

**AMENDMENT
TO DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS FOR RIVER QUEST SUBDIVISION**

THIS AMENDMENT is made on _____, by Declarant DENCO, INC., an Alaska corporation, doing business as RIVER QUEST, 110 So. Willow St., Ste. 101, Kenai, Alaska 99611.

RECITALS:

A. Declarant is the Owner of real property located in the Kenai Peninsula Borough, Alaska, described as:

River Quest Subdivision, Phase 1, according to Plat No. KN-2004-39, recorded on July 16, 2004 at Serial No. 2004-006959, Kenai Recording District, Third Judicial District, State of Alaska;

B. Declarant established a general plan, set forth in the Declaration of Covenants, Conditions and Restrictions (“Declaration”), dated 8/19/04, and recorded on 8/20/04 at Serial No. 2004-008260, Kenai Recording District, for the subdivision, improvement, and development of the property described above, as a planned community named River Quest Subdivision (“the Property”).

C. Declarant desires to amend the Declaration, as set forth herein.

AMENDMENTS TO DECLARATION

Section 1. ARTICLE XIII - DEVELOPMENT RIGHTS, Section 1 of the Declaration, is amended to read as follows:

Section 1. Development Rights. The Declarant reserves the right to further develop the River Quest Subdivision project, as defined below.

A. Right to Develop Two-Family Lots. Declarant reserves the exclusive right to develop any Subdivision lot as a two-family lot, prior to the time the lot is conveyed by Declarant to another Owner. Declarant shall provide written notice of any two-family lot created by Declarant, and any restrictions on conveyance of the lot as a two-family lot, to the Association. Declarant may record such written notice, which shall be deemed to be an amendment to the Declaration pursuant to AS 34.08.180, for which Association or Lot Owner approval or consent is not required. A two-family lot created and conveyed by Declarant may be re-conveyed as a two-family lot; subject to any restrictions on such conveyance by Declarant. A conveyance of any Lot to more than one Owner, or more than one family, even if conveyed by the Declarant, does not in itself

create a two-family lot.

B. Right to Assign Boat Moorage. As stated in the River Quest Subdivision Easements, Article V, Sections 1 and 2(A), each Lot has one (1) boat moorage space assigned to that Lot, and two-family lots have two (2) boat moorage spaces assigned to those Lots. In the Waterway Traffic Plan, Exhibit C to this Declaration, Declarant assigned the one (1) boat moorage space per Lot. Defendant reserves the exclusive right to complete boat moorage space assignment in the Waterway Traffic Plan, by amendment to Exhibit C, including (but not limited to) the following: (1) assign the second moorage space to a two-family lot created by Declarant under Article XIII, Section 1(A), above; (2) assign any boat moorage space “Reserved by Declarant” in the Waterway Traffic Plan; (3) identify the physical location of any boat moorage space assignment in the Waterway Traffic Plan; (4) determine the total number of boat moorage spaces for Lots which have “R” instead of a number, in the Waterway Traffic Plan; (5) relinquish any boat moorage space “Reserved by Declarant” in Exhibit C.

Declarant will identify the physical location of each boat moorage space assigned to each Lot Owner at or before the time Declarant conveys the Lot to the Lot Owner. Declarant will identify the physical location of boat moorage spaces “Reserved by Declarant” as those boat moorage spaces are assigned. Declarant shall provide written notice of such assignments, identified locations, determinations, and relinquishments to the Association. Declarant may record such written notice, which shall be deemed to be an amendment of the Declaration pursuant to AS 34.08.180, for which Association or Lot Owner approval or consent is not required.

C. Phase 2. The portion (approximately 27 acres) of Government Lot 5, Section 19, T5N, R10W, S.M, Kenai Recording District, north of Porter Road. Declarant reserves the right to create a maximum of 100 Lots, and provide access to the Kenai River (including boat launching and moorage) by easement.

D. Phase 3. Further subdivision of Tract A, River Quest Subdivision. Declarant reserves the right to create a maximum of 20 Lots, and provide access to the Kenai River (including boat launching and moorage) by easement.

E. No assurances are made or given that Phases 2 or Phase 3 will be undertaken or completed. If neither Phase 2 or Phase 3 is in fact completed, Phase 1 (Lots 1-89, Tracts A, B, C, D) shall constitute a complete, fully operational common interest community, and the land described for Phase 2 or Phase 3 may be used for any other lawful purpose in Declarant’s discretion.

Section 2. ARTICLE XIII - DEVELOPMENT RIGHTS, Section 2, of the Declaration is amended to correct the numbering of subsections, so that sub-section G is renumbered to sub-section F, to read as follows.

F. Other Rights. Other special Declarant rights are as described in this Declaration. Declarant reserves any other "special declarant right" described in the Act, not otherwise described in this Declaration.

DECLARANT

DATED: _____

DENCO, INC.
BY: ROBERT R. NASH
ITS: President

STATE OF IDAHO)
)
COUNTY OF _____)

ss.

THE FOREGOING INSTRUMENT was acknowledged before me this _____ day of _____, 2004, by ROBERT R. NASH, President, DENCO, INC., an Alaska corporation, BUYER, on behalf of the corporation.

Notary Public for the State of Idaho
My Commission Expires: _____

RECORD IN: **Kenai** Recording District

AFTER RECORDING RETURN TO:

First American Title
105 Trading Bay Road, Suite 103
Kenai, Alaska 99611