

BY-LAWS

OF

NOB HILL CONDOMINIUM ASSOCIATION, INC.

ARTICLE I

CONDOMINIUM OWNERSHIP

Section 1. Creation. The Project known as Nob Hill Condominiums, consisting of that certain parcel of land, and all improvements situate thereon, situated in the Anchorage Recording District, Third Judicial District, State of Alaska, and more particularly described in Exhibit "A" attached hereto and made a part hereof by reference, has been submitted to the provisions of the Horizontal Property Regimes Act of the State of Alaska (Title 34, Chapter 07 Alaska Statutes) as now existing or as hereafter amended. The Declaration of Covenants, Conditions, and Restrictions for Nob Hill Condominiums (hereinafter the "Declaration") was recorded on the _____ day of _____, 1983, in Book _____ at Page _____.

Section 2. Applicability of By-laws. The provisions of these By-laws are applicable to the Project which includes the land and all the structures and improvements located thereon. All present and future Owners, tenants and occupants of any Condominium Units of the Project, are subject to these By-laws. Acquisition, lease, rental or occupancy of any of the Condominium Units of the Project, are subject to these By-laws. Acquisition, lease, rental or occupancy of any of the Condominium Units of the Project shall signify that these By-laws are accepted and ratified and shall be complied with by the occupant.

Section 3. Definitions. Unless otherwise specified, the following terms shall have the same meaning in these By-laws as such terms have in the Declaration: Unit, Condominium Unit, Condominium Building, Owner, Project, Common Area, Limited Common Areas and Facilities, Mortgage, Mortgagee, Mortgagor, Institutional Holder, Association, Board, By-laws and Declarant. The terms Owner and Member as used herein shall be synonymous.

ARTICLE II

ASSOCIATION OF CONDOMINIUM OWNERS

Section 1. Membership. All Owners of Condominium

Units in the Project shall constitute the Association of Condominium Owners, herein called "the Association". The Owner, upon acquiring title thereto, shall automatically become a member of the Association and shall remain a member thereof until such time as his/her ownership of such Condominium Unit ceases for any reason; provided, however, that to such extent and for such purposes, including the exercise of voting rights, as shall be provided by agreement of sale or by lease of any Condominium Unit filed with the Board of Directors of the Association, the purchaser or the lessee of such Condominium Unit shall be deemed to be the Owner thereof.

Section 2. Register of Members. The Board shall cause a register to be kept containing the names and addresses of all members of the Association. Members of the Association who sell or convey their interest. A member of the Association shall, upon request, furnish the Board with a copy of any documents under which he/she obtained ownership of a Condominium Unit, or any interest therein, and any documents creating a security interest in such Condominium Unit.

Section 3. Responsibilities. The Association shall have the responsibility of administering the Project through the Board of Directors.

Section 4. Place of meetings. The first annual meeting of owners shall be held at the principal office of the project or such other convenient place in Anchorage, Alaska as may be designated by the Board of Directors, but not later than 120 days after the conveyance by Declarant of Condominium Units representing seventy-five percent (75%) of the votes of all owners.

Section 5. Annual Meetings. The first annual meeting of Owners shall be held no later than the earlier of the following events: (1) 120 days after transfer of title to 75% of the units in the project or two (2) years following conveyance of the first unit.

Thereafter, the annual meeting of the Association shall be held within three (3) months after the end of each accounting year of the Project. At such meetings the Owners shall elect by ballot a Board of Directors in accordance with the provisions of Section 5 of Article III of these By-laws and may also transact such other business of the Association as may properly come before them.

Section 6. Special Meetings. Special meetings of the Association may be held at any time upon the call of the president or upon the call of Owners having at least twenty-five percent (25%) of the undivided interest in the common areas and facilities.

Section 7. Notice of Meetings. The Secretary shall at least seven (7) days before the date set for each annual and special meeting give written notice thereof to each Owner according to the Association's record of ownership, stating whether it is an annual or special meeting, the authority for the call thereof, the place, day and hour of such meeting and the purpose therefor, in any of the following ways: (a) by leaving the same with him personally, or (b) by leaving the same at his residence or usual place of business, or (c) by mailing it, postage prepaid, addressed to him at his address as it appears on the record of ownership of the Association. If notice is given pursuant to the provisions of this section, the failure of any Owner to receive actual notice of such meeting shall in no way invalidate the meeting or any proceedings thereat. The presence of any Owner in person or by proxy at any meeting shall be deemed a waiver of any required notice as to such owner unless such Owner shall at the opening thereof object to the holding of such meeting for noncompliance with the provisions of this section.

Any institutional holder of a first mortgage on a Condominium Unit in the Project will, upon request, be entitled to written notice of all meetings and is entitled to attend (by agent, employee, or other designee) all such meetings.

Section 8. Quorum. The presence at any meeting in person or by proxy of one-third (1/3) of the Owners as herein defined shall constitute a quorum. The vote of a majority of the quorum present at any meeting shall be binding upon the Association except as otherwise provided herein.

Section 9. Voting. Voting shall be on a percentage basis, and the percentage of the total vote to which the Owner is entitled shall be the percentage assigned to such Condominium Unit in the Declaration. Any specified percentage of the Owners means the Owners to which are appurtenant such percentage of the Common Area as established by the Declaration. Any executor, administrator, guardian or trustee may vote in person or by proxy at any meeting of the Association the percentage of vote for any Condominium Unit owned or controlled by her/him in such capacity, whether or not the same shall have been transferred to his/her name in the Association's record of ownership, provided that he/she shall first present evidence satisfactory to the Secretary that he/she owns or controls such Condominium Unit in such capacity. In the event the Condominium Unit is owned by more than one person, firm, corporation, trustor, or combination thereof, they must act unanimously to cast the vote allocated to the Condominium Unit. Anything herein to the contrary notwithstanding an Owner owning more than one Condominium Unit in the Project, shall be entitled to a vote equivalent to his total percentage interest in the common elements for all Units owned.

Section 10. Proxies. Votes may be cast in person or by proxy or by the respective Owners as shown by the record of ownership of the Association. The authority given by any Owner to another person to represent him at meetings of the Association shall be in writing, signed by such Owner and filed with the Secretary, and unless limited by its terms, shall continue until revoked by writing filed with the Secretary or by the death or incapacity of such Owner.

Section 11. Adjournment. Any meeting of the Association may be adjourned from time to time to such place and time as may be determined by majority vote of the Owners present, whether or not a quorum be present, without notice other than the announcement at such meeting. At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted by a quorum at the meeting as originally called.

Section 12. Action Without Meeting. Any action, which under the provisions of the Alaska Statutes may be taken at a meeting of the Owners, may be taken without a meeting if authorized by a writing signed by all of the Owners who would be entitled to vote at a meeting for such purpose, and filed with the Secretary.

Section 13. Order of Business. The order of business at all meetings of the Association shall be as follows:

- (a) Roll call.
- (b) Proof of notice of meeting.
- (c) Reading of minutes of preceding meeting.
- (d) Report of Officers.
- (e) Report of Committees.
- (f) Election of Officers
- (g) Unfinished business.
- (h) New business.

Section 14. Books and Records. Any Owner or institutional holder of a first mortgage on a Condominium Unit in the Project shall, upon request, be entitled to inspect the books and records of the Project during the normal business hours.

Section 15. Parliamentary Authority. In the event of dispute, the parliamentary authority for the meetings shall be the most current available edition of Roberts Rules of Order, Revised.

Section 16. Complaints and Official Business. Any complaints and all official business shall be transmitted in writing, emergencies excepted, and such written business shall be submitted to the Board through the President, if available, and the Secretary if the President is not available. The Board of Directors shall answer all official matters submitted to it in writing after it has acted upon it at the next regular meeting of the Board.

ARTICLE III

BOARD OF DIRECTORS

Section 1. Number and Qualifications. The direction and administration of the Project and the affairs of the Association shall be vested in a Board of Directors (hereinafter "Board"). The Board shall be composed of three (3) persons, who shall be elected as hereinafter provided.

Section 2. Powers and Duties. The Board shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things therefor as are not by law, by the Declaration or by these By-laws, directed to be exercised and done only by the Owners. In addition to powers and duties conferred by these By-laws, the Declaration or resolutions of the Association, the Board shall be responsible for, but not limited to, the following:

- (a) Management and operation of the Project and maintenance, repair, and rebuilding of the Common Areas thereof.
- (b) Establishment and collection of monthly assessments and special assessments against the Owners for common expenses; and
- (c) Appointment and dismissal of any personnel necessary for operation and maintenance of the Project.
- (d) Execution of contracts within the scope of their duties and powers.
- (e) Administration, interpretation and enforcement of the covenants, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Declaration and By-laws.
- (f) Establishment, and enforcement of such reasonable rules and regulations as may be necessary for the operation, use and occupancy of this Project with the right to amend same from time to time.

(g) Purchase, maintenance and replacement of any equipment and utility services required for the Common Areas.

(h) Protection and defense of the entire Project from loss and damage by suit or otherwise.

(i) Borrowing of funds and execution of all such instruments evidencing such indebtedness. Any such indebtedness shall be the several obligation of all the Owners in the same proportion as their interests in the general Common Areas.

(j) Purchase and maintenance at all times of all policies of fire and liability insurance with respect to the Project required by the Declaration or this By-law and such other insurance and bonds as may be provided by the Declaration or by this By-law or authorized by the Board.

(k) Custody of all funds of the Association, and maintenance of full and accurate books of account and records of said funds.

(l) Arbitration of disputes between Owners relating to the Project.

(m) In general to carry on the administration of this Association and to do all of those things necessary and reasonable in order to carry out the communal aspect of condominium ownership.

Section 3. Managing Agent. The Board of Directors may, at its option, employ professional management in the form of either a responsible Alaska firm or a resident manager, or both, to manage and control the Project at such compensation and with such administrative powers and duties as the Board may establish and delegate.

Any management agreement for the Project shall conform to the guidelines established by FHLMC, FNMA, AHFC and the VA regarding term and termination of that agreement during such period of time as FHLMC, FNMA, AHFC or VA is a Mortgagee on a Unit in the Project or is the Owner of such a Unit.

Section 4. Representation. The President or Managing Agent, subject to the direction of the Board of Directors, shall represent the association or any two or more Owners, similarly situated as a class in any action, suit, hearing or other proceeding concerning the Association, the Common Areas or more than one Condominium Unit, and, on behalf of the Association or Owners, may institute, defend, intervene in, prosecute and settle any such actions, suits and proceedings, without prejudice to the rights of any Owners, individually, to appear, sue or be sued.

Section 5. Election and Term. At each annual meeting of the Owners, the Owners shall, by a vote of a majority of the Owners present at such meeting, elect the Board of Directors or Director for the ensuing term. The vote shall not be cumulative. The Directors, except as otherwise in these By-laws provided, shall hold office for a period of one (1) year and until their respective successor shall have been elected.

Section 6. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a director by the Association shall be filled by vote of a majority of the remaining directors, even though they may constitute less than a quorum, and each person so elected shall be a director until his successor is elected at the next annual meeting of the Association. Death, incapacity or resignation of any director, or his continuous absence from the State of Alaska for more than six (6) months, missing three consecutive meetings, or his ceasing to be the sole Owner or Co-Owner shall cause his office to become vacant.

Section 7. Removal of Directors. At any regular meeting or special meeting of the Association duly called, any one or more of the directors may be removed with or without cause by vote of a majority of Owners and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the Owners shall be given an opportunity to be heard at such meeting.

Section 8. Compensation. No compensation shall be paid to directors for their services as directors. No remuneration shall be paid to a director for services performed by him for the Association in any other capacity, unless a resolution authorizing such remuneration shall have been adopted by the Board of Directors before the services are undertaken. A directors may not be an employee of the Association.

Section 9. Regular Meetings. A regular annual meeting of the Board shall be held immediately after, and at the same place as, the annual meeting of the Owners. Other meetings of the Board may be called, held and conducted in accordance with such regulations as the Board may, from time to time, adopt. Notice of regular meetings of the Board of Directors shall be given to each director, personally, or by mail, addressed to his/her residence, or by telephone, at least three (3) days prior to the day named for such meeting.

Section 10. Special Meetings. Special meetings of the Board of Directors may be called by the President on at least three (3) days notice to each director, given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of such meeting. Special meetings of the Board shall be called by the President or Secretary in a like manner and with like notice on the written request of at least two directors.

Section 11. Waiver of Notice. Before or at any meeting of the Board of Directors any director may in writing waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall be a waiver of notice to him/her of such meeting. If all the directors are present at any meeting of the Board, no notice thereof shall be required, and any business may be transacted at such meeting.

Section 12. Quorum of Board. At all meetings of the Board of Directors a majority of the total number of directors established by these By-laws shall constitute a quorum for the transaction of business, and the acts of a majority of the directors present at any meeting at which a quorum is present shall be the acts of the Board. If less than a quorum shall be present at any meeting of the Board, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 13. Fidelity Bonds. The Board of Directors shall require that all officers, employees and agents of the Association handling or responsible for its funds, furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

ARTICLE IV

OFFICERS

Section 1. Designation. The principal officers of the Association shall be the President, Vice President, a Secretary and a Treasurer, all of whom shall be elected by, and in the case of the President, from the Board of Directors. The Board may appoint an assistant treasurer, and assistant secretary, and other such officers as in its judgment may be necessary. One person may hold two offices, except that the offices of President and Secretary shall be filled by different persons.

Section 2. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at its annual meeting and shall hold office at the pleasure of the Board.

Section 3. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of any special meeting called for such purpose.

Section 4. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of president of an association, including, but not limited to, the power to appoint committees from among the Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

Section 5. Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him/her by the Board of Directors.

Section 6. Treasurer. The Treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He/She shall be responsible for the deposit of all monies and other valuable affects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board of Directors.

Section 7. Secretary. The Secretary shall attend and keep the minutes of all meetings of the Board of Directors or of the Association; shall give all notices as provided by these By-laws, and shall have other powers and duties as may be incidental to the office of the Secretary, given by him/her by these By-laws or assigned to him/her from time to time by the directors. If the Secretary shall not be present any any meeting, the presiding officer shall appoint a secretary pro tempore, who shall keep the minutes of such meeting and record them in the books provided for that purpose.

Section 8. Auditor. The Association may, at any meeting, appoint some person, firm, or corporation engaged in the business of auditing to act as auditor of the Association, and to perform such audits and fiscal duties as may be required by Alaska Horizontal Property Regimes or requested of him/her by the Association.

Section 9. Execution of Instruments. All checks, drafts, notes, acceptances, conveyances, contracts and other instruments shall be signed on behalf of the Association by such person or persons as shall be provided by general or special resolution of the Board of Directors, or in the absence of any such resolution applicable to such instrument, by the President or Vice President and by the Treasurer or Secretary.

ARTICLE V

COMMITTEES

Section 1. Committees of Directors. The Board of Directors may designate one or more committees, each of which shall consist of one or more Directors. Such committees, if composed entirely of Board members, shall have and exercise to the extent provided in the resolution establishing the committee, the authority of the Board of Directors in the management of the Association, but the designation of such committee shall not operate to relieve the Board of Directors of any responsibility imposed upon it by law.

Section 2. Other Committees. Other committees, not having or exercising the authority of the Board of Directors in the management of the Association, may be designated by the President or the Directors, and such committees may be composed of one or more members of the Association other than Board members, but each shall have one Board member as a member or chairperson.

ARTICLE VI

ASSESSMENTS

Section 1. Obligation. All Owners shall be obligated to pay the estimated assessments imposed by the Board of Directors to meet the common expenses of maintenance, operation and management of the Project as set forth in the Declaration.

Section 2. Initial Obligation of Purchaser of a Condominium Unit. A first purchaser of a Condominium Unit from the Declarant shall be required at the closing of the acquisition of such Condominium Unit to deposit with the Association an amount equal to one-sixth of the particular Condominium Unit's allocation of the annual budget. This sum shall be placed in a working capital account for initial operation of the Project.

ARTICLE VII

HANDLING OF FUNDS

Section 1. Accounts. The Association shall establish the necessary funds or accounts to properly provide for the operation and maintenance of the property. Overall superintendance of these funds shall be the responsibility of the Treasurer of the Association. The Treasurer shall administer the various accounts in such a way that the funds are secure and that signature cards at the various institutions containing the funds are up to date.

ARTICLE VIII

OBLIGATIONS OF THE OWNERS

Section 1. Rules and Regulations.

(a) No Owner or occupant shall post any advertisements, bills, posters or other signs on or about the Project, although not visible outside the Project, except signs of reasonable dimensions, advertising the rental or sale of individual Units, as authorized by the Board of Directors.

(b) All Owners and occupants shall exercise extreme care about making noises or in the use of musical instruments, radios, television sets and amplifiers that may disturb other occupants. No horns, whistles, bells or other sound devices, except security devices used exclusively to protect the security of a residence and its contents, shall be placed or used in any such residence.

(c) It is prohibited to hang or dust garments, rugs, etc., from the window or from any of the facades of the Project.

(d) Parents shall be responsible for all damage to the Common Areas caused by their children, when such damage was caused by the negligence or wilful act of the child.

(e) No illegal use shall be made of the premises.

(f) If any Owner or occupant shall keep a dog or other pet in a Condominium Unit, he/she shall take all special care required to insure that such pet shall not disturb other Condominium residents in any way. If the Board of Directors shall receive a written complaint by two Owners concerning a bothersome animal, the Board shall, in its discretion, take action to eliminate the problem and may require the Owner of such pet to dispose of the pet, regardless of when the pet was obtained, or whether other Owners are permitted to retain their pets. No pet shall ever be permitted in Common Areas without a handler. Each pet owner shall promptly remove and properly dispose of all animal waste deposited by his pet in the Common Area, and each pet owner shall be responsible for the repair of all damaged areas, including damage to shrubberies and lawns of the Common Area.

(g) No Owner or occupant shall, without the written approval of the Board of Directors, install any wiring for electrical or telephone installations, machines or air-conditioning units, or other equipment or appurtenances whatsoever on the exterior of the Project or protruding through the walls, windows or roof thereof.

(h) Nothing shall be allowed, done or kept in any Condominium Unit or Common Areas of the Project which would overload or impair the floors, walls or roofs thereof, or cause any increase in the ordinary premium rates or the cancellation or invalidation of any insurance thereon maintained by or for the Association, nor shall any noxious or offensive activity or nuisance be made or suffered thereon.

(i) Owners, tenants or guests shall not throw garbage or trash outside the disposal installations and trash containers provided for such purposes.

(j) The Board of Directors reserves the power to establish, make and enforce compliance with such additional rules and regulations as may be necessary for the operation, use and occupancy of this Project with the right to amend the same from time to time, and to impose reasonable fines for infractions of all rules and regulations.

(k) No owner or occupant shall store or permit the storage of any trailer, snowmobile, motor-home or other recreational vehicle (excluding a camper attached to a pickup truck) on any part of the Project even if such storage is meant to be temporary.

Section 2. Repair and Maintenance. The Owners shall be responsible for certain repairs as set forth in the Declaration.

ARTICLE IX

AMENDMENTS OF BY-LAWS

Section 1. Procedure. These By-laws may be amended in any respect not inconsistent with any provisions of law or the Declaration by vote of the Members whose aggregate interest in the Common Area constitutes sixty percent (60%), at any meeting of the Association duly called for such purpose. Any material amendment to the By-laws, including, but not limited to, any amendment which would change the percentage interests of the Owners in the Project requires the written approval of 75% of the holders of first mortgages on the Condominium Units.

ARTICLE X

FISCAL YEAR

Section 1. Fiscal Year. The fiscal year of the Association shall be such as may from time to time be established by the Association.

COMPLIANCE

Section 1. Subordination. These By-laws are subordinate and subject to the provisions of the Declarations and all amendments thereto. They are also intended to comply with the requirements of the Horizontal Property Regime Act of the State of Alaska. If any of these By-laws conflict with the provisions of the statute, the provisions of the statute will apply.

Section 2. Interpretation. In case any provision of these By-laws shall be held invalid, such invalidity shall not render invalid any other provisions hereof which can be given effect.

Section 3. Nonprofit Corporation. This Association is not organized for profit. Nothing in these By-laws shall be deemed or construed to authorize the Association or Board of Directors to conduct or engage in any active business for profit on behalf of any or all of the Owners.

ARTICLE XII

PERIODIC REAPPRAISAL

Section 1. In accordance with Section 34.07.180 of the Alaska Statutes, the Units and Common Areas herein described shall be periodically reappraised, with a recomputation of the percentage of the undivided interest of each Owner in the Common Areas and Facilities as expressed in the Declaration, if required. The purpose of this paragraph is to insure the proper percentage of the undivided interest of each Owner in the Common Areas and Facilities.

ARTICLE XIII

EVENT OF FORECLOSURE

In the event of a foreclosure, the unit owners shall be required to pay a reasonable rental fee for the unit. Said fee shall be assessed from the date of delinquency through the date of sale. A receiver may be appointed at the option of the Board of Directors to collect said rental.

ADOPTION OF BY-LAWS

The undersigned Declarant of said Project hereby adopts the foregoing By-laws of its Association of Owners, this _____ day of _____, 19____.

ADOPTION OF BY-LAWS

We, the undersigned, being the first Board of Directors of Nob Hill Condominium Association, Inc., as set forth in the Articles of Incorporation for such corporation, hereby adopt the foregoing By-laws as the By-laws of such corporation.

HE, INC.

BY *Lisa Herrington*
LISA HERRINGTON, PRESIDENT

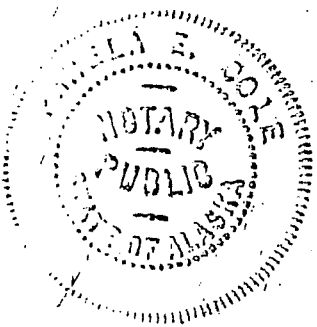
STATE OF ALASKA

THIRD JUDICIAL DISTRICT

)
) ss.
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THIS IS TO CERTIFY that on this 4th day of April, 1984, before me the undersigned, a Notary Public in and for the State of Alaska, personally appeared LISA HERRINGTON known to me and known to be the individual named in and who executed the foregoing instrument and acknowledged to me that she did so freely and voluntarily for the uses and purposes stated therein.

WITNESS my hand and official seal on the day and year last above written.



Daniela E. Cole
Notary Public in and for Alaska
My commission expires: 11-17-85

BY-LAWS

OF

NOB HILL CONDOMINIUM ASSOCIATION, INC.

EXHIBIT "A"

Tract B, NOB HILL SUBDIVISION, Anchorage
Recording District, Third Judicial District,
State of Alaska.

84-028436

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DISTRICT

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