

BYLAWS

OF

SUNDANCE TERRACE CONDOMINIUMS OWNERS ASSOCIATION

ARTICLE I - SEAL AND FISCAL YEAR

Section 1. Seal. The seal of this corporation shall have inscribed on it the name of this corporation and the words "Corporate Seal".

Section 2. Fiscal Year. The fiscal year of this corporation shall begin on January 1 and end on December 31 of the same calendar year.

ARTICLE II - MEMBERSHIP

Section 1. Memberships. There shall be one membership in the Association for each Condominium Unit (as defined in the Declaration of Condominium Ownership, hereinafter referred to as the Declaration). The total number of memberships shall be equal to the number of condominium units in the project. The owner or owners of a unit shall hold and share the membership relating to that unit in the same proportionate interest and by the same tenancy in which the title to the unit is held, provided always that there shall be only one membership per condominium unit. No person or entity other than the owner of a condominium unit may be a member of the Association.

Section 2. Transfer of Membership. Membership in the Association and the share of a member in the assets of the Association shall not be assigned, encumbered, or transferred in any manner except as an appurtenance to transfer of title to the condominium unit to which the membership pertains. The transfer of ownership shall occur automatically upon the transfer of the condominium unit to which the membership pertained, but the Association shall be entitled to treat the person or persons in whose name or names the membership is recorded on the books and records of the Association as the member for all purposes until such time as evidence of transfer, satisfactory to the Association has been submitted to the secretary. A transfer of membership shall not release the transferor from liability for obligations accrued incident to such membership prior to such transfer. In the event of a dispute as to ownership appurtenant thereto, the records of the Anchorage Recording District, Third Judicial District, State of Alaska shall be determinative.

Section 3. Annual Meeting. The annual meeting of the members for the purpose of voting on such matters as properly may come before the meeting shall be held on the fourth Tuesday in September of each year at a convenient location in Anchorage, Alaska as selected by the Board of Directors.

Section 4. Special Meetings. Special meetings of the members may be called at any time by the President, by the Board of Directors, or by written request of unit owners holding at least fifteen percent (15%) of the votes entitled to be cast on any matter, and shall be held at a convenient location in Anchorage, Alaska to be selected by the persons calling the meeting.

Section 5. Notices - Waiver. Notices of annual and special meetings to members must be given in writing and must state the place, day and hour of the meeting and must indicate each matter to be voted on at the meeting which is known to the parties calling the meeting at the time the notice of the meeting is given. This notice shall be delivered not less than ten (10) nor more than fifty (50) days before the meeting, either personally or by mail, by or at the direction of the President, or the Board of Directors or persons calling the meeting, to each member entitled to vote at the meeting. If mailed, the notice shall be considered to be delivered when deposited in United States mail addressed to the member at his address as it appears on the records of the Association, with postage prepaid.

Written waiver of notice signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice. Attendance of a member at a meeting shall constitute a waiver of notice of that meeting unless he attends for the express purpose of objecting to the transaction of business because the meeting has not been lawfully called or convened.

Section 6. Voting Rights. Where the vote of the members is required or permitted by the statutes of the State of Alaska, the Declaration, the Articles of Incorporation, or these Bylaws, the number of votes to which each membership is entitled is set forth in the Declaration.

Voting by proxy shall be permitted. Proxies may be executed in writing by the owner or co-owner or his duly authorized attorney-in-fact and must be filed with the secretary before being voted. No proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy. Co-owners present or represented by proxy must act unanimously to cast the vote of that membership. If only one of the co-owners is present or represented by proxy, he shall be automatically accepted by the Association as the agent and attorney-in-fact for the other co-owner. The Board of Directors may suspend the voting rights of a member as set forth in Article II, Section 10.

Section 7. Quorum; Vote Required; Adjournment. Thirty percent (30%) of the votes entitled to vote on any matter, represented in person or by proxy, shall constitute a quorum at any meeting of members. If a quorum does not exist, a majority of the votes present, in person or by proxy, may recess the

meeting from time to time without further notice other than an announcement, or direct that all matters noticed to be considered at such meeting shall be voted on by mail as provided in Article II, Section 8, or reschedule the meeting. If a quorum exists, the action of a majority of the votes present in person or by proxy at a meeting while a quorum is present, or a majority of the votes cast by mail, except as otherwise specifically required by law, the Declaration, the Articles of Incorporation, or these Bylaws shall be the act of the members.

Section 8. Voting by Mail. Voting by mail may be permitted at the option of the Board of Directors with respect to the adoption of any proposed amendment to the Declaration, Articles of Incorporation, any vote of reconsideration under Article IV, Section 14, or adoption of a proposed plan of reorganization, termination, withdrawal, or dissolution, and upon failure to obtain a quorum for the election of directors. The Secretary shall give written notice to all unit owners which notice shall include a written resolution setting forth a description of the proposed action, shall state that such persons are entitled to vote by mail for or against the proposal. All notices shall state a date not less than 20 days after the date of such notice, before which all votes must be received, and further state that the vote must be sent to the specified address of the principal office of the Association or the Managing Agent. Votes received after the date stated in the notice shall not be effective. Delivery of a vote in writing to the principal office of the Association or Managing Agent shall be equivalent to the receipt of a vote by mail at such address for the purposes of this section.

(a) Election of Directors. In the event there is an insufficient quorum at a meeting held for the election of directors, the Board of Directors shall hold the election by mail. All nominations made either prior to the meeting or at the meeting, even though a quorum was not present, shall be contained in the ballot for the election by mail.

The notice of the election for directors by mail shall be sent in writing to all unit owners stating the number of directors to be elected and the number of persons nominated for election. Persons receiving the highest number of votes shall be elected as directors and shall take office on the date specified in the Notice. There shall be no cumulative voting.

(b) Other Votes. In the case of any other vote by mail, the proposal shall be adopted if approved by the owners of the applicable required votes with respect to the subject matter thereof.

Section 9. Action of Members Without Meeting. Except for actions taken at a meeting or voted by mail, any action required to be taken, or any action which may be taken at a meeting of the members, may be taken without a meeting if a consent in writing

setting forth the action so taken shall be signed by owners, proxies, or representatives holding all of the votes in the Association.

Section 10. Suspension of Voting Rights. The Board of Directors may suspend the right to vote of any unit owner for the violation of any provision of the Declaration, the Articles of Incorporation, the Bylaws, or the Rules and Regulations of the Association. The Board of Directors shall give notice of said suspension. Said suspension shall not become effective until the next scheduled Board of Directors meeting at which time the member against whom such action has been taken shall have an opportunity to be heard and set forth any reasons why the Board of Directors should not suspend voting privileges. After such hearing the decision of the Board of Directors shall be final. The failure to attend the meeting by such member will not entitle the owner to a rehearing, unless the Board of Directors shall determine that the member shall be entitled to another hearing.

ARTICLE III - BOARD OF DIRECTORS

Section 1. Number, Terms, Qualification and Election. The Association shall be governed and managed by a Board of Directors who shall have and be invested with all of the powers, duties, rights, and responsibilities normally devolved upon members of a non-profit corporation under the laws of the State of Alaska, the Articles of Incorporation, these Bylaws, or the Declaration.

(a) The Board of Directors shall be made up of five (5) directors all of whom shall be natural persons and, except for the initial Board of Directors, members of the Association, or for corporate owners, a designated representative of the corporate owner. Except for the initial Board of Directors, all of the directors shall serve for a term of one (1) year and/or until such time as their successor shall be duly elected unless they are sooner removed from office as provided herein.

(b) Each director is entitled to one vote on all matters before the Board.

Section 2. Removal. Any or all directors may be removed from office with or without cause by a majority vote of the Association. The notice of any meeting at which the subject of the removal of a director shall come before the Association shall specify such fact. Any director may resign who has submitted a written notice to the Board stating the effective date of his resignation, and acceptance of the resignation shall not be necessary to make the resignation effective. A majority vote of the Board of Directors shall have the right to remove any director for failure to attend 25% of the regularly scheduled or special meetings for which proper notice has been given. A majority of directors may declare vacant the office of a director who is incapacitated.

Section 3. Vacancies. Vacancies on the Board of Directors shall be filled by a majority vote of the remaining Directors whether or not sufficient to form a quorum. A person elected by the Board of Directors to fill a vacancy shall serve until the expiration of the term of the directorship which he filled.

Section 4. Compensation. Members of the Board of Directors shall serve without compensation. A director may serve in a capacity other than that of director and receive reasonable compensation for the services rendered in that other capacity.

Section 5. Annual Meeting. The annual meeting of the Board of Directors shall be held immediately following the annual meeting of the Association.

Section 6. Election of Officers. Officers of the Association shall be elected by the Board of Directors at its annual meeting. A director may also be an officer.

Section 7. Meetings. Regular meetings shall be held as may be established by the Board as they may determine from time to time. After the establishment of the time and place for such regular meetings, no further notice thereof need be given. Special meetings of the Board may be called by the President, or upon request delivered to the President or Secretary by any two directors.

Section 8. Place of Meeting. Meetings of the Board of Directors shall be held at a convenient location in Anchorage, Alaska as selected by the Board of Directors.

Section 9. Notice of Meetings. Written notice of each meeting of the Board of Directors setting forth the time and place of the meeting shall be given to each director at least five (5) days before such meeting either personally or by mail, except as provided above for regular meetings. A director may waive in writing notice of a meeting of the Board of Directors either before or after the meeting and his waiver shall be deemed the equivalent of giving notice. Attendance of a director at a meeting shall constitute a waiver of notice of that meeting unless he attends for the express purpose of objecting to the transaction of business because the meeting has not been lawfully called or convened.

Section 10. Quorum. At any meeting of the Board of Directors a simple majority of the directors in office shall be necessary to constitute a quorum for the transaction of business. Once a meeting of the Board of Directors is commenced with a quorum present, the acts of the majority of directors in attendance thereafter shall be the acts of the Board of Directors, unless a greater vote is required by the Declaration, Articles of Incorporation, or Bylaws.

Section 11. Recess. A meeting of the Board of Directors may be recessed and notice of the recessed meeting or of the business to be transacted there other than by announcement at the meeting at which the recess is taken shall not be necessary. At the continuation of a recessed meeting with a quorum present, any business may be transacted which could have been transacted at the meeting originally called.

Section 12. Action of Directors Without a Meeting. If all of the directors separately or collectively consent in writing to any action taken or to be taken by the Board of Directors and the writing or writings evidencing their consent are filed with the Secretary of the Association, the action shall be as valid as though it had been authorized at a meeting of the Board of Directors.

Section 13. Authority and Responsibility. The business, property, and affairs of the Association shall be governed, managed and controlled by the Board of Directors and, subject to the restrictions of the Declaration, the Bylaws, the Articles of Incorporation, and the laws of the State of Alaska, the Board of Directors may exercise all of the powers of the corporation with respect thereto.

Section 14. Petition for Reconsideration. Any action of the Board of Directors must be held for reconsideration by the unit owners in the event a petition asking for reconsideration is served on the Board of Directors within 20 days of notice of such action, signed by 15% of the vote of the unit owners, or their proxies. In the event the next scheduled members' meeting is not within 60 days from the date of delivery of the petition, the Board of Directors shall schedule a members' meeting for the reconsideration vote or they shall administer a reconsideration vote of the members by mail. Upon receipt of the petition for reconsideration, the action of the Board of Directors shall be suspended until such action is ratified by the members' reconsideration vote as provided herein.

ARTICLE IV - OFFICERS, AGENTS AND EMPLOYEES

Section 1. Number, Titles and Terms of Office. The officers of the Association shall serve at the pleasure of the Board, and shall consist of a President, Vice-President, Secretary and Treasurer. Other officers, assistant officers, agents and employees that the Board of Directors may from time to time deem necessary may be elected or selected by the Board or be appointed in the manner prescribed by the Board of Directors. Such officers shall hold office until their successors are elected unless they are sooner removed from office as provided herein. Two or more offices may be held by the same person except that one person may not hold simultaneously the offices of President and Vice-President or President and Secretary.

Section 2. Salaries. Officers of the Association shall serve without any compensation.

Section 3. Removal of Officers and Agents. An officer or agent of the Association may be removed by the Board of Directors whenever in their judgment the best interest of the Association shall be served thereby. Such removal shall be without prejudice to the contract rights of any person so removed. Election or appointment of an officer or agent shall not of itself establish contract rights.

Section 4. Powers and Duties of the President. The President, subject to the control of the Board of Directors, shall have general supervision of the business of the Association with such powers with respect thereto as may be reasonably incident and necessary to carry out such responsibilities and as conferred herein and by the Board of Directors. He shall preside at all meetings of the Association and Directors and discharge the duties of the presiding officer. He shall present at each annual meeting of the Association a report of the business of the Association for the preceding year and shall perform whatever other duties the Board of Directors may from time to time prescribe.

Section 5. Vice-President. The Vice-President shall, in the absence or disability of the President, perform the duties and exercise the powers of the President. He also shall perform whatever other duties herein are designated and have whatever other powers the Board of Directors and the President may from time to time delegate and assign to him.

Section 6. Treasurer. The Treasurer shall have the responsibility for the funds of the Association, subject to the control of the Board of Directors. He shall be responsible for keeping full and accurate account of receipts and disbursements and shall deposit all Association monies and other valuable effects in the name and to the credit of the Association in a depository or depositories designated by the Board of Directors, and may endorse, for the Association, all notes and checks. Subject to the directions of the Board of Directors, he shall disburse the funds of the Association, and shall render to the President or the Board of Directors, whenever they may require it, an account of the transactions and of the financial condition of the Association.

Section 7. Secretary. The Secretary shall keep or cause to be kept a true and complete record of the proceedings of all meetings of the Association and Director. He shall keep the corporate seal of the Association and when directed by the Board of Directors or the President, shall affix it to any instrument requiring it. He shall give, or cause to be given, notice of all meetings of the directors as required herein, and shall perform whatever additional duties the Board of Directors and the President may from time to time prescribe. He may sign with the

President, in the name of the Association, all contracts of the corporation and affix the seal of the corporation thereto. He shall have charge of such records, books and papers of the corporation as the Board of Directors may direct, all of which records shall at all reasonable time be opened to the inspection by any director upon the application therefor at the office of the Association or Managing Agent during business hours. The Secretary shall perform all duties incident to the office of the Secretary subject to control of the Board of Directors and the President.

Section 8. Delegation of Duties. Whenever an officer is absent or whenever for any reason the Board of Directors may deem it desirable, the Board may delegate the powers and duties of an officer to any other officer, any director or the managing agent.

ARTICLE V - INDEMNIFICATION OF
OFFICERS AND DIRECTORS

Any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that he is or was a director, officer, employee or agent of the Association or is or was serving at the request of the Association as a director, officer or agent of another corporation, partnership, joint venture, trust or other enterprise, shall be indemnified by this Association to the full extent permitted under the Alaska Non-Profit Corporation Act and amendments thereto, except for intentional torts or other willful acts. Any determination required by said Act to be made as to the propriety of any indemnification shall, whenever appropriate and permitted by the Act, be made by a vote of a quorum consisting of disinterested directors, or by any other person which such directors may by law appoint. Any indemnification under this Article shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any bylaw, agreement, vote of disinterested directors, provisions of law or otherwise, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such person.

The Association shall have power to the extent permitted by the Alaska Non-Profit Corporation Act to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions of this Article.

ARTICLE VI - SPECIAL CORPORATE ACTS

Section 1. Contracts, Deeds, Documents and Instruments. Contracts, deeds, bonds, documents and instruments shall be executed by the President, or in his absence, the Vice-President, under seal of the corporation affixed and attested to by the Secretary unless the Board of Directors in a particular situation designates another procedure for the execution of said documents.

Section 2. Signing of Checks and Notes. Checks, notes, and drafts and demands for money shall be signed by the officer or officers from time to time designated by the Board of Directors.

ARTICLE VII - AMENDMENTS

These Bylaws may be amended with the assent of Fifty-one Percent (51%) of the Unit Owners' vote of all condominiums in the project as defined in the Declaration.

ARTICLE VIII - DECLARATION

All provisions concerning the rights, obligations, organization and conduct of the Association contained in the Declaration are hereby expressly adopted in these Bylaws and if any conflict exists between any provision in the Declaration and these Bylaws, the provisions in the Declaration shall prevail.

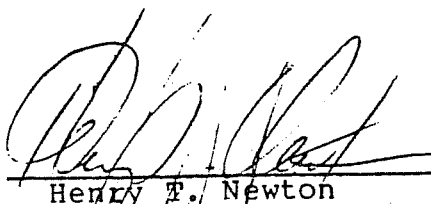
ARTICLE IX - RIGHTS AND OBLIGATIONS OF THE ASSOCIATION AND THE MEMBERS

Section 1. Assessments. The Board of Directors shall fix, levy and collect assessments in the manner and for the purposes specified in the Declaration, and the unit owner shall pay assessments as therein provided.

Section 2. Other Rights and Obligations. All the relative rights and duties of the Association and unit owner as prescribed in the Declaration shall be binding on said parties to the same extent as if set forth in full in these Bylaws. The "Liens, Enforcement" section of the Declaration is included herein by reference. Specifically, in any foreclosure, the unit owner shall be required to pay the reasonable rental value to the Association.

Section 3. Reappraisal. The Association shall reappraise each unit, common areas, and facilities each thirty years after the date of submission of the property to the Horizontal Property Regimes Act by the Declaration. Upon such reappraisal, the Association and each unit owner shall then cause the required amendments to the Declaration, if any, to be filed reflecting the recompilation of the percentages of undivided interest of each unit owner of the common areas and facilities, based upon the reappraised values. This section shall be revised upon the repeal or revision of A.S. 34.07.180(b).

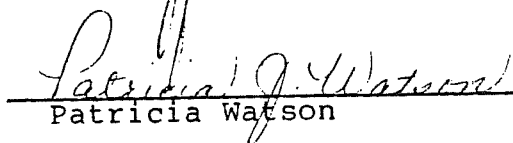
APPROVED AND ADOPTED this 8^A day of May, 1985, by the undersigned as the initial Board of Directors of the Corporation.



Henry F. Newton



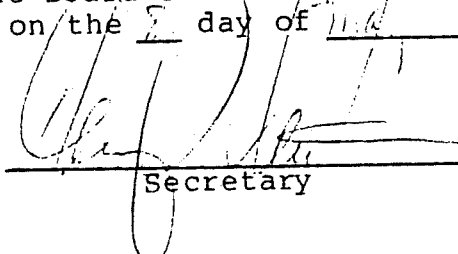
Alfred J. Bowen



Patricia Watson

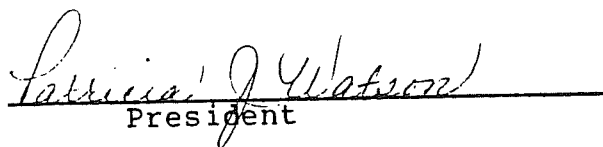
CERTIFICATE

Adopted by Resolution of the Board of Directors at its first and organizational meeting held on the 2 day of May, 1985.



Secretary

ATTEST:


President