

**RESTATED BYLAWS OF THE
PARKSHORE HOMEOWNERS' ASSOCIATION, INC.**

November 1993

TABLE OF CONTENTS

ARTICLE I - Recitals and Definitions

Section 1.1	Name of Corporation	1
Section 1.2	Corporation is Nonprofit	1
Section 1.3	Specific Purpose	1
Section 1.4	Applicability of Bylaws	1
Section 1.5	Personal Application	1
Section 1.6	Office	1
Section 1.7	Definitions	1
	Borough	1
	Declaration	1
	Articles of Incorporation	2
	Voting Power	2
	Majority of a Quorum	2
	Person	2
	Board	2
	Other Definitions Incorporated by Reference	3

ARTICLE II - Membership

Section 2.1	Members of the Association	3
Section 2.2	Term of Membership	3
Section 2.3	Death of a Member	3
Section 2.4	Voting with Multiple Ownership of Condominium Units	3
Section 2.5	Furnishing Evidence of Membership	3
Section 2.6	Fees, Dues and Assessments	3

ARTICLE III - Membership Voting

Section 3.1	Single Class of Membership	4
-------------	--------------------------------------	---

Section 3.2	Member Voting Rights	4
Section 3.3	Eligibility to Vote	4
Section 3.4	Manner of Casting Votes	4
	Voting at Membership Meetings	4
	Voting by Written Ballot	4
	Proxy Voting	4
	Cumulative Voting	4
Section 3.5	Proxies	5
	Proxies Generally	5
	Restriction or Elimination of Proxy Rights:	
	Limitation of Authority	5
	Proxy Rules for Multiple Memberships	5
Section 3.6	Action by Written Ballot with or Without a Meeting	5
	Definition of Written Ballot	5
	Written Ballots	5
	Content of Written Ballots	6
	Balloting Time Requirements	6
	Requirements for Valid Member Action by Written Ballot	6
	Solicitation Rules	6
	Notification of Balloting Results	6
	Prohibition of Revocation	6
Section 3.7	Majority Vote of Members Represented at Meeting	
	Required for Valid Action	6

ARTICLE IV - Membership Meetings

Section 4.1	Place of Meeting	7
Section 4.2	Annual Meeting	7
Section 4.3	Special Meetings	7
	Persons Entitled to Call Special Meetings	7
	Procedures for Calling Special Meetings	7
Section 4.4	Notice of Members' Meeting	7

	Requirement that Notice be Given	7
	Time Requirements for Notice	8
	Minimum Requirements Regarding Content of Notice	8
	Specification of Certain Significant Actions	8
	Manner of Service	8
	Affidavit of Mailing	9
Section 4.5	Quorum Requirements	9
	Quorum for Votes on Assessment Increases	9
	Quorum for Valid Action on Other Matters	9
	Members Represented by Proxy	9
	Effect of Departure of Members from Meeting	9
Section 4.6	Adjourned Meeting	9
Section 4.7	Record Dates for Member Notice and Voting	10
	Record Dates Established by the Board of Directors	10
	Record Date for Notice of Meetings	10
	Record Date for Voting	10
	Record Date for Action by Written Ballot	
	Without Meeting	10
	Record Date for Other Lawful Action	10
	Failure of Board to Fix a Record Date	10
	Record Date for Notice of Meetings	10
	Record Date for Voting	11
	Record Date for Action by Written Ballot	
	Without Meeting	11
	Record Date for Other Lawful Action	11

ARTICLE V - Membership Rights

Section 5.1	Use and Enjoyment of Common Areas by Members and Family	11
Section 5.2	Tenants and Lessees	11
	Delegation of Rights to Tenants and Lessees	11
	Requirement of Notice to Secretary	11
Section 5.3	Invitees and Guests	12
Section 5.4	Association Rules and Regulations	12

ARTICLE VI - Board of Directors

Section 6.1	Powers	12
Section 6.2	Number and Qualification of Directors	12
Section 6.3	Term of Office	12
Section 6.4	Nomination of Directors	13
	Candidates Selected by Nomination Committee	13
	Nominations From the Floor	13
	Good Standing Requirement	13
Section 6.5	Election of Directors	13
	Directors Elected at Annual Meeting	13
	Determination of Election Results/Succession to Office	13
Section 6.6	Vacancies on Board of Directors	14
	Resignation of Directors	14
	Authority of Board to Remove Directors	14
	Authority of Members to Remove Directors	14
	Board Authorized to Fill Vacancies	14

ARTICLE VII - Duties and Powers of the Board of Directors

Section 7.1	Specific Powers	14
Section 7.2	Limitations on Powers	17

ARTICLE VIII - Officers

Section 8.1	Officers	18
Section 8.2	Election of Officers	18
Section 8.3	Subordinate Officers	18
Section 8.4	Removal of Officers	18
Section 8.5	Resignation of Officers	18

Section 8.6	Vacancies	18
Section 8.7	President	18
Section 8.8	Vice Presidents	18
Section 8.9	Secretary	19
Section 8.10	Treasurer	19

ARTICLE IX - Board Meetings

Section 9.1	Place of Meetings	19
Section 9.2	Directors' Organizational Meeting	19
Section 9.3	Regular and Other Meetings	19
Section 9.4	Special Meetings	20
Section 9.5	Attendance by Members	20
Section 9.6	Quorum Requirements	20
Section 9.7	Adjournment	20
Section 9.8	Action Without a Meeting	20
Section 9.9	Compensation	20

ARTICLE X - Committees

Section 10.1	Committees of Directors	21
Section 10.2	Meetings and Actions of Committees	21

ARTICLE XI - Member Assessment Obligations and Association Finances

Section 11.1	Description of Assessments	21
Section 11.2	Checks	21
Section 11.3	Operating Account	22

Section 11.4	Other Accounts	22
Section 11.5	Budgets and Financial Statements	22
	Budget	22
	Year-End Report	22
	Annual Statement Regarding Delinquency/ Foreclosure Policy	23
	Review of Accounts	23
Section 11.6	Notice Regarding Right to Minutes	23

ARTICLE XII - Miscellaneous

Section 12.1	Inspection of Books and Records	23
	Member Inspection Rights	23
	Director Inspection Rights	24
Section 12.2	General Manager	24
Section 12.3	Robert's Rules of Order	24
Section 12.4	Amendment or Repeal of Bylaws	24
Section 12.5	Notice Requirements	24
Section 12.6	Indemnification	24
	Indemnification of Association	24
	Indemnification by Association of Directors and Officers	25
	Approval of Indemnity by Association	25
	Advancing Expenses for Indemnification	25
	Insurance	25
Section 12.7	Construction and Definitions	25

RESTATED BYLAWS OF THE PARKSHORE HOMEOWNERS' ASSOCIATION, INC.

ARTICLE I Recitals and Definitions

Section 1.1. Name of Corporation. The name of this corporation is the Parkshore Homeowners' Association, Inc. and is referred to in these Bylaws as the "Association."

Section 1.2. Corporation is Nonprofit. The Association has been formed pursuant to Alaska Statute (AS) 10.20 as a nonprofit corporation.

Section 1.3. Specific Purpose. The purpose of this Association is to operate a common interest community in accordance with the requirements for an association of unit owners charged with the administration of property under the Uniform Common Interest Ownership Act, AS 34.08., and to perform those acts and duties set forth in the Declaration.

Section 1.4. Applicability of Bylaws. The provisions of Alaska Statutes, AS 10.20 and AS 34.08, and these Bylaws shall govern the activities and business of the Association.

Section 1.5. Personal Application. All present or future owners or their employees, tenants and guests or visitors of owners or tenants, are subject to the regulations in these Bylaws and to the recorded Declaration, as amended. The acquisition or rental of any Condominium Unit signifies the acceptance, ratification and agreement to comply with these Bylaws.

Section 1.6. Office. The principal office of the Association is located at 800 F Street, Juneau, Alaska 99801, in the clubhouse building, unless the Board designates, by resolution, some other location within the Borough.

Section 1.7. Definitions.

- (a) **Borough.** "Borough" means the City and Borough of Juneau, State of Alaska.
- (b) **Declaration.** "Declaration" means all limitations, restrictions, covenants, terms and conditions described in the Declaration, as amended, of the Parkshore Residential Condominium Apartments according to Plat 80-58 and as amended by Plat 80-74, and as further amended by Plat 82-32, and as more particularly described in the "Declaration" recorded September 23, 1980, in Book 171 beginning at page 85, and as amended by:
 - 1) the Amendment to Declaration recorded November 5, 1980, in Book 172 beginning at page 565;

- 2) the Second Amendment to Declaration recorded on November 14, 1980, in Book 172 beginning at page 874;
- 3) the Third Amendment to Declaration recorded on May 10, 1982, in Book 195 beginning at Page 489;
- 4) an Amendment to Declaration recorded on March 3, 1987, in Book 284 beginning at page 64;
- 5) an Amendment to Declaration recorded on May 26, 1987, in Book 286 beginning at page 938;
- 6) an Amendment to Declaration recorded on February 12, 1988, in Book 296 beginning at page 995;
- 7) an Amendment to Declaration recorded on February 12, 1988, in Book 296 beginning at page 997; and
- 8) an Amendment to Declaration recorded on August 9, 1989, in Book 319 beginning at page 907; in the

Juneau Recording District, First Judicial District, State of Alaska, as the Declaration may from time to time be supplemented, amended, or modified by a subsequent Declaration, or amendment, and recorded in the Recorder's Office.

- (c) Articles of Incorporation. "Articles of Incorporation" means all limitations, restrictions, covenants, terms, and conditions described in the Articles of Incorporation of Parkshore Homeowners' Association, Inc., recorded March 31, 1987, File No. 39898-D.
- (d) Voting Power. "Voting Power" means Members who are eligible to vote, according to the provision of Section 3.3 of these Bylaws, for the election of directors or other matters presented to the Members for approval.
- (e) Majority of a Quorum. "Majority of a Quorum" means a majority of votes cast in person or by written ballot when the number of Members attending a membership meeting, or the number of ballots cast equals or exceeds the quorum requirement specified in Section 4.5. In the case of membership meetings, a Member's voting power may be represented at the meeting by proxy for the purpose of establishing a quorum only. (See Section 3.5.)
- (f) Person. "Person" means any individual, corporation, partnership, association or other entity recognized by the laws of the State of Alaska.
- (g) Board. "Board" means the Board of Directors.

- (h) Other Definitions Incorporated by Reference. The terms defined in the Declaration, as amended, have the same meaning when used in these Bylaws unless the use of the term herein clearly indicates a contrary intention.

ARTICLE II Membership

Section 2.1. Members of the Association. Any person who holds legal title to a unit in the common interest community shall be a member of the Association (a "Member").

Section 2.2. Term of Membership. Membership in the Association terminates upon the sale, conveyance or other transfer of an owner's interest in a Unit.

Section 2.3. Death of a Member. All rights of a deceased Member are vested with the personal representative of the estate of the deceased Member. If, through joint ownership of an unit, the deceased member's interest passed to the other owner(s), then upon the death of the deceased Member the other owner(s) become the Member.

Section 2.4. Voting with Multiple Ownership of Condominium Units. The owner(s) of each Condominium Unit are entitled to a single membership vote in the Association. If more than one person owns a Condominium Unit, all are considered as one Member for voting purposes, although all owners will have equal rights to use and enjoy the Common Areas and Common Facilities. If only one of several owners of a Condominium Unit is present at a meeting of the Association, the owner present is entitled to cast the vote allocated to the unit. If more than one of the owners is present, the vote allocated to the unit may be cast only in accordance with the agreement of a majority in interest of the owners. There is a majority agreement if any one of the owners casts the vote allocated to the Condominium unit without protest being made promptly to the person presiding over the meeting by another owner of the unit.

Section 2.5. Furnishing Evidence of Membership. A person is not entitled to exercise the rights of a Member until he or she has advised the secretary of the Association that he or she is qualified to be a Member under Section 2.1 above. The secretary may request that the person provide the Association with evidence of qualification in the form of a certified copy of a recorded grant deed or a currently effective policy of title insurance indicating that the person is the owner of a Parkshore Condominium Unit.

Section 2.6. Fees, Dues and Assessments. Fees, dues and assessments will be levied and collected as provided in Article Ten of the Articles of Incorporation, and Rules and Regulations approved by the Board on November 1, 1991, or as subsequently amended.

ARTICLE III Membership Voting

Section 3.1. Single Class of Membership. The Association shall have one class of voting membership consisting of the owners of Parkshore Condominium Units.

Section 3.2. Member Voting Rights. Each Member is entitled to cast one vote for each original Condominium Unit owned as further described in the Declaration, on each matter submitted to a vote of the Members, pursuant to the provisions of these Bylaws; i.e. combining two or more units into a single dwelling unit shall entitle the owner-member to the same number of votes as the number of units combined. Single memberships in which two or more persons have an interest will be voted as provided in Section 2.4 of these Bylaws.

Section 3.3. Eligibility to Vote. Only Members in good standing are entitled to vote. In order to be in good standing, a Member must be current in the payment of all assessments levied against the Member's unit(s) and not be subject to any suspension of voting privileges as a result of any disciplinary proceeding conducted in accordance with Article VII, Section 6 of the Declaration, as amended. A Member's good standing will be determined as of the record date established in accordance with Section 4.7 of these Bylaws. The Association is not obligated to conduct a hearing in order to suspend a Member's voting privileges on the basis of the nonpayment of assessments, although a delinquent Member is entitled to request a hearing in accordance with the Declaration, as amended. Votes allocated to unit(s) owned by the Association may not be cast.

Section 3.4. Manner of Casting Votes.

- (a) **Voting at Membership Meetings.** Voting at a membership meeting may be by voice or by ballot. However, voting in any election of directors will be conducted by secret ballot.
- (b) **Voting by Written Ballot.** In addition to voting in person or by proxy for the purpose of establishing a quorum at a meeting, Members' votes may be solicited by written ballot with respect to any issue in accordance with Section 3.6 of these Bylaws.
- (c) **Proxy Voting.** Members otherwise eligible to vote at a meeting may do so in person or by proxy for the purpose of establishing a quorum only.
- (d) **Cumulative Voting.** There will be no cumulative voting.

Section 3.5. Proxies.

- (a) Proxies Generally. A proxy may be used only for the purpose of establishing a quorum. All proxies must be on file with the secretary of the Association prior to the commencement of any meeting. An owner may revoke a proxy only by actual notice of the revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates eleven (11) months after its date, unless the proxy specifies a shorter term.
- (b) Restriction or Elimination of Proxy Rights: Limitation of Authority. No amendment of the Articles or Bylaws repealing, restricting, or expanding proxy rights may be adopted without approval by the affirmative vote of a majority of the voting power of the Members represented and voting at a duly held meeting at which a quorum is present, or voting by written ballot pursuant to Section 3.4(b) of these Bylaws.
- (c) Proxy Rules for Multiple Memberships. Where two or more persons constitute a Member, any proxy with respect to the vote of such Member must be made in accordance with Section 2.4 of these Bylaws.

Section 3.6. Action by Written Ballot With or Without a Meeting.

- (a) Definition of Written Ballot. A "written ballot" is a ballot which is mailed or otherwise distributed to every Member entitled to vote on the matter and which complies with the requirements of this section.
- (b) Written Ballots. Any matter requiring the vote of the Members, other than the election of directors, may be submitted for vote by written ballot without calling a meeting of the Members, so long as the requirements in this section are met. Members may request a proposal for a vote by written ballot to be presented to the full membership by having five (5) percent of the total membership present a written and signed request to the Board. If the request for a vote by written ballot is received from the Members, the Association's obligations to initiate the balloting process will be governed by this Article.

Once the determination is made to seek Member approval by written ballot, the Board will establish a record date (see Section 4.7 of these Bylaws) and distribute a written ballot to every Member entitled to vote on the matter. This distribution is to be consistent with the time requirements specified in subparagraph (d) of this Section.

- (c) Content of Written Ballots. Any written ballot distributed to the Members will describe the proposed action and provide an opportunity to specify approval or disapproval of the proposal.
- (d) Balloting Time Requirements. Written ballots will be distributed to all eligible Members at least 30 days prior to the final date the written ballots must be received by the Association, and will include a notice indicating the date by which the written ballot must be returned.
- (e) Requirements for Valid Member Action by Written Ballot. Membership approval by written ballot will only be valid if:
 - (i) the number of votes cast by ballot within the time established for return of the ballots equals or exceeds the quorum as specified in Section 4.5 of these Bylaws, that would have been required to be present at a membership meeting if a meeting had been convened to vote on the proposal; and
 - (ii) the number of affirmative votes equals or exceeds the number of affirmative votes that would have been required to approve the action at a meeting.
- (f) Solicitation Rules. Written ballots will be solicited in a manner consistent with the requirements of Section 4.4, pertaining to issuance of notice of Members' meetings. All solicitations of written ballots will indicate:
 - (i) the number of responses needed to meet the quorum requirement for valid action;
 - (ii) the time by which the written ballot must be received by the Association in order to be counted; and
 - (iii) the percentage of affirmative votes necessary to approve the measure.
- (g) Notification of Balloting Results. The Board will notify Members of the outcome of a vote by written ballot within 30 days following the close of the balloting process. The Board will also notify the Members within 30 days if the number of written ballots cast is insufficient to satisfy minimum quorum requirements.
- (h) Prohibition of Revocation. Once exercised, a written ballot may not be revoked.

Section 3.7. Majority Vote of Members Represented at Meeting Required for Valid Action. If a quorum is present, the affirmative vote of a majority of the voting power of Members represented at the meeting, in person or by written ballot, will be the act of all

Members. In the case of director elections, the candidates receiving the highest number of votes, up to the number of directors to be elected, will be elected to vacant director positions.

ARTICLE IV Membership Meetings

Section 4.1. Place of Meeting. The meetings of the Members will be at the office of the Association or at another place within the Borough, and at a time designated by the Board in the notice of the meeting.

Section 4.2. Annual Meeting. There will be an annual meeting of the Members each February. The notice of meeting sent to the Members in accordance with Section 4.4 of these Bylaws, will include the date, time and location of the meeting.

Section 4.3. Special Meetings.

- (a) **Persons Entitled to Call Special Meetings.** A majority of the Board, the president, or five percent (5%) or more of the Members may call special meetings of the Members to consider any lawful business of the Association.
- (b) **Procedures for Calling Special Meetings.** If a special meeting is called by Members other than the Board of Directors or the president, the request is to be submitted by the Members in writing, specifying the general nature of the business proposed to be transacted, and is to be hand-delivered or sent by first-class certified mail to any Board member. The Board will promptly notify the Members entitled to vote, in accordance with the provisions of Section 4.4 of these Bylaws, that a meeting will be held, and the date, time and purpose for the meeting. The date of the meeting will not be less than ten (10) nor more than sixty (60) days following receipt of the request. If notice of the special meeting is not given by the Board within 20 days after receipt of the request, the persons requesting the meeting may give the notice.

Nothing contained in this subsection is to be construed as limiting, fixing, or affecting the time when the meeting is called by the Board of Directors or the president.

Section 4.4. Notice of Members' Meetings.

- (a) **Requirement That Notice Be Given.** Notice of all regular and special meetings of the Members are to be sent or given in writing to each Member who is eligible to vote at the meeting as of the record date for notice established in accordance with Section 4.7 of these Bylaws.

- (b) Time Requirements for Notice. The notice of membership meetings must be given in the manner specified in subparagraph (e) of this section, not less than ten (10) nor more than sixty (60) days before the date of the meeting.
- (c) Minimum Requirements Regarding Content of Notice. The notice of any membership meeting is to specify the place, date, and hour of the meeting and:
- (i) in the case of a special meeting, the general nature of the business to be transacted, and no other business may be transacted; or
 - (ii) in the case of a regular meeting, those matters which the Board, at the time of giving the notice, intends to present for this action; but
 - (iii) any proper matter may be presented at the meeting for action so long as a quorum is present; and
 - (iv) the notice of any meeting at which directors are to be elected must include the names of all individuals who are nominees at the time the notice is given to the Members.
- (d) Specification of Certain Significant Actions. If action is proposed to be taken at any membership meeting for approval of any of the following proposals, the notice must also state the general nature of the proposal. Member action on these items is invalid unless the notice or written waiver of notice or consent states the general nature of the proposal(s):
- (i) removing a director without cause;
 - (ii) filling vacancies on the Board of Directors under those circumstances where a vote of the Members is required pursuant to Article III, Section 4(a) of these Bylaws;
 - (iii) amending the Articles of Incorporation of the Association, these Bylaws or the Declaration, as amended, in any manner requiring approval of the Members;
 - (iv) approving a contract or transaction between the Association and one or more of its directors, or between the Association and any corporation, firm or association in which one or more of its directors has a material financial interest;
 - (v) approving any change in the Association's Assessments requiring membership approval under the Declaration, as amended; or
 - (vi) voting upon any election to voluntarily terminate and dissolve the Association.
- (e) Manner of Service. Notice of any meeting of Members must be in writing and hand-delivered or sent by first-class certified mail, addressed to each Member either at the address of that Member appearing on the books of the

Association, or the address given by the Member to the Association for the purpose of notice.

- (f) **Affidavit of Mailing.** An affidavit of mailing or other means of giving notice of any Members' meeting may be executed by the secretary of the Association. If executed, the affidavit is to be filed with the minutes of the Association. The affidavit will constitute evidence that proper notice was given.

Section 4.5. Quorum Requirements. The following quorum requirements must be satisfied in order to take valid action at any meeting of the Members, or by written ballot in accordance with Section 3.6 of these Bylaws:

- (a) **Quorum for Votes on Assessment Increases.** In the case of any membership meeting or written ballot called or conducted for the purpose of voting on assessment increases requiring membership approval (see Article VII of the Declaration, as amended), the quorum requirement for valid action on the proposal will be a two-thirds (2/3rds) majority of the Members eligible to vote and represented in person at the meeting or voting by written ballot; and
- (b) **Quorum for Valid Action on Other Matters.** In the case of a membership meeting or written ballot called or conducted for any other purpose, the quorum will be a simple majority of the Members eligible to vote and represented in person or by proxy at the meeting or voting by written ballot.
- (c) **Members Represented By Proxy.** Members present at a membership meeting in person or by proxy will be counted towards satisfaction of the quorum requirements specified herein.
- (d) **Effect of Departure of Members From Meeting.** The Members present in person or by proxy at a duly called or duly held meeting at which a quorum is present may continue to transact business until adjournment. Should Members depart prior to adjournment, any action taken (other than adjournment) may be approved by at least a majority of the remaining Members required to constitute a quorum. If a quorum is not established for the meeting, a majority of those Members present may vote to adjourn the meeting for lack of a quorum, but no other action may be taken or business transacted.

Section 4.6. Adjourned Meeting. Any Members' meeting, annual or special meeting, whether or not a quorum is present, may be adjourned to another time and/or place (but not for more than 45 days) by the vote of the majority of Members present at the meeting. Unless there is an absence of a quorum, in which case no other business other than adjournment may be transacted, the reconvened meeting may take any action which might have been transacted at the original meeting. When a Members' meeting is adjourned to

another time or place, notice need not be given of the new meeting if the time and place are announced at the meeting at which the adjournment is taken.

Section 4.7. Record Dates for Member Notice and Voting.

- (a) **Record Dates Established By the Board of Directors.** For the purpose of determining which Members are entitled to receive notice of any meeting, vote, act by written ballot without a meeting or exercise any rights in respect to any other lawful action, the Board of Directors may fix, in advance, a "record date" and only Members of record on the date so fixed are entitled to notice, to vote, or to take action by written ballot or otherwise, as the case may be, notwithstanding any transfer of any membership on the books of the Association after the record date. A person holding a membership as of the close of business on the record date is considered to be the Member of record.

The record dates established by the Board pursuant to this section must be in accordance with the following requirements:

- (i) **Record Date for Notice of Meetings.** In the case of determining those Members entitled to notice of a meeting, the record date is not to be more than 90 days, nor less than 10 days before the date of the meeting;
 - (ii) **Record Date for Voting.** In the case of determining Members entitled to vote at a meeting, the record date is not to be more than 60 days before the date of the meeting;
 - (iii) **Record Date for Action By Written Ballot Without Meeting.** In the case of determining Members entitled to cast written ballots, the record date is not to be more than 60 days before the day on which the first written ballot is mailed or solicited; and
 - (iv) **Record Date for Other Lawful Action.** In the case of determining Members entitled to exercise rights in respect to other lawful action requiring Member approval, the record date is not to be more than 60 days prior to the date of such other action.
- (b) **Failure of Board to Fix a Record Date.** If the Board, for any reason, fails to establish a record date, the following rules will apply:
- (i) **Record Date for Notice of Meetings.** The record date for determining Members entitled to receive notice of a meeting of Members, will be the business day preceding the day on which notice is given, or, if notice is waived, the business day preceding the day on which the meeting is held.

- (ii) Record Date for Voting. The record date for determining Members entitled to vote at a meeting of Members will be the day of the meeting, or in the case of an adjourned meeting, the day of the adjourned meeting.
- (iii) Record Date for Action by Written Ballot Without Meeting. The record date for determining Members entitled to vote by written ballot on proposed Association actions without a meeting, when no prior action by the Board has been taken, will be the day on which the first written ballot is mailed or solicited. When prior action of the Board has been taken, it will be the day on which the Board adopts the resolution relating to that action.
- (iv) Record Date for Other Lawful Action. The record date for determining Members entitled to exercise any rights in respect to any other lawful action will be Members at the close of business on the day on which the Board adopts the related resolution, or the 60th day prior to the date of other action, whichever is later.

ARTICLE V Membership Rights

Subject to the following provisions and the provisions of the Declaration, as amended, the Members will have the following rights:

Section 5.1. Use and Enjoyment of Common Areas by Members and Family. Each Member, and members of his or her family, residing in the Member's Condominium Unit are entitled to use and enjoy all Common Areas, roads and Common Facilities within the properties. However, the right to use and enjoy any Limited Common Area is restricted to the owner(s) of each individual Condominium Unit and his or her family, guests, tenants and invitees.

Section 5.2. Tenants and Lessees.

- (a) Delegation of Rights to Tenants and Lessees. Other than voting rights, each Member has the right to assign his or her rights as a Member, to a tenant residing in the Member's Condominium Unit. The assignment is only effective so long as the tenant is residing in the Unit and is in compliance with the Declaration, as amended, and current Association Rules and Regulations. The owner remains responsible for his or her lessee or tenant's compliance with the provisions of governing documents.
- (b) Requirement of Notice to Secretary. Assignment of an owner's right to a tenant or lessee to use the Common Areas and Common Facilities will not be effective until the owner/Member has provided the secretary with a written

notice including the name and mailing address of the tenant or lessee and members of his or her family who may be entitled to use the Common Areas and Common Facilities within the properties.

Section 5.3. Invitees and Guests. The invitees and guests of a Member who resides in his or her Condominium Unit have the right to use and enjoy the Common Areas and Common Facilities within the properties. Guests or invitees are subject to the same obligations imposed on the owner to observe the rules, restrictions and regulations of the Association as described in governing documents.

Section 5.4. Association Rules and Regulations. The right of any person to use and enjoy the Common Areas and Common Facilities is subject to the rules, limitations and restrictions described in these Bylaws, in the Declaration, as amended, and in the Association's current Rules and Regulations. With the exception of the right of use of roads, the Board has the right to impose monetary penalties, and/or temporarily suspend the use of any Common Area and Common Facilities for failure of a Member to pay Assessments when due, or to comply with other rules or regulations imposed on the Member, his or her tenants or guests, pursuant to governing documents. However, any suspension will only be imposed after notice of hearing rights has been given in writing, more particularly described in the Declaration, as amended, and Association Rules and Regulations.

ARTICLE VI Board of Directors

Section 6.1. Powers. The business and affairs of the Association are vested in and exercised by the Association's Board of Directors, subject to the rights of Members by the Association's governing documents.

Section 6.2. Number and Qualification of Directors. The Board of Directors will consist of five (5) individuals who are owners of Condominium Units whose memberships are in good standing with all Assessments current and are not subject to any suspension of membership rights.

Section 6.3. Term of Office. The directors of this Association will serve for a term of two years with two directors elected in even-numbered years and three directors elected in odd-numbered years. At each annual meeting the Members present in person at the meeting or who have cast an absentee ballot will elect directors to replace directors whose terms are expiring. Board members may not serve more than two (2) consecutive terms. Each director, including a director elected to fill a vacancy or elected at a special meeting of Members, will hold office until the expiration of the term for which elected and until a successor has been elected and qualified.

Section 6.4. Nomination of Directors. Individuals can become candidates for election to the Board of Directors in any of the following ways:

- (a) **Candidates Selected by Nomination Committee.** At least 60 days prior to the date of any election of directors, the president will appoint a nominating committee to select qualified candidates to replace Board members whose terms are expiring. The nominating committee may be any Member of the Association in good standing. The nominating committee must make at least as many nominations for election to the Board as the number of vacancies to be filled. The nominating committee will make its report at least 30 days before the date of the election. The secretary will prepare a ballot which is to include all names of selected candidates and any matters requiring a vote by the Members. This ballot will be mailed to each Member along with the notice of the meeting at which the election is scheduled to take place in accordance with Article IV.
- (b) **Nominations From the Floor.** Any Member present at a meeting to elect directors may place names in nomination, with the concurrence of the nominee(s).
- (c) **Good Standing Requirement.** To be eligible for nomination and election to the Board, the Association secretary must certify that the candidate/Member is in good standing with the Association and is current in the payment of any Assessments.

Section 6.5. Election of Directors.

- (a) **Directors Elected at Annual Meeting.** At each annual meeting of the Members, the Members present in person or who have voted by absentee ballot will elect persons to those positions on the Board of Directors held by directors whose terms are expiring. The persons elected will be selected from persons nominated pursuant to Section 6.4 of these Bylaws. If for any reason an annual meeting is not held or the directors are not elected at an annual meeting, the directors may be elected at a special meeting held for that purpose, which special meeting shall be held within sixty (60) days after the date of the scheduled annual meeting where the election was to have taken place.
- (b) **Determination of Election Results/Succession to Office.** The candidates receiving the highest number of votes will be elected as directors and take office immediately following their election. In the event there is a tie vote between candidates who receive the lowest number of votes necessary to

qualify the candidate for election, the tie will be broken by ballot among the Members present.

Section 6.6. Vacancies on Board of Directors. Vacancies on the Board exist upon the death, resignation, or removal of a director, an increase of the authorized number of directors, or the failure of the Members to elect the number of directors at the annual meeting. A director elected to fill a vacancy shall be elected for the unexpired term of office which continues only until the next election of directors. In no event may a vacancy continue for longer than six (6) months or until the next annual meeting, whichever occurs first.

- (a) **Resignation of Directors.** A director may resign by giving written notice specifying an effective date to the Board. If the resignation is effective at a future date, the Board may select a successor to take office when the resignation becomes effective.
- (b) **Authority of Board to Remove Directors.** The Board has the authority to remove a director and declare his or her office vacant if he or she:
 - (i) has been declared of unsound mind by a final order of court;
 - (ii) has been convicted of a felony; or
 - (iii) fails to attend three consecutive regular meetings of the Board which have been given appropriate notice in accordance with this Article.
- (c) **Authority of Members to Remove Directors.** Except as otherwise provided in Section 6.6(b), a director may only be removed from office prior to expiration of his or her term by the affirmative vote of a majority of the voting power of the Members represented and voting at a duly held meeting at which a quorum is present or by written ballot conducted in accordance with Section 3.6.
- (d) **Board Authorized to Fill Vacancies.** A vacancy occurring in the board of directors and a directorship to be filled by reason of an increase in the number of directors may be filled by the affirmative vote of a majority of the remaining directors, though less than a quorum of the board of directors.

ARTICLE VII

Duties and Powers of the Board of Directors

Section 7.1. Specific Powers. Without prejudice to the general powers of the Board described in Section 6.1, the directors have the power to:

- (a) exercise all powers vested in the Board under the governing documents and under the laws of the State of Alaska;
- (b) appoint and remove:
 - (i) officers of the Association;
 - (ii) the Association's property manager (subject to any contractual commitments which may exist); and
 - (iii) other Association employees;
- (c) prescribe powers and duties for Association employees that are consistent with governing documents;
- (d) appoint agents and employ other employees, including attorneys and accountants, to assist in the operation of the Association, and fix their duties and establish their compensation;
- (e) adopt and implement rules and regulations, including notices and hearings subject to the provisions of the Declaration, as amended, governing:
 - (i) use of the Common Areas, the Common Facilities and roads within the properties;
 - (ii) personal conduct of Members and their guests; and
 - (iii) enforcement of rules and regulations, including imposing monetary penalties and/or suspension of voting rights and the right to use any Common Areas or Common Facilities;
- (f) enforce applicable provisions of governing documents relating to control, management, and use of Condominium Units, Common Areas, and Common Facilities and roads within the properties;
- (g) contract for and pay premiums for fire, casualty, liability and other insurance and bonds, including indemnity bonds, which may be required by the Association;
- (h) contract for and pay for maintenance, landscaping, utilities, materials, supplies, labor and services that may be required for the properties;
- (i) pay taxes, special assessments and other assessments and charges which are or would become a lien on any portion of the Properties;

- (j) contract for and pay for construction or reconstruction of any portion or portions of the Properties which have been damaged or destroyed and which are to be rebuilt;
- (k) delegate its duties and powers to the officers of the Association or to committees established by the Board, subject to limitations expressed in Article VIII and in Article X;
- (l) levy and collect assessments from Members of the Association in accordance with the Declaration, as amended, and establish and collect reasonable use charges for any Common Facilities as the Board considers necessary for the purpose of equitably allocating the cost of maintenance and operation among the users;
- (m) perform all acts required of the Board by the Declaration, as amended;
- (n) prepare budgets and maintain a full set of books and records showing the financial condition of the affairs of the Association in a manner consistent with generally accepted accounting principles; prepare an annual financial report to be presented at each annual meeting stating the financial condition of the corporation at the end of the previous calendar year;
- (o) appoint a nominating committee for the nomination of persons to be elected to the Board, and develop rules to define the purpose and function of the nominating committee;
- (p) appoint other committees as necessary in connection with the affairs of the Association in accordance with Article X;
- (q) fill vacancies on the Board or on any committee;
- (r) open bank accounts and borrow money on behalf of the Association and designate signatories to the accounts;
- (s) bring and defend actions on behalf of the Members in common or the Association to protect the interests of the Members or the Association so long as the action is pertinent to the operations of the Association, including the assessment of Members for the cost of this litigation; and
- (t) enter any Condominium Unit as necessary, subject to the notice requirements of the Declaration, as amended, in connection with construction, maintenance or emergency repairs for the benefit of the Unit or any adjoining Unit, the Common Areas, Common Facilities or the owners in common.

Section 7.2. Limitations on Powers. The Board is required to have the vote or written consent of a majority of the voting power of the Members, for any of the following actions:

- (a) enter into a contract with a third party for furnishing goods or services to the Common Area or the Association for a term longer than one year. This restriction does not apply to:
 - (i) FHA or VA approved management contracts;
 - (ii) public utility contracts where the rates charged for materials or services are regulated by the Public Utilities Commission, provided that the term of the contract may not exceed the shortest term for which the supplier will contract at the regulated rate;
 - (iii) prepaid casualty or liability insurance policies not to exceed three years duration, provided the policies provide for short rate cancellation by the insured; or
 - (iv) agreements for cable television services and equipment or satellite dish television services and equipment not to exceed five years' duration;
- (b) incur aggregate expenditures for capital improvements to the Common Areas in any fiscal year in excess of five (5) percent of the budgeted gross expenses of the Association for that fiscal year; however, this limitation will not apply to expenditures of funds accumulated in a reserve fund established for specific capital replacement or new capital improvements;
- (c) sell property of the Association during any fiscal year having an aggregate fair market value greater than five (5) percent of the budgeted gross expenses of the Association for that year; however, this limitation does not apply to the sale or other disposition of Condominium Units acquired by the Association in foreclosure proceedings;
- (d) pay compensation to members of the Board or officers of the Association, except that the Board may reimburse directors and officers for reasonable out-of-pocket expenses incurred in the discharge of their duties if such reimbursement is requested in writing and supporting documentation is provided; and
- (e) fill any vacancy on the Board created by a director having been removed through action by Members.

ARTICLE VIII Officers

Section 8.1. Officers. The officers of the Association will consist of a president, two vice presidents, a secretary and a treasurer. The salaries, or other compensation of officers of the Association, if any, will be fixed by a majority vote of the Members at the annual meeting.

Section 8.2. Election of Officers. The officers of the Association, except officers appointed in accordance with the provisions of Sections 8.3 and 8.5, will be selected by majority vote of the Board at its first regular meeting immediately following the annual meeting of the Members or the election of directors. Each will hold his or her office until he or she resigns or is removed or otherwise disqualified to serve, or his or her successor is elected and qualified.

Section 8.3. Subordinate Officers. The Board may appoint, and may empower the president to appoint, such other officers as the affairs of the Association may require.

Section 8.4. Removal of Officers. Any officer may be removed, either with or without cause, by a majority vote of the Board at any regular or special meeting.

Section 8.5. Resignation of Officers. Any officer may resign at any time by giving written notice to the Board or to the president or to the secretary. Resignations take effect the date of receipt of notice or at the time specified. Unless otherwise specified, acceptance of a resignation will not be necessary to make it effective. A resignation is without prejudice to the rights of the Association under any contract to which the officer is a party.

Section 8.6. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or any other cause is to be filled as described in Section 6.6 of these Bylaws.

Section 8.7. President. The president is elected by the Board from among the directors. He or she will be the chief executive officer of the Association and, subject to the control of the Board, have general supervision, direction and control of the affairs and officers of the Association. He or she presides at all meetings of the Board, and has the general power and duties of management usually vested in the office of president of a corporation, together with other powers and duties as determined by the Board or the Bylaws.

Section 8.8. Vice Presidents. The first and second vice presidents will be elected by the Board from among the directors. In the absence or disability of the president, the first vice president will perform all the duties of the president and will have all the powers of, and be subject to the same restrictions as the president. In the absence or disability of the president and the first vice president, the second vice president will perform all the duties of the president and have all the powers of, and be subject to the same restrictions as the president.

The first and second vice presidents shall have other powers and perform other duties as set forth in these Bylaws or as determined from time to time by the Board.

Section 8.9. Secretary. The secretary will be elected by the Board from among the directors. The secretary shall keep minutes of all meetings of directors and Members, stating the time and place, whether regular or special, and if special, how authorized and the notice given, the names of those present at Board meetings, the number of Members present in person or by proxy at Members' meetings, and the proceedings. The minutes of the Association shall be kept in the Association's office.

The secretary shall keep appropriate current records listing the Members of the Association together with their current addresses. He or she shall give notice of all meetings of the Board required by the Bylaws, and will have other powers and perform other duties as set forth in these Bylaws or as determined from time to time by the Board.

Section 8.10. Treasurer. The treasurer shall be elected by the Board from among the directors. The treasurer shall keep and maintain adequate and correct accounts of the properties and business transactions of the Association, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings and other matters customarily included in financial statements. The books and records are to be open to inspection by any director or Member at reasonable times. The treasurer shall deposit all monies and other valuables in the name and to the credit of the Association with depositories designated by the Board. He or she shall disburse the funds of the Association as directed by the Board, provide the Board an account of all of his or her transactions as treasurer and of the financial condition of the Association, and will have other powers as set forth in these Bylaws or as determined from time to time by the Board.

ARTICLE IX Board Meetings

Section 9.1. Place of Meetings. Regular Board meetings will be held at the Association's office. Special meetings may be held at any place consented to by all the Board members.

Section 9.2. Directors' Organizational Meeting. Immediately following each annual meeting of Members, the Board will hold a regular meeting for the purpose of organization, election of officers, and transaction of other business. Notice of this meeting is not required.

Section 9.3. Regular and Other Meetings. Regular meetings of the Board may be held monthly. Notice of the time and place of any regular meeting will be posted in the Clubhouse. Other meetings of the Board may be held without notice at the time and date selected by the Board.

Section 9.4. Special Meetings. Special meetings may be called at any time by the president or any two directors. Each director is to be given notice of the time and place of special meetings of the Board at least two (2) days before the meeting by personal delivery of written notice, or by telephone. The notice shall state the time, place, and purpose of the meeting and shall be posted on the clubhouse bulletin board.

Section 9.5. Attendance by Members. With the exception of executive sessions of the Board as described in this Section 9.5, all meetings of the Board are open to Members of the Association. The Board, upon the affirmative vote of a majority of the directors present at a meeting at which a quorum has been established, are entitled to adjourn for purposes of reconvening in executive session to discuss litigation in which the Association is or may become a party, personnel matters, contract negotiations or Member disciplinary proceedings where that Member requests that the hearing be conducted in executive session. Prior to adjourning into an executive session, the topic(s) to be discussed in such session must be announced to the Members in attendance at the meeting. The Board does not have to call an open meeting before meeting in executive session with respect to the matters described above.

Section 9.6. Quorum Requirements. A majority of the authorized number of directors constitutes a quorum for the transaction of business, except to adjourn as provided in Section 9.7 of these Bylaws. Every act or decision done or made by a majority of the directors present at a meeting is regarded as the act of the Board. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors below a quorum, if action taken is approved by at least a majority of the required quorum for that meeting.

Section 9.7. Adjournment. A majority of the directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place.

Section 9.8. Action Without a Meeting. Any action required or permitted to be taken by the Board may be taken without a meeting, if all members of the Board, individually or collectively, consent in writing to that action. Action by written consent has the same force and effect as unanimous vote of the Board. Written consent must be filed with the minutes of the proceedings of the Board and has the same effect as unanimous vote of the Board. If prompt or immediate action is necessary and there is insufficient time to comply with the notice requirements described in this Article, reasonable efforts will be made to contact all Board members regarding the proposed action in advance.

Section 9.9. Compensation. Directors, officers and members of committees are not entitled to compensation for their services, although they may be reimbursed for reasonable actual expenses incurred in connection with their activities with the Association. Reimbursement is to be requested in writing and accompanied by appropriate receipt or invoice, to be approved by the Board.

ARTICLE X Committees

Section 10.1. Committees of Directors. In addition to the appointed nominating committee, the Board may designate other committees to serve at the pleasure of the Board. Committees may have all of the authority of the Board, except that no committee, regardless of Board resolution, may:

- (a) take final action on any matter which requires approval of the Members;
- (b) fill vacancies on the Board or on any committee which has been delegated any authority of the Board;
- (c) amend or repeal Bylaws or adopt new Bylaws;
- (d) amend or repeal any resolution of the Board which by its express terms is not amendable or repealable;
- (e) appoint any other committees of the Board or designate the members of those committees; and
- (f) approve any transaction to which the Association is a party and one or more directors have a material financial interest, or between the Association and one or more of its directors or between the Association or any person in which one or more of its directors have a material financial interest.

Section 10.2. Meetings and Actions of Committees. Meetings and actions of committees are governed by the provisions of Article IX of these Bylaws, concerning Board meetings. The Board establishing the committee may require minutes be kept of each committee meeting and be filed with the Association records. The Board will adopt rules consistent with the provisions of these Bylaws for the governance of any committee.

ARTICLE XI Member Assessment Obligations and Association Finances

Section 11.1. Description of Assessments. Owners of Condominium Units are subject to assessments more particularly described in Article VII of the Declaration, as amended.

Section 11.2 Checks. All checks or demands for money and notes from the Association will require the signature of two members of the Board. Withdrawal of funds from Association reserve accounts will also require the signature of two directors.

Section 11.3. Operating Account. All Members' fixed and special assessments will be deposited into a cash deposit account known as the "Operating Account". Disbursements are for the general operation of the Association including, but not limited to, wages, repairs, improvements, maintenance, and other operating expenses incurred by the Association.

Section 11.4. Other Accounts. The Board may maintain other accounts necessary to carry out its purposes, including reserve accounts to replace capital improvements as described in Article V of the Declaration, as amended. All Association books of account will be maintained in accordance with generally accepted accounting principles.

Section 11.5. Budgets and Financial Statements. The following financial statements and related information for the Association are to be distributed at the annual meeting to each Member of the Association.

(a) **Budget.** An operating budget document is to be distributed to Members at the annual meeting. The budget is to include at least the following information:

- (i) The Association's estimated revenue and expenses;
- (ii) A summary of the Association's reserves including the following:
 - (A) A current estimate of the amount of cash reserves necessary for Association capital projects for the coming fiscal year;
 - (B) The current amount of accumulated cash reserves actually set aside for Association Capital Projects for the coming fiscal year;
 - (C) The percentage that the amount of accumulated cash reserves is of the estimated amount of necessary cash reserves calculated under Section 11.5(a)(ii)(B);
- (iii) A statement concerning the necessity to levy one or more special assessments to repair, replace or restore any major component, or to provide adequate reserves for such matters; and
- (iv) A general statement describing the procedures used by the Board to calculate and establish reserves used to defray future costs of repair, replacement or additions to major components of the properties.

In lieu of distributing the operating budget document described above, the Board may elect to distribute a summary of the budget to the Members together with a notice that the complete budget is available at the Association's principal office and that, upon request, copies will be furnished to any Member at the Association's expense. This notice is to be printed on the front page of any budget summary.

(b) **Year-End Report.** Within 120 days after the close of the fiscal year, a copy of the Association's annual report consisting of at least the following will be available in the Association's office:

- (i) balance sheet as of the end of the fiscal year;
- (ii) operating (income) statement for the fiscal year;
- (iii) statement of changes in financial position for the fiscal year;
- (iv) statement advising Members of the place where the names and addresses of the current Members are located; and
- (v) disclosure of transactions in excess of \$100.00 per year between the Association and any director or officer of the Association and indemnifications and advances to officers or directors in excess of \$10,000 per year.

The annual report, to be no less than a review audit, is to be prepared by a CPA registered with the Department of Commerce State Board of Accountancy.

(c) **Annual Statement Regarding Delinquency/Foreclosure Policy.** In addition to financial statements at the annual meeting, the Board may distribute a statement describing action concerning Members in default of the payment of regular and special assessments including recording and foreclosing liens against delinquent Member's Condominium Units.

- (d) **Review of Accounts.** At least quarterly the Board shall:
- (i) review a current reconciliation of the Association's operating account;
 - (ii) review a current reconciliation of the Association's reserve accounts;
 - (iii) review the current year's actual reserve revenues and expenses compared to the current year's budget;
 - (iv) review the Association's latest account statements prepared by the financial institution(s) with whom the operating and reserve accounts are lodged; and
 - (v) review the Association's income and expense statement for the operating and reserve accounts.

Section 11.6. Notice Regarding Right to Minutes. Members of the Association may obtain copies of the minutes of any Board meeting from the Association's office as governed by the provisions of Section 12.1(a) of these Bylaws.

ARTICLE XII Miscellaneous

Section 12.1. Inspection of Books and Records.

(a) **Member Inspection Rights.** All accounting books and records, minutes of proceedings of the Members, the Board and committees of the Board and the membership list of the Association will be available to Members or their appointed representative for inspection at the office of the Association. Member inspection shall be upon written demand to the Association given at least ten (10) days prior to the inspection and stating with

reasonable particularity the purpose of the inspection. The inspection may take place at a reasonable time and for a proper purpose; only those Association books and records directly connected to the stated purpose of the inspection may be inspected. The expense associated with any copies of the documents inspected shall be paid by the Member at the time of copying.

(b) **Director Inspection Rights.** Every director has the right at any reasonable time to inspect all books, records, documents and minutes of the Association and the physical properties owned by the Association. The right of inspection by a director includes the right to have extracts and copies of documents made.

Section 12.2. General Manager. The Board may employ the services of a manager to manage the affairs of the Association and, to the extent not inconsistent with the laws of the State of Alaska, the Board may delegate any of its day-to-day management and maintenance duties and powers under these Bylaws and the Declaration, as amended, to the manager, provided that the general manager remains subject to the general control of the Board.

Section 12.3. Robert's Rules of Order. In the event of a question or dispute concerning the procedural aspects of any meetings which cannot be resolved by reference to these Bylaws or applicable law, the matter is to be resolved by reference to Robert's Rules of Order.

Section 12.4. Amendment or Repeal of Bylaws. Except as otherwise expressly provided herein, these Bylaws may only be amended or repealed, and new Bylaws adopted by the affirmative vote or consent by written ballot of a majority of the voting power of the Association. An amendment to these Bylaws will become effective immediately upon approval by the Members. The secretary of the Association will certify adoption of approved amendments to the Bylaws and a copy of the approving certificate and the amendment will be included in the Association's corporate records.

Section 12.5. Notice Requirements. Any notice permitted or required by the provisions in these Bylaws may be hand-delivered mailed.

Section 12.6. Indemnification.

- (a) **Indemnification of Association.** Each owner is liable to the Association for any damage to the Common Areas caused by the negligence or willful misconduct of the owner or his or her family, guests, invitees, tenants or lessees, to the extent that the damage is not covered by insurance. Each owner will indemnify, hold harmless, and pay any costs of defense of each other owner from claims for personal injury or property damage occurring within any Unit owned by the indemnitor, provided that this protection will not extend to any indemnitee whose negligence or willful misconduct caused or

contributed to the injury or damage. This section is not intended to be for the benefit of any insurer and will not affect nor limit the duty of any insurer to pay any claim which would be payable by insurer but for this section.

- (b) Indemnification by Association of Directors and Officers. To the fullest extent permitted by law, the Association will indemnify its directors and officers, including persons formerly occupying any such positions, against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred by them in connection with any "proceeding".
- (c) Approval of Indemnity by Association. On written request to the Board by any person seeking indemnification hereunder, the Board will promptly determine whether the applicable standard of conduct has been met and, if it has, the Board will authorize indemnification. If the Board cannot authorize indemnification because the number of directors who are parties to the proceeding with respect to which indemnification is sought prevents the formation of a quorum of directors who are not parties to the proceeding, the Board will promptly call a meeting of Members. At that meeting, the Members are to determine whether the applicable standard of conduct has been met and, if it has, the Members present at the meeting in person or by absentee ballot will authorize indemnification.
- (d) Advancing Expenses for Indemnification. To the fullest extent permitted by law and except as is otherwise determined by the Board in a specific instance, expenses incurred by a director or officer seeking indemnification under Sections 12.6(b) and 12.6(c) in defending proceedings covered by those sections will be advanced by the Association before final disposition of the proceeding. However, it is understood that the advance will be repaid unless it is ultimately determined that the person is entitled to be indemnified by the Association for those expenses.
- (e) Insurance. The Association has the power to purchase and maintain insurance on behalf of its directors and officers against other liability asserted against or incurred by any director or officer in their individual Association capacity.

Section 12.7. Construction and Definitions. Unless the context requires otherwise or a term is specifically defined in these definitions, the general provisions, rules of construction, and definitions in the Declaration, Articles of Incorporation, AS 10.20, or AS 34.08 govern the construction of these Bylaws.

////

////

CERTIFICATE OF SECRETARY

The undersigned secretary of the corporation known as Parkshore Homeowners' Association, Inc., certifies that the foregoing Bylaws, consisting of 26 pages, were adopted by written ballot of the Members of the Association on the 16 day of November, 1993, and that they now constitute the Association's Bylaws.

PARKSHORE HOMEOWNERS' ASSOCIATION, INC.,
an Alaska nonprofit corporation.

By

Mary Lou Parvis
Mary Lou Parvis, Secretary

WITNESSED:

Peggie J. Ward
Peggie J. Ward, President

Ted Vadman
Ted Vadman, First Vice-President

Rod Mourant
Rod Mourant, Second Vice President

Steve Brink
Steve Brink, Treasurer

A:\bylaws.chg