

AMENDED BYLAWS
OF
EAGLE CROSSING HOMEOWNERS ASSOCIATION

ARTICLE I - INTRODUCTION

These are the Amended Bylaws of the EAGLE CROSSING HOMEOWNERS ASSOCIATION. Initial capitalized terms are more specifically defined in Article I of the Declaration for Eagle Crossing, a Planned Community. For purposes of these bylaws, those defined terms are incorporated herein by reference as though more fully set forth herein. The said Declaration was recorded on May 4, 1994 in Book 02646 at Pages 537 through 595, inclusive. A copy is also attached as Exhibit "A" to the Public Offering Statement for Eagle Crossing.

These bylaws, along with the Declaration, any Covenants, Conditions and Restrictions, the Articles of Incorporation for the Homeowners Association, the bylaws and the Act (AS 34.08.010 *et seq.*) shall govern the operation and affairs of the Eagle Crossing Common Interest Community. In the event that a conflict exists among provisions contained in the foregoing, priority shall be given to the language contained in the following listed sources of authority, in the order in which they are listed: The Act (AS 34.08.010 *et seq.*); the Declaration for the Planned Community; the Articles of Incorporation for the Homeowners Association; the Bylaws for the Homeowners Association; and, the Covenants, Conditions and Restrictions for the planned community. The provisions of the Declaration, as applicable, and specifically Articles 14, 15, 23, 24, 25, and any applicable Exhibits attached to the Declaration, are incorporated herein by reference as though more fully set forth herein.

ARTICLE II - EXECUTIVE BOARD OF DIRECTORS

Section 2.1 - Appointment of Initial Executive Board of Directors.

(a) The Initial Executive Board of Directors shall be appointed by Declarant and shall be three (3) in number. Initial Directors shall serve until such time as Declarant has relinquished control of the Homeowners Association under the terms and conditions set forth in Section 8.9 of the Declaration, at which time Directors shall be elected as set forth below in Section 2.2. If a Homeowners Association Manager is engaged to manage the day-to-day affairs of the planned community, he shall serve on

the Executive Board of Directors both initially and in perpetuity so long as the position of Association Manager exists. Nothing contained herein, however, shall prevent the discharge of the Association Manager by the Executive Board of Directors by a simple majority vote, without cause, in which case any newly engaged Association Manager shall succeed to the vacated Director seat. The Initial Executive Board of Directors members may, but shall not be required, to also serve as Officers for the Homeowners Association, as the need requires and as determined by the Declarant until such time as control of the Association has been relinquished to the Unit Owners. The Initial Executive Board of Directors shall appoint such Officers of the Association as are necessary to perform the functions of the Association.

Section 2.2 - Number, Qualification and Election.

(a) Except as set forth above in Section 2.1, the affairs of the Common Interest Community and the Association shall be governed by an Executive Board which shall consist of at least three (3) persons, two (2) of which shall be Unit Owners, one (1) of which shall be an Association Manager, if engaged, or one (1) of which shall be the Declarant or his/her designee. If any Unit is owned by a partnership or corporation, any officer, partner or employee of that Unit Owner shall be eligible to serve as a Director and shall be deemed to be a Unit Owner for the purposes of the preceding sentence. Directors shall be elected by the Unit Owners, except for filling director seats initially, which Directors shall be appointed by Declarant as set forth herein. At any meeting at which Directors are to be elected, the Unit Owners may, by resolution, adopt specific procedures which are not inconsistent with these Bylaws or the provisions of Title 10 (the corporate laws for the State of Alaska) for conducting an election. Whenever a conflict exists between these Bylaws and the provisions of Title 10, the provisions of the Act shall prevail.

(b) The terms of at least one-third of the Directors shall expire after five year terms and, as established in a resolution by the Unit Owners or by Declarant, if control of the Association has not yet been turned over to the Unit Owners. However, so long as an Association Manager is engaged to manage the affairs of the planned community, that Manager shall be elected as a Director for any such term or terms.

(c) Section 8.9 of the Declaration shall govern appointment of Directors of the Executive Board of Directors during the period of Declarant control.

(d) The Executive Board of Directors shall elect the officers of the Association. The Directors and Officers shall take office upon election or appointment.

Section 2.3 - Powers and Duties. The Executive Board of Directors may act in all instances on behalf of the Association, except as provided in the Declaration, the Articles of Incorporation, these Bylaws or the Act. The Board shall have, subject to the limitations contained in the Declaration and the Act, the powers and duties necessary

for the administration of the affairs of the Association and of the Common Interest Community, which shall include, but not be limited to, the following:

- (a) Adopt and amend Bylaws and Rules and Regulations;
- (b) Adopt and amend budget for revenues, expenditures and reserves;
- (c) Collect assessments for Common Expenses from Unit Owners;
- (d) Hire and discharge managing agents;
- (e) Hire and discharge employees, independent contractors and agents other than managing agents;
- (f) Institute, defend or intervene in litigation or administrative proceedings or seek injunctive relief for violations of the Association's Declaration, Bylaws, Rules or Regulations, or covenants, conditions and restrictions for the planned community, all in the Association's name, on behalf of the Association or two or more Unit Owners on matters affecting the Common Interest Community;
- (g) Make contracts and incur liabilities;
- (h) Regulate the use, maintenance, repair, replacement and modification of Common Elements;
- (i) Cause additional improvements to be made as a part of the Common Elements;
- (j) Acquire, hold, encumber and convey, in the Association's name, any right, title or interest to real estate or personal property, but Common Elements may be conveyed or subject to a security interest only pursuant to the terms and conditions of AS 34.08.430;
- (k) Grant easements for any period of time, including permanent easements, and grant leases, licenses and concessions for no more than one year, through or over the Common Elements;
- (l) Impose and receive a payment, fee or charge for services provided to Unit Owners and for the use, rental or operation of the Common Elements, other than Limited Common Elements described in Subsections (2) and (4) of AS 34.08.100;
- (m) Impose a reasonable charge for late payment of assessments and, after Notice and Hearing, levy a reasonable fine for a violation of the Declaration, Bylaws, Rules and Regulations of the Association, or the covenants, conditions and restrictions

governing the planned community.

(n) Impose a reasonable charge for the preparation and recording of amendments to the Declaration, resale certificates required by AS 34.08.590 or statements of unpaid assessments;

(o) Provide for the indemnification of the Association's Officers and Executive Board of Directors and maintain Directors' and Officers' liability insurance.

(p) Assign the Association's right to future income, including the right to receive Common Expense assessments;

(q) Exercise any other powers conferred by the Declaration, the Articles of Incorporation, these Bylaws, any Association Rules and Regulations, the covenants, conditions and restrictions, or the Act.

(r) Exercise any other power that may be exercised in the state by a legal entity of the same type as the Association;

(s) Exercise any other power necessary and proper for the governance and operation of the Association; and

(t) By resolution, establish committees of Directors, permanent and standing, to perform any of the above functions under specifically delegated administrative standards as designated in the resolution establishing the committee. All committees must maintain and publish notice of their actions to the Unit Owners and the Executive Board of Directors. However, action taken by a committee may be appealed to the Executive Board by a Unit Owners within 45 days of publication of notice of that action, and the committee's action must be ratified, modified or rejected by the Executive Board at its next regular meeting.

The Executive Board of Directors may delegate the performance of these powers to the Officers of the Association. However, the responsibility for such performance remains with the Executive Board of Directors.

Section 2.4 - Presiding Officer. The members of the Executive Board of Directors shall select from the members the person designated as the Presiding Officer for all meetings of the Executive Board of Directors. Such designated individual shall be a Director, but may hold any other office within the Association. Such designation shall be made at each annual organizational meeting of the Executive Board of Directors.

Section 2.5 - Standard of Care. In the performance of their duties, the Officers and Directors of the Executive Board are required to exercise the care required of fiduciaries of the Unit Owners.

Section 2.6 - Additional Limitations. The Executive Board of Directors shall be additionally limited pursuant to Section 24.3 of the Declaration, which provides as follows:

(a) The Executive Board may not act on behalf of the Association to amend the Declaration, except in accordance with Article XIV of the Declaration, to terminate the common interest community or to elect members of the Executive Board of Directors or determine the qualifications, powers and duties, or terms of office of Executive Board of Directors members, but the Executive Board may fill vacancies in its membership for the unexpired portion of the term.

Section 2.7 - Association Manager. The Executive Board of Directors may employ an Association Manager for the Common Interest Community, at a compensation established by the Executive Board of Directors, to perform duties and services authorized by these Bylaws and not prohibited by the Declaration, the Articles of Incorporation, any promulgated Rules and Regulations, or the covenants, conditions or restrictions for the Common Interest Community. The Executive Board of Directors shall enumerate, in writing, which of its powers have been delegated to the Association Manager. Licenses, concessions and contracts may be executed by the Association Manager pursuant to specific resolutions of the Executive Board of Directors and to fulfill the requirements of the budget. The Association Manager shall sit on the Executive Board of Directors as a perpetual member of said board, so long as the position of Association Manager exists. Upon termination as Association Manager, his position as a Board member shall also, automatically terminate and his seat may be filled by a vote of the remaining members of the Executive Board of Directors. The Association Manager may also be appointed to serve in any Officer position, including that of President.

Section 2.8 - Removal of Directors. The Unit Owners, by a two-thirds vote of all persons present and entitled to vote, at any meeting of the Unit Owners at which a quorum is present, may remove any Director of the Executive Board, other than a Directors appointed by the Declarant or the Association Manager, with or without cause. The Executive Board of Directors may remove the Association Manager from the Board, with or without cause and whether or not the Association Manager has been terminated as manager.

Section 2.9 - Vacancies. Vacancies in the Executive Board of Directors, caused by any reason other than the removal of a Director by a vote of the Unit Owners, may be filled at a special meeting of the Executive Board of Directors held for that purpose at any time after the occurrence of the vacancy, even though the Directors present at that meeting may constitute less than a quorum. These appointments shall be made in the following manner:

(a) As to vacancies of Directors whom Unit Owners other than the Declarant elected, by a majority of the remaining elected Directors constituting the

Executive Board of Directors; and,

(b) As to vacancies of Directors whom the Declarant has the right to appoint, by the Declarant; and,

(c) As to the Association Manager, by a majority of the remaining elected Directors constituting the Executive Board of Directors.

Section 2.10 - Regular Meetings. The first regular meeting of the Executive Board of Directors following each annual meeting of the Unit Owners shall be held within 10 days after the annual meeting at a time and place to be set by the Unit Owners at the meeting at which the Executive Board shall have been elected. No notice shall be necessary to the newly elected Directors in order to legally constitute such meeting, provided a majority of the Directors are present. The executive Board of Directors may set a schedule of additional regular meetings by resolution, and no further notice is necessary to constitute regular meetings. The Executive Board of Directors may, but shall not be required to, consider Association presentations at any regular or special meetings.

Section 2.11 - Special Meetings. Special meetings of the Executive Board of Directors may be called by the President or by a majority of the Directors on at least three business days' notice to each Directors. The notice shall be hand-delivered or mailed and shall state the time, place and purpose of the meeting. Meetings may be held telephonically and on shorter notice if a written consent of a majority of the Directors is obtained and a quorum is present for the meeting. A preference for three-day notice is recognized in these Bylaws unless the matter being considered is in the nature of an emergency that cannot wait for the normal three-day period to commence.

Section 2.12 - Location of Meetings. All meetings of the Executive Board of Directors shall be held within Eagle River, Alaska, unless all participating Directors consent in writing to another location.

Section 2.13 - Waiver of Notice. Any Director may waive notice of any meeting and its purpose in writing. Attendance by a Director at any meeting of the Executive Board of Directors shall constitute a waiver of such notice of meeting and agenda. If all the Directors are present at any meeting, no notice shall be required, and any business may be transacted at such meeting. If any Director dissents as to any action taken at such a meeting, such dissent shall be submitted in writing as soon after the meeting as is reasonably possible.

Section 2.14 - Quorum of Directors. At all meetings of the Executive Board of Directors, a majority of the Directors shall constitute a quorum for transaction of business, and the votes of a majority of the Directors present shall constitute a decision of the Board. If, at any meeting, there shall be less than a quorum present, a

majority of those present may adjourn the meeting. At any adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 2.15 - Compensation. A Director may receive a fee from the Association for acting as a Director, as may be set by resolution of the Board, and may also receive reimbursement for necessary expenses actually incurred in connection with the Director's duties. Directors acting as Officers or employees may also be compensated for those additional duties.

Section 2.16 - Consent to Corporate Action. If all the Directors or all Directors of a committee established for such purposes, as the case may be, severally or collectively consent in writing to any action taken or to be taken by the Association, and the number of the Directors constitutes a quorum, that action shall be a valid corporate action as though it had been authorized at a meeting of the Executive Board of Directors or the committee, as the case may be. The Secretary shall file these consents with the minutes of the meetings of the Executive Board of Directors.

In the event a Director wishes to dissent from any action taken by the Executive Board of Directors, such dissent shall in writing or shall be entered into the minutes of the meeting. Silence on the part of any Director shall be construed as consent to the action taken by the other Directors.

Section 2.17 - Telephone Communication in Lieu of Attendance. A Director may attend a meeting of the Executive Board of Directors by using an electronic or telephonic communication method whereby the Director may be heard by the other members and may hear the deliberations of the other members on any matter properly brought before the Executive Board of Directors. The Director's vote shall be counted and the presence noted as if that Director were present in person on that particular matter.

ARTICLE III - UNIT OWNERS

Section 3.1 - Annual Meeting. Annual meetings of the Unit Owners shall be held within 90 days after the close of the Association's fiscal year, on such date set forth in the notice. At these meetings, the Directors shall be elected by ballot of the Unit Owners, in accordance with the provisions of Article II of the Bylaws, and as necessary based upon serving five (5) year terms. However, election of the Association Manager or the Declarant Director member, as appropriate, shall be made by the Executive Board of Directors members and the Declarant, respectively. The Unit Owners may transact other business as may properly come before them at these meetings.

Section 3.2 - Budget Meeting. A meeting of Unit Owners to consider proposed budgets shall be called in accordance with Sections 18.4 and 18.5 of the

Declaration, which provisions are incorporated herein by reference as though more fully set forth herein. The budget may be considered at Annual or Special Meetings called for other purposes as well.

Section 3.3 - Special Meetings. Special meetings of the Association may be called by the President, by a majority of the members of the Executive Board of Directors or by Unit Owners comprising twenty percent (20%) of the votes of the Association.

Section 3.4 - Place of Meetings. Meetings of the Unit Owners shall be held at a suitable place convenient to the Unit Owners, as may be designated by the Executive Board or the President.

Section 3.5 - Notice of Meetings. Except for budget meetings, which will be noticed not less than 14 nor more than 30 days after the mailing of the summary, the Secretary or other Officer specified in the Bylaws shall cause notice to be hand-delivered or sent prepaid by United States mail to the mailing address of record of each Unit Owner or to the mailing address designated in writing by the Unit Owner not less than 10 or more than 60 days in advance of a meeting. No action shall be adopted at a meeting except as stated in the notice.

Section 3.6 - Waiver of Notice. Any Unit Owner may, at any time, waive notice of any meeting of the Unit Owners in writing, and the waiver shall be deemed equivalent to the receipt of notice.

Section 3.7 - Adjournment of Meeting. At any meeting of Unit Owners, a majority of the Unit Owners who are present at that meeting, either in person or by proxy, may adjourn the meeting to another time.

Section 3.8 - Order of Business. The order of business at all meetings of the Unit Owners shall be as follows:

- (a) Roll call (or check-in procedure);
- (b) Proof of notice of meeting;
- (c) Reading of minutes of preceding meeting;
- (d) Reports;
- (e) Establish number and term of memberships of the Executive Board of Directors (if required and if notice has been provided);
- (f) Election of inspectors of election (when and if required);
- (g) Election of Directors of the Executive Board of Directors (when and if required);
- (h) Ratification of Budget (if required and noticed);
- (i) Unfinished business;
- (j) New business; and,

(k) Adjournment.

Section 3.9 - Voting.

(a) If only one of several owners of a Unit is present at a meeting of the Association, the owner present is entitled to cast all the votes allocated to the Unit. If more than one of the owners are present, the votes 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 votes allocated to the Unit without protest being made promptly, and in writing, to the person presiding over the meeting by another owner of the Unit.

(b) Votes allocated to a Unit may be cast under a proxy duly executed by a Unit Owner. If a Unit is owned by more than one person, each owner of the Unit may vote or register protest to the casting of votes by the other owners of the Unit through a duly executed proxy. A Unit Owner may revoke a proxy given under this section only by actual notice of revocation to the person presiding over a meeting of the Association and to the proxy holder. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates one year after its date, unless it specifies a shorter term.

(c) The vote of a corporation or business trust may be cast by any Officer of that corporation or business trust in the absence of express notice of the designation of a specific person by the Board of Directors or Bylaws of the owning corporation or business trust. The vote of a partnership may be cast by any general partner of the owning partnership in the absence of express notice of the designation of a specific person by the owning partnership. The moderator of a meeting may require reasonable evidence that a person voting on behalf of a corporation, partnership or business trust owner is qualified and authorized to vote.

(d) Votes allocated to a Unit owned by the Association may not be cast.

Section 3.10 - Quorum. Unit Owners holding thirty percent (30%) of the votes entitled to be cast, represented in person or by proxy, constitute a quorum at a meeting of Unit Owners.

Section 3.11 - Majority Vote. At a meeting at which a quorum is present, a majority of the votes entitled to be cast on a matter to be voted upon by the members present or represented by proxy is necessary for adoption, except where a higher percentage vote is required in the Declaration, the Articles of Incorporation, these Bylaws or by law, including the Act.

ARTICLE IV - OFFICERS

Section 4.1 - Designation. The principal Officers of the Association shall be the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Executive Board. The Executive Board of Directors may appoint such assistants and other Officers as it finds necessary. The President and Vice President may, but are not required to be Directors of the Executive Board of Directors. Any two offices may be held by the same person, except the offices of President and Secretary. The office of Vice President may be vacant.

Section 4.2 - Election of Officers. The Officers of the Association shall be elected annually by the Executive Board of Directors at the organizational meeting of each new Executive Board of Directors. They shall hold office at the pleasure of the Executive Board of Directors.

Section 4.3 - Removal of Officers. Upon the affirmative vote of a majority of the Directors, any officer may be removed, either with or without cause. A successor may be elected at any regular meeting of the Executive Board of Directors or at any special meeting of the Executive Board of Directors called for that purpose.

Section 4.4 - President. The President shall be the Chief Executive Officer of the Association. The President shall preside at all meetings of the Unit Owners and may preside at all meetings of the Executive Board of Directors, if he is also a Director member and has been selected as the Presiding Officer under Section 2.4, above. The President shall have all of the general powers and duties which are incident to the Office of President of a non-profit corporation organized under the laws of the State of Alaska, including but not limited to the power to appoint committees from among the Unit owners from time to time as the President may decide is appropriate to assist in the conduct of the affairs of the Association. The President may cause to be prepared and may execute amendments, attested by the Secretary, to the Declaration and these Bylaws on behalf of the Association, following authorization or approval of the particular amendment as applicable or required by the Declaration, the Articles of Incorporation, these Bylaws or by law, including the Act. The President shall also have authority to perform any acts delegated to him or her by the Executive Board of Directors, by written resolution outlining such acts to be performed.

Section 4.5 - Vice President. The Vice President shall take the place of the President and perform the President's duties whenever the President is absent or unable to act. If neither the President nor the Vice President is able to act, the Executive Board of Directors shall appoint some other Director to act in the place of the President or Vice President on an interim basis. The Vice President shall also perform other duties imposed by the Executive Board of Directors or by the President.

Section 4.6 - Secretary. The Secretary shall keep the minutes of all meetings of the Unit Owners and the Executive Board of Directors. The Secretary shall have charge of the Association's books and papers as the Executive Board of Directors

may direct and shall perform all the duties incident to the Office of Secretary of a non-profit corporation organized under the laws of the State of Alaska. The Secretary may cause to be prepared and may attest to execution by the President of amendments to the Declaration, the Articles of Incorporation and the Bylaws or by law, including the Act, on behalf of the Association, following authorization or approval of the particular amendment as applicable, or as authorized by the Declaration, the Articles of Incorporation, the Bylaws or by law, including the Act.

Section 4.7 - Treasurer. The Treasurer shall be responsible for Association funds and securities, for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of all required financial data. This Officer shall be responsible for the deposit of all monies and other valuable effects in depositories designated by the Executive Board of Directors and shall perform all duties incident to the Office of Treasurer of a non-profit corporation organized under the laws of the State of Alaska. The Treasurer may endorse on behalf of the Association, for collection only, checks, notes and other obligations and shall deposit the same and all monies in the name of and to the credit of the Association in banks designated by the Executive Board. Except for reserve funds described below, the Treasurer may have custody of and shall have the power to endorse for transfer, on behalf of the Association, stock securities or other investment instruments owned or controlled by the Association or as fiduciary for others. Reserve funds of the Association shall be deposited in segregated accounts or in prudent investments, as the Executive Board decides or delegates, in writing, to the Treasurer. Funds may be withdrawn from these reserves for the purposes for which they were deposited, by check or order, authorized by the Treasurer, and executed by two Directors, one of whom may be the Treasurer if the Treasurer is also a Director. The Executive Board of Directors may delegate this authority, in writing, to the Association Manager or any Officer of the Association.

Section 4.8 - Association Manager. The Association Manager, appointed by the Executive Board of Directors, may perform any or all of the duties of any of the Officers of the Association so long as such duties are identified, in writing by the Executive Board of Directors. Such duties may be performed by the Manager whether or not he is acting as an Officer of the Association.

Section 4.9 - Agreements, Contracts, Deeds, Checks, Etc.. Except as provided in Sections 4.4, 4.6, 4.7 and 4.11 of these Bylaws, all agreements, contracts deeds, leases, checks and other instruments of the Association shall be executed by any Officer of the Association or by any other person or persons designated by the Executive Board of Directors, in writing.

Section 4.10 - Compensation. An Officer may receive a fee from the Association, in an amount set by resolution of the Unit Owners or the Executive Board of Directors, for acting as an Officer of the Association. An Officer may also receive

reimbursement for necessary expenses actually incurred in connection with Association duties. In the event such necessary expenses are incurred, the person incurring such expense shall provide all necessary invoices and documentation for incurring said expenses.

Section 4.11 - Resale Certificates and Statements of Unpaid Assessments. The Treasurer, assistant Treasurer, an Association Manager employed by the Association or, in their absence, any Officer having access to the books and records of the Association may prepare, certify, and execute resale certificates, in accordance with AS 34.08.590 and statements of unpaid assessments, in accordance with AS 34.08.470(h). The Association may charge a reasonable fee for preparing resale certificates and statements of unpaid assessments. The amount of this fee and the time of payment shall be established by resolution of the Executive Board of Directors or its designee, which designee shall be identified in writing. The Association may refuse to furnish resale certificates and statements of unpaid assessments until the fee has been paid. Any unpaid fees may be assessed as a Common Expense against the Unit for which the certificate or statement is furnished.

ARTICLE V - ENFORCEMENT

Section 5.1 - Abatement and Enjoinment of Violations by Unit Owners. The violation of any of the Rules and Regulations adopted by the Executive Board of Directors or by Officers of the Association, the breach of any provision of the Declaration, Articles of Incorporation, these Bylaws, or any covenants, conditions and restrictions, shall give the Executive Board of Directors or its designee the right, after Notice and Hearing, except in case of an emergency, in addition to any other rights set forth in these Bylaws, the following rights:

(a) To enter the Unit in which, or as to which, the violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit owner, any structure, thing or condition (except for additions or alterations of a permanent nature that may exist in that unit) that is existing and creating a danger to the Common Elements contrary to the intent and meaning of the provisions of the Declaration, the Articles of Incorporation, these Bylaws, and promulgated Rules and Regulations, or any covenants, conditions and restrictions. The Executive Board or its designee shall not be deemed liable for any manner of trespass by this action; or,

(b) To enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach.

Section 5.2 - Fine for Violations. By resolution, following Notice and Hearing, The Executive Board or its designee may levy a fine of up to \$25.00 per day for each day that a violation of the Declaration, the Articles of Incorporation, these Bylaws, any promulgated Rules and Regulations, or covenants, conditions and

restrictions persists after notice to the Unit Owner of the said violation, but this amount shall not exceed that amount necessary to insure compliance with the said Declaration, the Articles of Incorporation, these Bylaws, any promulgated Rules and Regulations, or covenants, conditions and restrictions.

ARTICLE VI - INDEMNIFICATION

Section 6.1 - Indemnification of Directors, Officers and Managers. The Directors, Officers and Managers of the Association shall have the liabilities, and be entitled to indemnification, as provided in the Alaska no-profit corporation law, the provisions of which are incorporated by reference and made a part of these Bylaws.

ARTICLE VII - RECORDS

Section 7.1 - Records and Audits. The Association shall maintain financial records. The financial records shall be maintained and audited in accordance with Sections 16.5 and 16.6 of the Declaration. The cost of the audit shall be a Common Expense unless otherwise provided in the Declaration, the Articles of Incorporation, these Bylaws, any promulgated Rules and Regulations, or covenants, conditions and restrictions. No certified audit shall be performed unless required by law or the Act.

Section 7.2 - Examination. All records maintained by the Association or the Association Manager shall be available for examination and copying by any Unit Owner, any holder of a Security Interest in a Unit or its insurer or guarantor, or by any of their duly authorized agents or attorneys, at the reasonable expense of the person examining the records, during normal business hours and after reasonable notice to the holder of such records.

Section 7.3 - Records. The Association shall keep at least the following records:

- (a) An account for each Unit, which shall designate the name and address of each Unit Owner, the name and address of each mortgagee who has given notice to the Association that it holds a mortgage on the Unit, the amount of each Common Expense assessment, the dates on which each assessment comes due, the amounts paid on the account and the balance due;
- (b) An account for each Unit Owner showing any other fees payable by the Unit Owner;
- (c) A record of any capital expenditures in excess of \$3,000.00 approved by the Executive Board of Directors or its designee for the current and next two succeeding fiscal years;

(d) A record of the amount, and an accurate account of, the current balance of any reserves for capital expenditures, replacement and emergency repairs, together with the amount of those portions of reserves designated by the Association for a specific project;

(e) The most recent regularly prepared balance sheet and income and expense statement, if any, of the Association;

(f) The current operating budget adopted pursuant to AS 34.08.460 and ratified pursuant to the procedures of AS 34.08.330(c);

(g) A record of any unsatisfied judgments against the Association and the existence of any pending suits in which the Association is a plaintiff or defendant;

(h) A record of insurance coverage provided for the benefit of Unit Owners and the Association;

(i) A record of any alterations or improvements to Units or Limited Common Elements which violate any provisions of the Declaration, the Articles of Incorporation, these Bylaws, any promulgated Rules and Regulations, or covenants, conditions and restrictions, of which the Executive Board of Directors or its designee has knowledge;

(j) A record of any violations, with respect to any portion of the Common Interest Community, of health, safety, fire or building codes or laws, ordinances, or regulations of which the Executive Board of Directors or its designee has knowledge;

(k) A record of the actual cost, irrespective of discounts and allowances, of the maintenance of the Common Elements;

(l) Balance sheets and other records required by local corporate law;

(m) Tax returns for state and federal income taxation;

(n) Minutes of proceedings of incorporators, Unit Owners, Directors, committees of Directors, meetings of Officers, as appropriate, and waivers of notice and dissents; and,

(o) A copy of the most current versions of the Declaration, Bylaws, Rules, Regulations and Resolutions, Articles of Incorporation, Bylaws, covenants, conditions and restrictions, along with their exhibits and schedules.

Section 7.4 - Form Resale Certificate. The Executive Board of Directors or its designee shall adopt a form resale certificate to satisfy the requirements of AS

ARTICLE VIII - MISCELLANEOUS

Section 8.1 - Notices. All notices to the Association or the Executive Board of Directors shall be delivered to the Office of the Association Manager, or, if there is no Association Manager, to the Office of the Association, or to such other address as the Executive Board of Directors or its designee may designate by written notice to all Unit Owners and to all holders of Security Interests in the Units who have notified the Association that they hold a Security Interest in a Unit. Except as otherwise provided, all notices to any Unit Owner shall be sent to the Owner's address as it appears in the records of the Association. All notices to holders of Security Interests in the Units shall be sent, except where a different manner of notice is specified elsewhere in the Declaration, the Articles of Incorporation, these Bylaws, any promulgated Rules and Regulations, or covenants, conditions and restrictions, by registered or certified mail to their respective addresses, as designated by them in writing to the Association. All notices shall be deemed to have been given when mailed, except notices of changes of address, which shall be deemed to have been given when received.

Section 8.2 - Fiscal Year. The Executive Board of Directors or its designee shall establish the fiscal year of the Association.

Section 8.3 - Waiver. No restriction, condition, obligation or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

Section 8.4 - Office. The principal office of the Association shall be on the Property or at such other place as the Executive Board of Directors or its designee may from time to time designate.

Section 8.5 - Reserves. As a part of the adoption of the regular budget pursuant to Sections 18.4 and 18.5 of the Declaration, the Executive Board of Directors shall include an amount which, in its reasonable business judgment, will establish and maintain an adequate reserve fund for the replacement of improvements to the Common Elements and those Limited Common Elements that it is obligated to maintain, based upon the project's age, remaining life and the quantity and replacement cost of major common element improvements.

ARTICLE XI - AMENDMENTS TO BYLAWS

The Bylaws may be amended only pursuant to the provisions of Article XV of the Declaration.

Certified to be the Bylaws adopted by consent of the Directors of Eagle Crossing Homeowners Association, dated this 30th day of September, 1994.

By: 
President

By: Judy M. Alexander
Secretary