PROTECTIVE COVENANTS FOR MAGOFFIN HIGHLANDS

THIS DECLARATION of protective covenants is made this ____ day of _____, 2008, by James S. Magoffin, Jr. and Elrita J. Magoffin, herein referred to as "Declarants."

WHEREAS, Declarants are the owners of the following described real property:

All existing and future phases of MAGOFFIN HIGHLANDS, a subdivision located within the Southeast Quarter (SE1/4) of Section 25, Township One North (T1N), Range Two West (R2W), Fairbanks Meridian, in the Fairbanks Recording District, Fourth Judicial District, State of Alaska (herein referred to as "Property);

WHEREAS, Declarants desire to create certain covenants to insure a) the enhancement and preservation of Property values; b) provide for proper development, improvement and use of the Property; c) create residential development of high quality; and d) promote the health, safety and welfare of the residents;

NOW THEREFORE, Declarants hereby create, declare and establish the following protective covenants which shall run with the Property as provided by law and shall be binding on all parties having right or title in said interests or any part thereof and all persons claiming under them, for the benefit of and limitation on all present and future owners in such property. The covenants hereinafter set forth shall apply to each and every Lot in the Property.

1. SERVICE AREA: These covenants shall not prevent the Owners of Lots within the Property from organizing or petitioning to establish or establish or annex the Property into a Service Area for the purpose of making additional improvements and/or providing for road maintenance, snow removal and other related services.

2. LAND USE: Each Lot shall be used for residential purposes, and may also be used for commercial or professional purposes in accordance with Paragraph 13 below. No Lot shall be further subdivided or partitioned into smaller lots. Two adjoining Lots may adjust a common lot line as long as existing lot areas remain as close to record as practicable. Public Utility Easements and Trail easements can be altered and/or vacated as long as applicable platting authority procedures are followed.

3. RESIDENCE: No building shall be erected, altered, placed or permitted to remain on any Lot other than one (1) dwelling not to exceed three (3) above-ground stories, and not to provide more than one (1) single-family unit. "Family" is to be construed in a broad sense to include single people, married couples, and two people living together, and may include an unlimited number of generations of the same family. Accessory buildings, such as garages or other buildings customarily adjunctory to a place of residence, shall be of a permanent nature and of harmonious design and appearance with each other and with the dwelling house.

4. BUILDING LOCATION: No buildings shall be located nearer than twenty-five (25) feet to any Lot line. Building locations must also adhere to the Fairbanks North Star Borough zoning regulations if they are more restrictive than these covenants. Eaves, steps and open porches shall be considered as part of the building.

5. DWELLING QUALITY: All dwellings must be constructed with approval and inspections of an engineer licensed in the state of Alaska. The exterior of the dwelling must be completed within two (2) years after the beginning of construction of the foundation. Good quality aesthetically pleasing exterior finishing materials must be utilized and at no time will T-111 siding, tarpaper, roofing paper, house wrap, celotex or like materials be used for the exterior finish. A completed dwelling is one capable of being approved under a long-term financing program. All dwellings shall be constructed and designed to assure conformance to minimum standards of the Federal Housing Administration and state and local building code requirements for the year of completed construction.

6. EASEMENTS: Within utility easements, no structure or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities systems. Within trail easements, no structure or other material shall be placed or permitted to remain which may interfere with reasonable access and travel on the trails. The easement area of each Lot and all improvements in it shall be maintained continuously by the Owner of the Lot, except for the Skarland Ski Trail and those other improvements for which a public authority, service district or utility company is responsible.

7. PARKING: Each Owner shall provide adequate off-street parking for all vehicles and no vehicle shall be parked on the streets adjacent to the Property.

8. ACCESS TO LOT: Only one access driveway shall be permitted for each lot in the subdivision from each adjacent subdivision street. Driveways shall be constructed to provide safe line-of-sight when exiting onto subdivision roads and no driveway shall be placed within fifty (50) feet of an intersection of subdivision roads. Any damage to a subdivision road occurring during or as a result of the construction of a driveway shall be promptly repaired by the Owner of the driveway at his expense.

9. NUISANCES: No noxious or offensive activity, including but not limited to, noise disturbances caused by recreational or non-recreational motorized vehicles and bright lights shining toward other property, shall be carried on upon any Lot, nor shall anything be done thereon which may become an annoyance or nuisance to the neighborhood. Specifically, the parking of commercial vehicles or the use of the land for the storing of machinery, surplus equipment, scrap or any other items not directly connected with the use of the land for strictly residential purposes is specifically declared to be a nuisance within the meaning and intent hereof. No more than two (2) non-operating motor vehicles may be stored on the Lot and the storage of coal, wood or any other materials on adjacent roadways is strictly prohibited. The operation of an outdoor or garage-installed wood and/or coal burning boiler on any lot is specifically declared to be a nuisance within the meaning and intent hereof.

10. TREES, LANDSCAPING AND MAINTENANCE: No Owner shall be permitted to completely clearcut any Lot. No trees may be removed within ten (10) feet of any easterly or westerly lot line except as reasonably necessary for driveways. Owners shall remove trees which pose hazards to neighborhood roads or substantially obstruct road visibility. No fence, wall, hedge or shrub planting is permitted that visually obstructs safe line-of-sight on subdivision roads. Any slash, stumps, berm piles, and surface debris created by clearing operations are to be disposed of in accordance with state and local permitting requirements, or removed from the property so as not to be offensive of adjacent property owners or the general public. Landscaping of all disturbed areas must be completed within twelve (12) months of completion of a house. All lawns shall be groomed and maintained.

11. TEMPORARY STRUCTURES: No structure of a temporary character such as a trailer, tent, barn, shack, garage, mobile home with or without a foundation, modular home or outbuilding shall be used on any Lot at any time as a residence, either temporarily or permanently, unless the same is present only for the actual construction or repair of a structure located on the Lot. No quonset hut may be erected on any Lot.

12. SIGNS: No sign of any kind shall be displayed to the public view on any Lot except one (1)

sign of not more than five (5) square feet advertising the Lot for sale or rent, signs used by a builder or developer to advertise a Lot during the construction and sales period and the permanent subdivision signs.

13. LIMITED PROFESSIONAL OR COMMERCIAL TRAFFIC: The occupants of Lot 6, Block Two may operate a daycare business in the residence, with no more than five (5) children of clients per day. The occupants of Lots 22 and 23, Block Three may give piano lessons in the residence. No other professional or commercial activities are permitted on any Lot except those which result in no additional traffic on any subdivision road.

14. LIVESTOCK, POULTRY AND PETS: No livestock, animal or poultry of any kind shall be raised, bred or kept on any Lot except that dogs (a maximum of four (4)), cats and/or strictly indoor pets are permitted provided they are not kept, bred or maintained for any commercial purpose. No pets or animals shall be allowed to constitute a nuisance and all dogs must be restrained on the Lot when not on a leash. No vicious animal, as defined by the Borough, may be kept on any Lot.

15. MOTORIZED VEHICLES: No off-road motorized vehicles, including but not limited to snow machines and four wheelers, shall be permitted to operate on subdivision roads, easements, trails or Lots, except that construction equipment, tractors, lawn mowers, four wheelers and other utility vehicles may be used for construction, maintenance and snow plowing.

16. GARBAGE, REFUSE AND SEWAGE DISPOSAL: No Lot, nor any part thereof, shall be used as a dumping or storage ground for refuse or rubbish or any kind whatsoever. Trash, garbage and other waste shall be kept in sanitary containers. Accumulated trash, garbage and other waste shall be disposed of not less than once weekly. Containers and equipment used for the storage or disposal of refuse shall be maintained in a clean and sanitary condition, in accordance with the regulations of the Alaska Department of Health or its successor. Each dwelling must have its own individual sewage disposal system, also known as a septic system. No individual sewage disposal system shall be permitted on any Lot unless such system is designed, located, constructed and approved in accordance with the requirements of the Alaska Department of Environmental Conservation.

17. FIREARMS AND HUNTING: No firearms may be discharged on any Lot or within the subdivision. All hunting within the subdivision is prohibited, including bow hunting.

18. DRAINAGE DITCHES AND CULVERTS: No obstructions or drainage modifications are permitted in or in front of any drainage ditch or culvert. Metal culverts of a diameter of not less than twelve (12) inches shall be placed under driveways crossing ditches alongside subdivision roads. If a larger diameter culvert is required by the Borough or the state Department of Transportation or their successors, that more stringent requirement shall prevail.

19. CONDITION OF PROPERTY AND IMPROVEMENTS: The Owner or occupant of any Lot shall at all times keep the Lot and the improvements and appurtenances thereon in a safe and clean condition and comply at its own expense in all respects with all applicable governmental health, fire and safety ordinances, regulations, requirements and directives. No improvements upon any Lot shall be permitted to fall into disrepair and each such improvement shall at all times be kept in good condition and repair and adequately painted or otherwise finished.

20. TERM AND AMENDMENT: These covenants shall run with the land and shall be binding on all parties and apply to all owners, occupants, guests and invitees of any owner for a period of twenty-five (25) years from the date these covenants are recorded, after which said covenants shall be automatically extended for successive periods of ten (10) years unless any instrument signed by a majority of owners (as defined in the next sentence) has been recorded, agreeing to change or terminate said covenants in whole or in part. These covenants may be amended by an affirmative vote of the owners of a majority of the Lots established by final plat(s) filed in the Fairbanks Recording District as of the date of the

amendment. Amendments approved by such majority shall be in writing signed by a majority of owners and recorded in the Fairbanks Recording District.

21. ACCEPTANCE: Every person or entity who now or hereafter owns, occupies or acquires any right, title or interest in or to any portion of the Property is and shall be conclusively deemed to have consented and agreed to every covenant contained herein, whether or not any reference to these covenants is contained in the instrument by which such person acquired an interest in the Property.

22. ENFORCEMENT: Any owner or group of owners shall have the right to enforce these covenants, as hereinafter amended, by proceeding at law or in equity, including the right to prevent or terminate the violation of any such covenant by injunction and the right to recover damages for any such violation. Failure of any owner to enforce any covenant shall in no event be deemed a waiver of the right to do so thereafter.

23. SEVERABILITY: Invalidation of any one of these covenants by judgment or court order shall in no way affect any of the other provisions, which shall remain in full force and effect.

IN WITNESS WHEREOF, Declarants have executed this instrument the day and year first above written.

DECLARANTS:

JAMES S. MAGOFFIN, JR.

ELRITA J. MAGOFFIN

The foregoing instrument was acknowledged before me at Fairbanks this ____ day of _____, 2008 by JAMES S. MAGOFFIN, JR. and ELRITA J. MAGOFFIN.

Notary Public for AK My commission expires

Return to: James Magoffin P.O. Box 80322 Fairbanks, AK 99708