

BYLAWS

OF

ALYESKA CHALETS CONDOMINIUM ASSOCIATION

ARTICLE I - INTRODUCTION

These are the Bylaws of the Alyeska Chalets Condominium Association. Initial capitalized terms are defined in Article I of the Declaration for Alyeska Chalets (A Condominium).

ARTICLE II - EXECUTIVE BOARD

Section 2.1 - Number, Qualification and Election.

(a) The affairs of the Common Interest Community and the Association shall be governed by an Executive Board which shall consist of at least three persons who shall be Unit Owners. 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. 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 Corporation Laws of the State of Alaska for conducting the election.

(b) The terms of at least one-third of the Directors shall expire annually, as established in a resolution of the Unit Owners.

(c) Section 24.5 of the Declaration shall govern appointment of Directors of the Executive Board during the period of Declarant Control. Directors appointed by Declarant need not be Unit Owners.

(d) The Executive Board shall elect the officers. The Directors and officers shall take office upon election.

Section 2.2 - Powers and Duties. The Executive Board may act in all instances on behalf of the Association, except as provided in the Declaration, these Bylaws or the Act. The Executive 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. The powers and duties of the Association are found in Section 21.2 of the Declaration.

Section 2.3 - Standard of Care. In the performance of their duties, the officers and members of the Executive Board are required to exercise the care required of fiduciaries of the Unit Owners.

Section 2.4 - Additional Limitations. The Executive Board shall be additionally limited pursuant to Section 21.3 of the Declaration.

Section 2.5 - Manager. The Executive Board may employ a manager for the Common Interest Community, at a compensation established by the Executive Board, to perform duties and services authorized by the Executive Board. The Executive Board may delegate to the manager only the powers granted to the Executive Board by these Bylaws under Section 2.2, subdivisions (c), (e), (g), and (h). Licenses, concessions and contracts may be executed by the manager pursuant to specific resolutions of the Executive Board and to fulfill the requirements of the budget.

Section 2.6 - 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 Director appointed by the Declarant, with or without cause.

Section 2.7 - Vacancies. Vacancies in the Executive Board, 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 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; and

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

Each person so elected shall be a Director for the remainder of the term of the Director so replaced.

Section 2.8 - Regular Meetings. The first regular meeting of the Executive Board 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 may set a schedule of additional regular meetings by resolution, and no further notice is necessary to constitute regular meetings.

Section 2.9 - Special Meetings. Special meetings of the Executive Board may be called by the President or by a majority of the Directors on at least three business days' notice to each Director. The notice shall be hand-delivered or mailed and shall state the time, place and purpose of the meeting.

Section 2.10 - Location of Meetings. All meetings of the Executive Board shall be held within the municipality of Anchorage, Alaska, unless all Directors consent in writing to another location.

Section 2.11 - Waiver of Notice. Any Director may waive notice of any meeting in writing. Attendance by a Director at any meeting of the Executive Board shall constitute a waiver of notice. If all the Directors are present at any meeting, no notice shall be required, and any business may be transacted at such meeting.

Section 2.12 - Quorum of Directors. At all meetings of the Executive Board, a majority of the Directors shall constitute a quorum for the 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 2.13 - Compensation. A Director may receive a fee from the Association for acting as a director, as may be set by resolution of the Unit Owners, 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 duties.

Section 2.14 - 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 or the committee, as the case may be. The Secretary shall file these consents with the minutes of the meetings of the Executive Board.

Section 2.15 - Telephone Communication in Lieu of Attendance. A Director may attend a meeting of the Executive Board 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. 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. 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 15.4 and 15.5 of the Declaration. 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 or by Unit Owners comprising 20 percent of the votes in 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 each Unit or to the mailing address designated in writing by the Unit Owner not less than 10 nor 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 (if required and noticed);
- (f) Election of inspectors of election (when required);
- (g) Election of Directors of the Executive Board (when required);
- (h) Ratification of Budget (if required and noticed);
- (i) Unfinished business; and
- (j) New business.

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 majority agreement if any one of the owners casts the votes allocated to the Unit without protest being made promptly 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. 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 the meeting may require reasonable evidence that

a person voting on behalf of a corporation, partnership or business trust owner is qualified to vote.

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

Section 3.10 - Quorum. Unit Owners holding 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, these Bylaws or by law.

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 may appoint an assistant treasurer, an assistant secretary and other officers as it finds necessary. The president and vice president, but not other officers, need to be 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 at the organizational meeting of each new Executive Board. They shall hold office at the pleasure of the Executive Board.

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 or at any special meeting of the Executive Board 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 of the Executive Board. 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.

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 shall appoint some other Director to act in the place of the president on an interim basis. The Vice President shall also perform other duties imposed by the Executive Board 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. The secretary shall have charge of the Association's books and papers as the Executive Board 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 and the Bylaws on behalf of the Association, following authorization or approval of the particular amendment as applicable.

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 and shall perform all the 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. 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.

Section 4.8 - Agreements, Contracts, Deeds, Checks, etc. Except as provided in Sections 4.4, 4.6, 4.7, and 4.10 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.

Section 4.9 - Compensation. An officer may receive a fee from the Association, in an amount set by resolution of the Unit Owners, for acting as an officer. An officer may also receive reimbursement for necessary expenses actually incurred in connection with Association duties.

Section 4.10 - Resale Certificates and Statements of Unpaid Assessments. The treasurer, assistant treasurer, a 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. The Association may refuse to furnish resale certificates and statements of unpaid assessments until the fee is 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 or the breach of any provision of the Documents shall give the Executive Board the right, after Notice and Hearing, except in case of an emergency, in addition to any other rights set forth in these Bylaws:

(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 Documents. The Executive Board 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 Violation. By resolution, following Notice and Hearing, the Executive Board may levy a fine of up to \$25 per day for each day that a violation of the Documents or Rules persists after Notice and Hearing, but this amount shall not exceed that amount necessary to insure compliance with the rule or order of the Executive Board.

ARTICLE VI-INDEMNIFICATION

The Directors and officers of the Association shall have the liabilities, and be entitled to indemnification, as provided in the Alaska nonprofit corporation law, the provisions of which are incorporated by reference and made a part of this document.

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 14.5 and 14.6 of the Declaration. The cost of the audit shall be a Common Expense unless otherwise provided in the Documents.

Section 7.2 - Examination. All records maintained by the Association or the 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 expense of the person examining the records, during normal business hours and after reasonable notice.

Section 7.3 - Records. The Association shall keep 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 approved by the Executive Board 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 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 of which the Executive Board 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 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 and waivers of notice; and

(o) A copy of the most current versions of the Declaration, Bylaws, Rules, and resolutions of the Executive Boards, along with their exhibits and schedules.

Section 7.4 - Form Resale Certificate. The Executive Board shall adopt a form resale certificate to satisfy the requirement of AS 34.08.590.

ARTICLE VIII - MISCELLANEOUS

Section 8.1 - Notices. All notices to the Association or the Executive Board shall be delivered to the office of the manager, or, if there is no manager, to the office of the Association, or to such other address as the Executive Board 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 Documents, 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 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 may from time to time designate.

Section 8.5 - Working Capital. A working capital fund is to be established in the amount of two month's regularly budgeted initial Common Expense assessments, measured as of the date of the first assessment for all Units as they are created in proportion to their respective Allocated Interests in Common Expenses. Any amounts paid into this fund shall not be considered as advance payment of assessments. Each Unit's share of the working capital fund may be collected and then contributed to the Association by the Declarant at the time the sale of the Unit is closed or at the termination of Declarant control pursuant to Section 24.5 of the Declaration, if earlier. Until paid by Declarant to the Association, the contribution to the working capital shall be considered an unpaid Common Expense Assessment, with a lien on the Declarant's unsold Units pursuant to the Act. Until termination of Declarant control of the Executive Board, the working capital shall be deposited without interest in a segregated fund. While the

Declarant is in control of the Executive Board, the Declarant cannot use any of the working capital funds to defray its expenses, reserve contributions or construction costs or to make up budget deficits.

Section 8.6 - Reserves. As a part of the adoption of the regular budget pursuant to Sections 15.4 and 15.5 of the Declaration, the Executive Board 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.

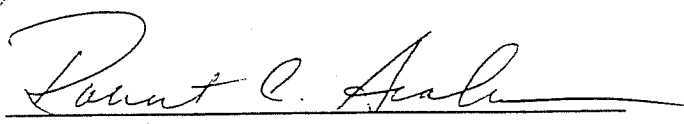
ARTICLE XI - AMENDMENTS TO BYLAWS

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

Certified to be the Bylaws adopted by Consent of the Directors of Alyeska Chalets Condominium Association, dated this 17th day of October, 1994.

By: 

President

By: 

Secretary