Architectural Control Committee. Exterior colors must be approved by the ACC prior to application of the paint.

C-7. OUTBUILDINGS. Outbuildings are defined as buildings not used as dwellings, including detached garages, utility sheds, greenhouses, barns and shops. Outbuildings may not be used for commercial or rental purposes. All outbuildings shall be constructed utilizing proper foundations, siding and roofing materials and be finished so that they will be equal to the primary structure's appearance. All outbuildings must be completed within three (3) months from start of construction and are subject to the oversight of the Architectural Control Committee.

C-8. BUILDING LOCATION. Any building or portion of same located on any lot shall meet the minimum setback requirements of the Matanuska-Susitna Borough Code.

C-9. FENCES. No fence of any kind may be installed in violation of state statute or ordinance of a political subdivision as presently enacted or as may be hereafter enacted or amended. Additionally, no fence of any kind may be installed unless built in a professional manner and properly maintained. Wood fences must be built of finished lumber, which must be painted or stained, or cedar split rail. No electric fence is allowed unless it is installed on the interior of a wood or chain link fence. Neither barbed wire fencing nor welded wire fencing is permitted.

C-10. EASEMENTS. Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat or as indicated by the public records for the recording district where the property is located. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may change the direction of the flow of drainage channels in the easements, or which may obstruct or retard the flow of water through the drainage channels in the easements. The easement area of each lot and all improvements in it shall be maintained continuously by the owner of the lot, except for those improvements for which a public authority or utility company is responsible. The following lots in Phase II of the subdivision extend through a body of water existent in the subdivision; Lots 16-22, Block 1, Serendipity II, and Lots 23-26,

Serendipity III.

As a result of the recordation of this instrument, each lot shall be considered a servient estate of the other lots described in this section for the purpose of enjoyment, navigation, and other uses of the water body by the other lots named herein. Consistent herewith, each other lot, and the owners thereof, shall be considered dominant estates with respect to each other lot and shall have an easement of use, navigation, and enjoyment over the other lots to the extent those lots extend into said water body. The purpose of this section is to allow each lot extending to and through the water body the use and enjoyment of the entire water body without restriction, except for activities as may be deemed a nuisance. This private easement shall extend to the owners of each lot extending into the water body and their invitees.

C-11. PLACEMENT OF STRUCTURES. Placement of structures, setbacks, and the location of any and all man-made structures is subject to the approval of the ACC. No dwelling, deck, porch, or overhang or other portion of any structure may

encroach into the area defined in the setback requirements. No permanent improvements, including but not limited to basketball hoops, volleyball or swing sets are allowed within a setback area without written approval by the ACC. The minimum setback requirements are as follows:

Front lot line Fifty (50) feet

Side lot line: Fifteen (15) feet

Rear lot line: Fifteen (15) feet

The ACC will generally not approve building setbacks which are the same as the building setback on adjacent lots.

C-12. SIGNS. No sign of any kind shall be displayed to the public view on any residence except one professional sign of not more than five (5) square feet advertising the property for sale or rent, or signs used by the builder to advertise property during construction and sales period.

C-13. NUISANCES. No noxious, unsightly, illegal, 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, including, but not limited to, barking dogs. **No trade or business of any offensive nature shall be permitted.**

C-14. OIL AND MINING OPERATIONS. No oil drilling, oil development operations, oil refining, quarrying, gravel extracting, or mining operations of any

kind shall be permitted upon or in any lot, nor shall oil well, tanks, tunnels, mineral excavations, or shafts be permitted upon or in any lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained, or permitted upon any lot.

C-15. ANIMALS. No animals that are normally wild in their natural state, or have been bred with animals that are normally wild, including without limitation “wolf hybrids”, shall be kept on any lot. No animals, poultry, or livestock of any kind, shall be raised, bred or kept on any lot for any commercial purpose, including, but not limited to, use for sporting purposes such as dogsled competition. Each living unit shall be allowed a maximum of two dogs and two cats. However, pit bulls shall not be allowed at all in the subdivision. A maximum of two (2) horses shall be allowed on each lot in Block 4 of the subdivision. All animals shall be kept in runs or in a fenced yard. Under no circumstances may animals be kept on chains, tethers or leashes unless held and under the control of an individual person.

C-16. GARBAGE DISPOSAL. No trash cans, garbage cans, trash barrels, boxes or other refuse containers, shall be placed or maintained on or along the side or end of any lot fronting upon, or adjacent to, a street, with the exception that patrons of a garbage pick-up service may place such containers bearing trash or garbage for pick-up upon the end or side of the lot fronting upon the street on which the garbage is picked up on the day designated by ordinance, resolution, or contract for the pick-up of garbage at such lot. No burning of trash, garbage, refuse, or other waste, shall be permitted upon the street front and/or side of any lot at any time, and such burning on the rear of lots shall be permitted only in accordance with the appropriate health and safety laws or ordinance of the political subdivision in which the lot is located. No lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage, or other waste, shall not be kept except in a sanitary condition.

C-17. INOPERABLE VEHICLES. No inoperable vehicle or vehicle body shall be permitted upon any lot or within any street or easement adjacent to any lot in the subdivision. A vehicle which is otherwise operable but is not used or moved for more than forty-five days shall be considered an inoperable vehicle for purposes of this provision.

Extra vehicles, inoperable or otherwise, including but not limited to automobiles, or trucks not used at least twice weekly, campers, boats, recreational vehicles, snow-machines or other machinery shall be kept in a garage or other structure suitable for such purpose. Proposals to store operational motor homes and boats, y alongside garages or other structures will be evaluated by the ACC on a case-by-

case basis provided that such proposals contain, at a minimum, the construction of a suitable pad which shall either be paved or similarly improved, or contain at least 4 inches of gravel fill. The purpose of this provision is to keep unsightly equipment, whether frequently used or unused, out of sight to the greatest extent possible.

No repairing, dismantling, or assembling of any vehicle, boat, snowmobile or any other power driven machines will be permitted on any lot **except within an enclosed garage.**

C-17. COMMERCIAL VEHICLES. No commercial vehicles, trailers other than utility trailers, or motorized construction equipment may be placed on any lot for any purpose except during the construction period.

C-18. SNOWMOBILES. Snowmobiles and ATVs shall not be operated anywhere within the subdivision including private property, easements, or rights of way.

C-19. MAIL AND NEWSPAPER DEPOSITORIES. Subject to the requirements for mail depositories installed by the U. S. Post Office, the design, material and finish of any mail or newspaper depository to be erected upon a lot governed by these protective covenants, conditions and restrictions shall be of the type approved by the Post Office or provided by the newspaper.

C-20. LANDSCAPING. Each lot owner shall landscape any portion of the lot disturbed during the construction process within ten (10) months after the start of construction. Lots that are not wooded shall be maintained so as not to become overgrown with weeds, brush or trees, other than trees utilized for landscaping purposes. Right of ways and utility easements shall be kept clear of trees, shrubs, and any rocks including landscape rocks *but otherwise maintained by lot owner to paved roads.*

C-21. EXTERNAL ANTENNA RESTRICTIONS. No television antenna, disk or other type of television or radio antenna or electronic device which has as its purpose the sending or receiving of signals from or to any external source of any kind shall be situated on any lot subject to these protective covenants, conditions and restrictions; EXCEPT, HOWEVER, each lot owner may install on the exterior of the dwelling located on the lot one (1) standard television antenna, which shall

not exceed a total height of ten (10) feet from base to top of mast and one (1) satellite dish with no greater than a four foot diameter..

C-22. DRIVEWAYS. Each lot owner shall, at the time of driveway construction, obtain a driveway permit from the Matanuska-Susitna Borough. Driveway and culvert installation shall comply with Matanuska-Susitna Borough regulations.

C-23. RE-SUBDIVISION. No lot or lots may be re-subdivided so as to create any lot with less area than shown on the original subdivision plat for the lot or lots involved in the re-subdivision. Lot lines may be eliminated so as to create larger lots.

PART D. HOMEOWNERS' ASSOCIATION.

D-1. MANDATORY MEMBERSHIP. A Homeowners' Association is to be established within the Subdivision to provide for the operation and maintenance of the subdivision as may be appropriate. Said Association shall be responsible to enforce the Covenants for the benefit of all property owners herein. Every purchaser, their heirs, assigns and successors in the ownership of lots in this subdivision agree as a condition of such ownership that they are automatically a member of the Homeowners' Association. All lot owners shall abide by the policies now set and as later amended by a majority decision of the membership of the Association. They agree to such policies and will pay such assessments as may from time to time be levied.

D-2. BOARD OF DIRECTORS. The Homeowners' Association shall be operated by the undersigned until such time as the undersigned chooses to relinquish control to the membership, or until finished residences occupy at least 50% of the lots, whichever first occurs, at which time the Association shall be activated and there will be an election of directors and officers, and dues will be established and levied as determined by the Board of Directors. Activation of the Association shall be accomplished by the undersigned's selection of an initial Board of Directors consisting of not less than three members. All Board members shall be members of the Association. Selection of the initial Board of Directors shall be at the sole discretion of the undersigned or its assignees; however, every effort will be made to select only lot owners willing to serve in this capacity.

The Board of Directors may elect to incorporate, as provided in Section D12, with

the concurrence of a majority of the members of the Association. The Board may establish an Architectural Control Committee to approve building and landscape plans not inconsistent with these covenants. The Board shall serve staggered three year terms. Replacement of Board members shall be set by policy as may be adopted by the Board from time to time. The number of Directors shall not be less than three nor more than seven, the exact number to be determined by a majority of those present at the last annual membership meeting.

D-3. ANNUAL MEETINGS. The Association will meet at least once annually in accordance with the bylaws of the Homeowners' Association and undertake all duties and actions prescribed thereby.

D-4. VOTING RIGHTS. The Association shall have one class of voting rights. Each lot owner, whether such owner is an entity, person or more than one person, shall be entitled to one vote for each lot owned, regardless of the number of individuals or entities jointly owning each lot. Where more than one person or entity holds an interest in any lot, such person or entities shall decide among themselves how the vote for such lots shall be exercised and by whom.

D-5. CREATION OF LIEN AND PERSONAL OBLIGATION FOR ASSESSMENTS. Each owner of any lot, by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to personally pay the Association: (1) annual assessments or charges, (2) special assessments for capital improvements, and (3) emergency assessments, such assessments to be established and collected as provided herein. In addition to personal liability, such assessments shall constitute a lien on all lots owned wholly or partly by the lot owner liable therefore. No assessments shall be levied upon any lots which are unsold by the undersigned at the time of the assessment. Sale or transfer of any lot shall not affect the lien. No sale or transfer shall relieve the owner of the lot at the time of the assessment from personal liability for any assessment or installment thereof.

D-6. ANNUAL ASSESSMENTS. Annual assessments may be levied as provided by the Bylaws of the Homeowners' Association.

D-7. EMERGENCY ASSESSMENTS. The undersigned, its designees or the Board of Directors, if activated, by a two-thirds (2/3) majority vote of the entire membership of the Board, may fix an emergency assessment, not in excess of

FIFTY DOLLARS (\$50) per lot. No more than four (4) such assessments may be levied in any 12 month period. The undersigned, its designees or the Board of Directors shall have sole discretion as to what constitutes an emergency so long as such discretion is exercised justly and reasonably. Such assessment shall only be fixed at a duly constituted meeting of the Board.

D-8. SPECIAL ASSESSMENTS FOR CAPITAL IMPROVEMENTS.

In addition to the annual and emergency 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 costs of making any capital improvements for the subdivision; provided, however, that any such assessment shall have the assent of two-thirds (2/3) of the lot owner votes represented at a meeting duly called for this purpose.

D-9. UNIFORM RATE OF ASSESSMENT. All assessments shall be fixed at a uniform rate for all lots and may be collected on a monthly, quarterly, semiannual, or annual basis by the Association.

D-10. DATE OF COMMENCEMENT OF ANNUAL ASSESSMENTS; DUE DATES. The first annual assessment shall be paid as set forth in Section E-6 above. The Board of Directors shall fix the present amount of the annual assessments against each lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every owner subject thereto. November 1 shall be the date annual assessments are due. The annual assessments are collectable as set forth in Section E-6 herein. 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.

D-11. EFFECT OF NONPAYMENT OF ASSESSMENT; REMEDIES OF THE ASSOCIATION. In addition to the remedies provided for in Part E-2, the Association may bring an action at law against the owner of any lot obligated to pay the same, or foreclose the lien against the property which is the subject of the obligation. No owner may waive or otherwise escape liability for the assessments herein or for any reason, including abandonment of the lot. Assessments shall bear interest at the maximum rate provided for by law, or at the rate determined by the Board of Directors, whichever is less.

D-12. FORM OF ASSOCIATION. The Homeowners' Association may be a corporation formed pursuant to Title 10 of the Alaska Statutes.

D-13. APPLICABILITY OF SECTIONS D-1 THROUGH D-12. The provisions contained in these sections shall be applicable to only those lots specifically described in Section B-1 herein. The undersigned do not intend that the Homeowners' Association created herein have any applicability to future tracts, phases or lots developed later as a new addition or part of the SERENDIPITY II. At the option of the undersigned, or its designee(s), any or all of the provisions contained herein may become applicable in whole or in part to any new additions to the SERENDIPITY II

PART E. MISCELLANEOUS PROVISIONS.

E-1. TERM. These covenants are to run with the land and shall be binding on all parties and persons claiming under them for a period of thirty-five (35) years from the date these covenants are recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years unless an instrument signed by the owners of a majority of the lots has been recorded agreeing to change said covenants in whole or part.

E-2. ENFORCEMENT. Enforcement of these covenants, conditions and restrictions shall be by proceedings at law or in equity against any person or entities violating or attempting to violate any such provisions, either to restrain a violation thereof or to recover damages for a violation thereof, or both. Suit to enforce these provisions may be brought by any homeowners' association established under these covenants or by any individual lot owner aggrieved by a violation of these provisions.

E-3. SEVERABILITY. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions, which shall remain in full force and effect.

E-4. AMENDMENT. This Declaration may be amended by recorded instrument at any time by the undersigned until 75% of the lots have been sold. After such time, an affirmative vote of 2/3 of the lot owners in the subdivision may amend this document, such amendment to be consummated by a written instrument recorded in the Palmer Recording District.

DATED this day of
HAND M,LLC

BY: _____
HOWARD NUGENT,
Managing Partner
STATE OF ALASKA)
) SS.

THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the ____ day of
e.ii.ii-C before me, the undersigned Notary Public, in and for Alaa, duly
commissioned and sworn as such, personally appeared HOWARD NUGENT, who
is known to me and to me know to be the individual named in and who executed
the above and forgoing PROTECTIVE COVENANTS, CONDITIONS AND
RESTRICTIONS FOR SERENDIPITY II as Managing Partner of H AND M,
LLC, in the name of and for and on behalf of said partnership, and acknowledged
to me the execution thereof for the uses and purposes therein set forth.
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my
notarial seal the day and year hereinabove first written.

!

NOTARY PUBC in and for)Alaska

My Commission Expires: _____

PLEASE RETURN TO:

H and M LLC OFFICIAL SEAL

Jegent

4237 E. Meridian Loop

Wasilla, Alaska 99654

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