

AGREEMENT AND COVENANTS RUNNING WITH THE LAND

CAMPBELL LAKE, INC., a domestic corporation, and CAMPBELL LAKE OWNERS, INC., a non-profit corporation, hereinafter called First Party and Second Party, respectively, both of Anchorage, Alaska, hereby stipulate and agree as follows:

W I T N E S S E T H:

1. First Party is the owner of Campbell Lake, an artificial lake created by the damming and flooding of Campbell Creek, which said lake, as it presently exists, is described as Tract 2 Campbell Lake Tracts according to Plat 71-212 thereof on file in the office of the Anchorage Recording District, Third Judicial District, State of Alaska. 11-212

2. Second Party is a non-profit corporation whose members are owners of real estate bordering said Campbell Lake and Second Party desires to acquire ownership of, and maintenance responsibility for, Campbell Lake and its dam and spillway, for the benefit of its members.

3. First Party has, by a deed of even date herewith, conveyed ownership of Campbell Lake to Second Party and in consideration of such conveyance, Second Party agrees that agreements set forth herein by it to be performed are binding upon it, its successors and assigns and are covenants running with the real estate described as Tract 2 Campbell Lake Tracts, and shall attach to, and run with any other real estate conveyed from First Party to Second Party pursuant to this agreement.

4. Second Party agrees that it will maintain and repair the aforesaid Campbell Lake and its dam and spillway, in a safe and reasonable manner and will maintain the existing lake level insofar as is practical and reasonable. Second Party agrees to indemnify and hold Campbell Lake, Inc., its successors and assigns, and David E. Alm and George H. McCullough, harmless from any and all claims, losses, damages, expenses, suits, arising out of, connected with, or incident to, ownership, maintenance, repair, and use of Campbell Lake, Inc., by Second Party, its members, guests, invitees, and licensees, which arise subsequent to the execution of this instrument. Second Party shall procure and maintain proper liability insurance with limits mutually agreed on by First Party and Second Party.

JOSEPH P. PALMIER
ATTORNEY AND COUNSELLOR AT LAW
731 "I" STREET, SUITE 108
ANCHORAGE, ALASKA 99501
TELEPHONE 279-8522

5. First Party hereby covenants and agrees to indemnify and hold Second Party harmless from and against any and all actions or causes of action, claims, demands, liabilities, loss, damage or expense of whatsoever kind and/or nature, including counsel or attorney's fees which Second Party may at any time incur as a result of legal proceedings instituted by the past, present, or future owners of South One-half (S-1/2) of Lot 20, William Lloyd Subdivision for the continuing nuisance as delineated in the Memorandum Decision by the Honorable Eben Lewis in Superior Court case #68-3099, rendered on the 12th day of June, 1972.

6. First Party shall have the right to subdivide and develop lake-front real estate owned by it, its successors and assigns, in a manner similar to its prior subdivision development and the owners of such lake-front lots, shall have the same rights and privileges as to use of Campbell Lake as the other members of Second Party.

7. First Party shall have the right to add to the existing Campbell Lake by dredging, or otherwise excavating, a lake bed in the NE 1/4 of the NE 1/4 of Section 14, Township 12 North, Range 4 West Seward Meridian and in Tract 5 Campbell Lake Tracts according to Plat 71-212 thereof on file. After such additional lake areas have been created, First Party will prepare and file a plat thereof and will convey, by deed, such additional lake areas to Second Party and Second Party agrees to accept such conveyances upon the same terms and conditions as are contained herein.

8. First Party hereby grants to Second Party a revocable permit or license to use Tract One (1) of Campbell Lake Tracts for access to the dam and spillway of Campbell Lake for the purpose of maintaining and repairing said dam and spillway. First Party agrees to grant a definitive easement to Second Party prior to, or simultaneous with the revocation of the permit or license herein granted, said easement to be for the same purposes as said license or permit.

9. First Party is a defendant in Civil Action No. 68-3099 now pending in the Superior Court for the State of Alaska, in which action Vernon Wood and Mary Wood are plaintiffs. This agreement and the conveyance mentioned herein are subject to any rights established by judgment or decree in said litigation entitling plaintiffs therein to any water use rights as to said Campbell Lake

resulting from the ownership by said plaintiffs of the South One-half (S-1/2) of Lot 20, William Lloyd Subdivision.

10. First Party reserves the right to grant present or future owners of the real estate which borders on and which is contiguous to the waters of Campbell Lake, part of which is described in Paragraph 9 hereof, the same rights or privileges regarding the use of Campbell Lake, but no greater or broader rights or privileges, as are enjoyed by the members of Second Party.

11. First Party reserves the right to fill in and raise any portion of the real estate described in Paragraph 9 hereof, which may be presently submerged, and to build a retainer wall or cofferdam to retain such fill in place.

12. Second Party agrees that it will not voluntarily sell, or dedicate Campbell Lake, to the public or to public use.

13. This agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto.

IN WITNESS WHEREOF, the parties have set their hands this 11 day of

October, 1972.

CAMPBELL LAKE, INC.

CAMPBELL LAKE OWNERS, INC.

By [Signature]
DAVID E. ALM, Its President

By [Signature]
ERWIN DAVIS, Its President

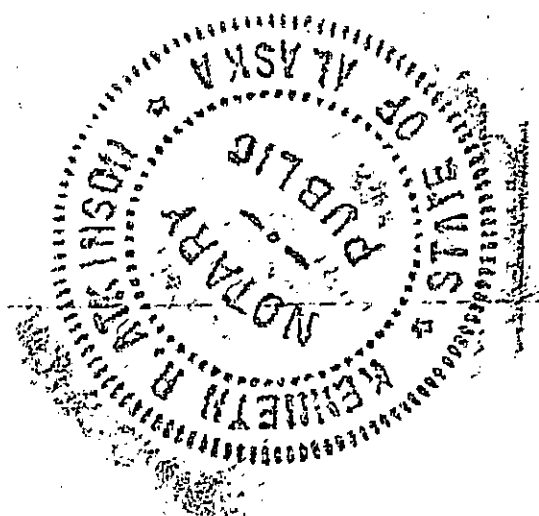
By [Signature]
MARGUERITE FRELIN
Its Secretary

STATE OF ALASKA)
THIRD DISTRICT) ss.

THIS IS TO CERTIFY that on the 11 day of October, 1972, before me, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared DAVID E. ALM, known to me and to me known to be the President of the corporation that executed the within and foregoing instrument, and he acknowledged the said instrument to be his free and voluntary act and deed of said corporation for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first hereinabove written.

[Signature]
Notary Public in and for Alaska
My commission expires: 4/4/1975

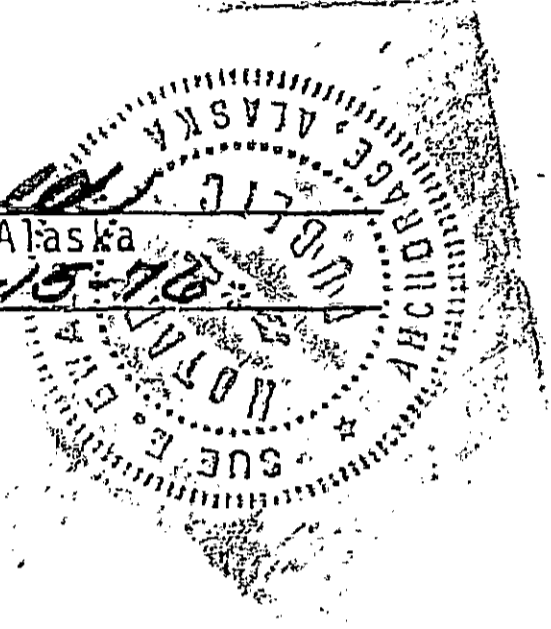


STATE OF ALASKA)
) SS.
THIRD DISTRICT)

THIS IS TO CERTIFY that on the 11 day of October, 1972, before me, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared ERWIN DAVIS and MARGUERITE FRELIN, known to me and to me known to be the President and Secretary, respectively, of the corporation that executed the within and foregoing instrument, and each acknowledged the said instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first hereinabove written.

Sue E. Yaworski
Notary Public in and for Alaska
My commission expires: 3-15-76



72-035591
9:00

RECORDED - ~~FILED~~
ANCHORAGE REG.
DISTRICT

OCT 13 1:19 PM '72

REQUESTED BY Kenneth Atkinson

ADDRESS Box 159

Arden Dr. 99510

#512799