

BYLAWS
of
CRESTVIEW HOMEOWNERS ASSOCIATION, INC.
and of
CRESTVIEW CONDOMINIUMS

TABLE OF ARTICLE HEADINGS:

The following table of article headings is provided as a convenience to the reader only, and it has no substantive meaning:

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ARTICLE I

CONDOMINIUM OWNERSHIP

Section 1 (a). Creation: Gamel Homes, Inc., an Alaska Corporation, hereinafter referred to as "Declarant", has submitted the project known as CRESTVIEW CONDOMINIUMS, consisting of the following described parcel of land and all improvements situated thereon, located in the Anchorage Recording District, Third Judicial District, State of Alaska:

Lot 11A CINDY SUBDIVISION;
according to Plat 76-281.

To the provisions of the Horizontal Property Regimes Act (AS 34.07) as it now reads or is hereafter amended, by the recording of the Declaration Submitting Real Property to Horizontal Property Regime, hereafter referred to as "Declaration".

Section 2. Dual Applicability of Bylaws. These Owners, tenants and occupants of any unit, and other persons who at any time shall use any part of the project, are subject to these bylaws. The mere acquisition, lease, rental, or occupancy of any unit shall signify that these bylaws are accepted and ratified and shall be complied with. These bylaws are also the corporate bylaws of Crestview Homeowners Association, Inc., an Alaska non-profit corporation, hereinafter "Association".

ARTICLE II

OFFICE

Section 1. Principal Office. The registered and principal office of the Association shall be maintained at 770 E. Fireweed Lane, Anchorage, Alaska, or elsewhere within the Anchorage area as the Board may determine.

Section 2. Place of meetings. All meetings of the Association shall be held at its principal office unless some other place is stated in the call.

ARTICLE III

OWNERS ASSOCIATION

Section 1. Membership. All Owners of units of the project constitute Crestview Homeowners Association, Inc., herein called the "Association". Any person, firm, corporation, trust or other legal entity or a combination thereof upon acquiring record ownership of a unit shall automatically become a member of the Association and shall remain a member thereof until such time as his ownership of such unit ceases for any reason; provided, however, that an agreement of sale or a lease of any unit filed with the Board may provide that the purchaser or the lessee of such unit shall be treated as the Owner thereof and as a member of the Association to such extent and for such purposes as stated therein. The ownership

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of a unit shall be determined according to the records of the Anchorage Recording District."

Section 2. Annual meeting. The first annual meeting of the members shall be called by the Declarant, upon ten days written notice, not later than one hundred twenty days after the title to seventy percent of the units of the project have been conveyed to an Owner by Declarant. Thereafter, an annual meeting of the unit Owners shall be held at 7:30 P.M. on the first Tuesday in October of each year for the purpose of electing members of the Board and such other business as may come before the meeting, providing such day is not a legal holiday; otherwise such meeting shall be held on the next business day thereafter.

Section 3. Special meetings. Special meetings may be held at any time upon the call of the President, or upon the call of members representing at least twenty five percent of all interests in the common areas.

Section 4. Notice of meetings. Written notice of the time, place and purpose of every meeting of the Association, stating whether it is an annual meeting or special meeting, and the authority for the call of the meeting, shall be given by the Secretary or the person or persons calling the meeting at least ten days before the date set for such meeting. Notice shall be given to each member and holders of first mortgages in any of the following ways; (a) by leaving it with the member personally, (b) by leaving it at the member's residence or usual place of business, (c) by mailing it, postage prepaid, addressed to the member at his address as it appears on the records of the Association, or (d) if the member cannot be located by reasonable efforts, by publishing the notice in any newspaper of general circulation in Anchorage, Alaska, not less than two times on successive days, the first publication to be not less than three days nor more than ten days prior to the day of the meeting. If notice is given pursuant to this section the failure of any member to receive actual notice of the meeting shall in no way invalidate the meeting or any proceedings thereat. Written request for notices mailed to the Secretary of the Association at the address of the project, by certified mail, return receipt requested, entitles the holder requesting notice to receive all notices sent to the members after receipt of the request, until the request is withdrawn or the mortgage is discharged of record. If the Board desires that proxies be prefiled, the Notice shall state the place and time for filing.

All holders of first mortgages known to the Association shall receive notice of all meetings and are entitled to attend (by agent, employee, or other designee) all meetings.

Section 5. Waiver of notice. The presence of all the members, in person or by proxy, at any meeting of the Association or Board makes the meeting valid, unless any member shall, at the opening of such meeting, object to holding the meeting by reason of noncompliance with Section 4 of the Article. Any such meeting held without objection shall, notwithstanding the fact that no notice of meeting was given, or that the notice given was improper, be valid for all purposes; and at such meeting any general business may be transacted and any action may be taken. Moreover, if a member has pledged his vote by mortgage, deed of trust,

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or agreement of sale, only the presence of the person to whom it was pledged will be counted in determining whether notice is waived with regard to matters as to when the member's vote was pledged.

Section 6. Quorum and procedure. The vote of a majority of those present at a meeting at which a quorum is present is valid and binds the Association, except as otherwise provided by law or these Bylaws. Any number of members present at a duly called meeting which lacks a quorum may adjourn the meeting to a time and place at which a quorum is expected to be present, without notice other than an announcement at the meeting. At any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted by a quorum at the meeting originally called, unless another meeting duly called for the same purposes has occurred during the interim. Proceedings shall be in accordance with Robert's Rules of Order (Newly Revised).

Section 7. Voting. Every member of the Association, in person or by proxy, is entitled at all meetings of the Association to a vote equivalent to his percentage interest in the common elements for each unit owned. Any provision apparently to the contrary notwithstanding, co-Owners or joint Owners shall be treated as one Member. Any proxy given by a member to another person to represent him at one or more meetings of the Association shall be in writing, signed by the member or if a unit is jointly owned, then by all joint Owners, or if such member is a corporation, by the proper officers thereof, and shall be filed with the Secretary; and unless limited by its terms, a proxy shall continue eleven months or until revoked in writing. A fiduciary (executor, administrator, conservator, guardian, or trustee) may vote in person or by proxy at any meeting of the Association with respect to any unit owned or held by him in such a capacity, whether or not the unit has been transferred to him by recorded conveyance; in the absence of a recorded conveyance the fiduciary shall satisfy the Secretary that he holds the unit in that capacity. Whenever any unit is owned by two or more jointly, the vote therefor may be exercised by any one of the Owners present in the absence of protests by the other or others. However, if the vote of an Owner has been pledged by mortgage, deed of trust, or agreement of sale, an executed copy of which is on file with the Board, only the vote of the pledgee will be recognized as to those matters upon which the owner's vote was pledged. The Board shall provide by Rule a form of proxy and may require that proxies be filed before the meeting at a stated hour, in the office of the manager, provided the requirement is stated in the notice of meeting.

ARTICLE IV

BOARD OF DIRECTORS

Section 1. Number and qualification. The project and the affairs of the Association shall be managed by the Board. It (shall consist of at least three persons. The actual number each year shall be set by the owners at the annual meeting.) [Material in () was adopted by amendment on October 19, 1995.] Each Director shall be an Owner; however, if an Owner is not a natural person or persons, than officers, shareholders, directors, partners, beneficiaries, individual

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trustees, or managers of such owning entity, are eligible to serve as a member of the Board.

Section 2. Powers and duties. The Board shall have the powers and duties necessary for the management of the affairs of the Association and the project, and may do all such acts and things as are not by law or by those Bylaws directed to be exercised and done by the members.

Section 3. Specific duties. In addition to duties imposed by these Bylaws or by resolutions of the Association, the Board shall be responsible for the following:

- (a) Care, upkeep, and surveillance of the common areas and facilities;
- (b) Collection of monthly charges, assessments and contributions from the members; and
- (c) Hiring and firing the personnel necessary for the maintenance and operation of the common elements and facilities.
- (d) Reviewing the annual budget and adjusting it as necessary to guarantee that the reserves are adequate to cover foreseeable expenses.
- (e) Reviewing promptly after first taking office, all contracts for services made for the Association by the Declarant prior to control of the Association becoming vested in the unit owners. These contracts shall be binding on the Association unless and until the Board repudiates them in favor of entering into new or different contracts.

Section 4. Manager or management agent; employers, generally. In the event that the Board decides to employ professional management, such a policy of having professional management shall not be terminated without the consent of the holders of 75% (by number, not by amount served) of the first mortgages on the units. Manager shall be employed at the compensation established by the Board, to perform such duties and services as the Board shall authorize including without limitation to the duties listed in section 3 of this Article. The duties conferred upon the Manager by the Board may be revoked, modified, or amplified by the majority of members in a duly constituted meeting. All employment agreements for the Manager shall be in writing and shall contain provisions giving effect to the following:

A. The agreement shall be terminable with or without cause by the giving of not less than thirty days written notice by the Board.

B. The term of any such agreement may not exceed one year, although it may be renewable by the parties for successive one-year terms.

The Board may employ and/or authorize the manager to employ other employees or agents to perform such duties at such salaries as the Board may establish.

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Section 5. Election and Term of Office. (All Directors shall serve for one year, and their terms of office extend also until their successors are elected.) [Material in () was adopted by amendment on October 19, 1995.] Vacancies on the Board shall be temporarily filled by persons chosen by the remaining members of the Board; but the person appointed shall only serve until a successor is elected at the next annual meeting of the members. A vacancy on the Board shall be considered to exist whenever a Director resigns, or fails to participate in the affairs of the Association to the extent of missing three consecutive meetings of the Board without being excused by the other directors. Whenever a vacancy in the Board occurs by reason of resignation, the membership shall be notified by the remaining directors of their choice for the period to fill unexpired term. Whenever the vacancy occurs by reason of nonparticipation, the membership shall be notified at least ten days prior to the filling of the vacancy by the Board of Directors.

Section 6. Removal of directors. At any regular meeting or special meeting duly called for that purpose, any one or more of the directors may be removed with or without cause by the affirmative vote of a majority and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the members shall be given an opportunity to be heard at the meeting, and no removal is effective until the successor is elected.

Section 7. 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 before the services are undertaken. A director cannot be an employee of the Association.

Section 8. Meetings and Notice. A regular annual meeting of the Board shall be held immediately after, and at the same place as the annual meeting of the members, without any notice other than this bylaw. Other regular meetings of the Board may be called and conducted according to procedural rules which the Board adopts. Notice of regular and special meetings of the Board shall be given to each director, personally or by mail, addressed to his residence, or by telephone, at least three days prior to the day named for such meetings. Special meetings of the Board may be called by the President on three days notice to each director stating the time, place, and purpose of the meeting. Special meetings may be called in like manner on the like notice by any three directors.

Section 9. Waiver of notice. At any time any director may in writing waive notice of any meeting of the Board, and such waiver is equivalent to giving notice. A director's presence at any meeting of the Board is a waiver of notice of the meeting. If all the directors are present business may be transacted. Any action which might be taken by the Board at a meeting may be taken without a meeting if a written consent setting forth the action taken is signed by all Directors.

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Section 10. Board of Directors' quorum. A quorum for the transaction of business at any meeting of the Board shall consist of a majority of the directors. A majority of the quorum at a meeting may act for the Board. If any meeting of the board lacks a quorum, a majority of those present may adjourn the meeting to a time and place where a quorum is anticipated to be present. At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally called.

Section 11. Fidelity Bonds. The Board as a common expense shall maintain adequate fidelity coverage to protect the Association against dishonest acts on the part of its officers, directors, trustees, employees, and all other handling or responsible for handling funds of the Association. All fidelity bonds shall:

- A. Name the Association as an obligee;
- B. Be written in an amount equal to at least 150% of the estimated annual operating expenses of the condominium project, including reserves, unless a greater amount is then required by a holder of a first mortgage; and
- C. Not contain or shall waive any exclusion of persons who serve without compensation from the definition of "employee" or similar expression; and
- D. Not be cancelable or substantially modifiable (including cancellation for nonpayment of premium) without at least thirty days prior notice to the holders of first mortgages or their designees.

Section 12. Disputes. The Board may determine any dispute or disagreements between any Owners relating to the project, or any question of interpretation or application of the Declaration, Articles and Bylaws. The Board's determination shall be final and binding on each and all of such Owners, in the absence of such interest, fraud, duress, or undue influence as would be grounds in Alaska to overturn the decision of arbitrators acting under the Uniform Arbitration Act. If the Board makes no determination, it may and shall refer such dispute or disagreements to arbitration under the rules of the American Arbitration Association.

Section 13. Non-liability of Board Members. The directors and the officers shall not be liable to the Association members for any mistake of judgment, or any acts or omissions made in good faith in their capacity as directors or officers. The Association shall indemnify and hold harmless the directors and officers against all contractual liability to others arising out of contracts made by them on behalf of the Association, unless any such contract shall have been made in bad faith or contrary to the provisions of these Bylaws. The liability, if any, of any member arising out of any contract made by such directors or officers or out of an aforesaid indemnity shall be limited to a percentage of the total liability thereunder equal to his percentage interest in the common elements. Each agreement made by the

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directors or officers shall be executed by directors or officers, as agents for the Association.

ARTICLE V

OFFICERS

Section 1. Designation. The officers of the Association shall be a president, one or more Vice Presidents, (the number thereof to be determined by the Board) a Secretary, and a Treasurer, all of whom shall be elected by the Board. The directors may appoint an assistant treasurer, and an assistant secretary, and such other officers as in their judgment may be necessary. Any two or more offices may be held by the same person, except the offices of President and Secretary.

Section 2. Election of Officers. The officers of the Association shall be elected annually by the Board at the regular meeting of the Board held after each annual membership meeting, and shall hold office at the pleasure of the Board until the election of a successor, or until death or removal.

Section 3. Removal of Officers. Any officer may be removed by the Board either with or without cause, and his successor elected at any regular meeting of the Board or at any special meeting of the Board called for such purpose.

Section 4. President. The President is the chief executive officer of the Association. He presides at all meetings of the Association and of the Board. He has all of the general powers and duties which are usually vested in the office of president of a non-profit corporation, including, but not limited to, the power to appoint committees from among the members from time to time as he may in his discretion decide are appropriate to assist in the conduct of the affairs of the Association.

Section 5. Vice President. In the absence of the President or in the event of his death, inability or refusal to act, the Vice President (or in the event there be more than one Vice President, the Vice Presidents in the order designated at the time of their election, or in the absence of any designation, them in the order of their election) performs the duties of the President, and when so acting, has all the powers of and is subject to all the restrictions upon the President. Any Vice President shall perform such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

Section 6. Treasurer. The Treasurer has the responsibility for Association funds and securities and is responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He is responsible for the deposit of all moneys and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board.

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Section 7. Secretary. The Secretary shall attend and keep the minutes of all meetings of the Board and of the Association; shall give all notices as provided by these Bylaws, and has such other powers and duties incidental to the office of Secretary as are given him by these Bylaws or assigned to him by the directors. If the Secretary is not present at any meeting, the presiding officer shall appoint a secretary pro temper, who shall keep the minutes of such meeting.

Section 8. Auditor. The Association may, at any meeting appoint some certified public account or firm or corporation of certified public accountants 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 of him by the Association; no person, firm or corporation shall be appointed auditor if he or any person associated with him is an officer or member of the Association.

ARTICLE VI

OBLIGATIONS OF THE OWNERS, THE ASSOCIATION AND THE BOARD

Section 1. Expenses, Assessments. Every owner shall contribute toward the common expense. Each year, on or before thirty days after the annual meeting provided for in Article III, Section 2, the Board shall estimate the annual budget of these common expenses (the "annual budget"), including but not limited to the total amount required for the cost of wages, taxes, materials, insurance, services, utilities billed or charged to the Association, supplies, and other costs of operation and maintenance, which will be required during the ensuing fiscal year, together with an amount for contingencies and for replacements of the common element components, and such other expenses as the Board may deem proper. Not more than ten days thereafter, the Board shall notify each Owner in writing as to the amount of such estimated annual budget with a reasonable itemization thereof. The annual budget shall be assessed and billed to the Owners pro rata according to each Owner's percentage interest in the common elements as set forth in the Declaration, or as the Declaration may be amended. Each unit's annual assessment is payable in twelve equal monthly "charges". As collected, the funds shall be allocated and segregated into a Capital Improvement Reserve Trust Fund, hereinafter called "reserve fund" for the replacement of common element components, and a "working capital" fund to cover the anticipated routine operating expenses.

In providing for the contingencies and for the reserve fund the Board shall assess whatever is required by the holders of the first mortgages on the units it considers to be required by reasonable business prudence.

If an annual budget proves inadequate for any reason, including nonpayment of any Owner's assessment, the Board may at any time further assess the Owners pro rata according to each Owner's percentage interest in the common elements. The Board shall notify each Owner in writing as to the reasons for and amount of the further assessment and new monthly charge to such unit effective with the first monthly payment due more than ten days after the giving of that notice. Each Owner is obligated to pay his share of any such further assessment.

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All charges shall bear interest at the then maximum lawful rate or at twelve percent per annum (whichever is less) from due date until paid, and with such interest shall be a lien on the condominium unit prior in right to all other charges whatsoever, except amounts owing the Anchorage Municipality or its successor for taxes and alienable charges and assessments past due and unpaid on such condominium unit, and amounts and liabilities secured by recorded first mortgages. In the event any Owner is delinquent in the payment of any monthly assessment for a period in excess of thirty days, the Association is authorized to sever or disconnect all utility connections to his unit paid by the Associate, and to accelerate and declare presently due all charges as yet unpaid for the entire balance of the fiscal year.

The Board shall supply to all Owners not less often than annually an itemized account of the actual paid maintenance expenses for the preceding fiscal year or portion thereof together with a tabulation of the assessments collected pursuant to the budget estimates, and showing the net amount of assessment and other income over or short of the actual expenditures plus reserves.

When the first elected Board takes office, it shall determine the estimated budget for the period commencing thirty days after said election and ending thirty days after the scheduled time of the next annual meeting. Charges shall be levied against the Owners during said period as provided in this Article.

The failure or delay of the board to serve on the owners the annual or adjusted budget shall not constitute a waiver or release in any manner of the Owner's obligation to pay assessments, whenever the same shall be determined: and in the absence of any annual budget or adjusted budget, the Owners shall continue to pay the charges at the then existing monthly rate established for the previous period until the first monthly payment due more than ten days after notification of the new annual or adjusted budget.

Nothing in these Bylaws prohibits the return of previously paid charges pro rata prior to the end of the Association tax year, or the making of any suitable arrangement for the handling of reserve funds collected so as to avoid unfavorable tax consequences to the Association and/or consent of 100% of the holders of first mortgages on units in the project.

Until such time as the first Board is elected, the Declarant may assess each Owner the charges above provided for. Any such assessments shall commence as to all units at the same time. All of the rights, duties and functions of the Board set forth in these Bylaws may be exercised by the Declarant for a period ending thirty days after the date on which the first annual meeting of the Owners is called pursuant to these Bylaws.

A first purchaser of a unit from the Declarant shall be required at the closing of the acquisition of the unit to establish a reserve account by depositing with the Association an amount equal to one-sixth of the particular unit's pro rata portion of the annual budget assessment. This reserve account shall, while this

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project is subject to the Horizontal Property Regime Act, be maintained by subsequent purchasers of units.

No Interest is due or payable to an Owner on account of reserves or other accounts provided for hereunder.

Conveyance of a unit shall transfer to the grantee the interest of the grantee in the "reserve fund" and "working capital" fund.

Section 2. Maintenance and repair.

(a) Every Owner must perform promptly all maintenance and repair work within his unit, which if omitted would affect any other party of the project, and is expressly responsible for damages and liabilities his failure to do so may cause.

(b) All the repair and replacement of internal installations of the unit, such as water, light, power, sewage, telephones, sanitary installation, doors, window, lamps, and all other accessories belonging to the unit shall be a t the owner's expense.

(c) An Owner shall reimburse the Association for any expenditures incurred in repairing or replacing any common areas and facilities damaged through his fault or that of his tenant or other permitted occupant of his unit.

Section 3. Use of units. All units shall be utilized in accordance with the provisions of the Declaration, Articles, Bylaws and any House Rules which may be in force.

Section 4. House Rules. (The Board may revoke, amend, or adopt any rule or regulation necessary or appropriate for the reasonable regulation of the project.) [Material in () was adopted by amendment on January 30, 1990.] Such House Rules upon adoption, and every amendment, modification, and revocation thereof, shall be delivered promptly to and bind all occupants of the buildings.

Until further action of the Association, the following House Rules shall be in effect:

(a) All occupants shall exercise extreme care to avoid making noise, and not to use musical instruments, radios, television sets and amplifiers so as to disturb other occupants of the project.

(b) No garments, rugs or other objects shall be hung from the windows or facades of the project.

(c) No rugs or other objects shall be dusted or shaken from the windows of the project or cleaned by beating or sweeping on any exterior part of the project.

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(d) Each occupant of a unit shall use the mailbox provided for that unit, and no other mailboxes shall be utilized on the project.

(e) No Owner or occupant other than Declarant shall, without the written approval of the Board, install any wiring or electrical or telephone installations, television antenna, radio antenna, machines or air-conditioning units, or other equipment or appurtenances whatsoever on the exterior of any building or protruding through a building's walls, window, doors or roof.

(f) (Only customary curtains and/or shades and/or draperies visible from the exterior of the unit shall be used. In this regard, and without limiting the foregoing, no newspapers, metal foil, sheets, blankets, etc. shall be used as window coverings.) [Material in (f) was adopted by amendment on October 2, 1979.]

(g) No inoperable vehicles shall be kept on the project. Vehicles must be moved after snow so that snow removal can take place. No person shall work on vehicles outside of the garages.

(h) Vehicles and trailers that cannot be stored in the garage appurtenant to the unit shall not be stored on the project or in the street in front of the project; except that where a unit has only a single garage, a second vehicle may be parked in its driveway.

(i) The parking space and garage space of each unit shall not be assigned to others; except by one Owner to and for the convenience of another Owner and with the consent of the Board.

Section 5. Foreclosure of lien. The Board may authorize the Association to bring suits for debt or to foreclose a lien against a condominium unit, in like manner as a mortgage of real property. The Association, by its manager or Board, on behalf of the Owners, shall have the power to bid and to acquire a condominium unit at a foreclosure sale. The delinquent Owner shall be required to pay to the Association a reasonable rent for the condominium unit until sale or foreclosure, together with all costs and reasonable attorney's fees. A suit to recover a money judgment for unpaid common expenses with all costs and actual reasonable attorney's fees shall be maintainable without foreclosing or waiving the lien securing the same. (The Association's lien for assessments shall be prior to all other liens and encumbrances on the condominium unit, except for (1) a lien or encumbrance recorded before the recordation of the Declaration, (2) a first security interest on the condominium unit recorded before the date on which the assessment sought to be enforced became delinquent, and (3) a lien for real estate taxes and other government assessments or charges against the condominium unit. The Association's lien for assessments is also prior to all security interests described in (2) of the preceding sentence if the assessments are passed on a periodic budget adopted by the Association and would otherwise have become due in the absence of acceleration during the six (6) months immediately preceding either the institution of an action to enforce the lien for assessments or the institution of an action to enforce a security interest described in (2) of the

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preceding sentence. A mortgagee, beneficiary, or other purchaser of a condominium unit, who obtains possession through foreclosure of a security interest or by an assignment in lieu thereof, and his successors and assigns shall be liable for the unpaid assessments, but only to the extent otherwise set forth in this Section.) [Material in () was adopted by amendment on January 30, 1990.] This delinquent, unpaid share of assessments is a common expense collectable from all of the Owners, including the possessor, his successor and assigns, pro rata.

Section 6. Right of entry. The Association, the manager and any person authorized by the Board shall have the right to enter any unit in case of an emergency to deal with any emergency originating in or threatening such unit, or other units, with or without notice, whether or not the Owner or occupant is present at the time; and provided that notice is given in advance, to enter at reasonable hours for purposes of effecting maintenance and repair required under Section 2 above which an Owner fails to provide, and/or the purpose of performing authorized installations, alterations, or repairs to the common elements. The Board shall maintain a set of keys in a secure fashion.

Section 7. Title. Every Owner shall promptly cause to be recorded in the Anchorage Recording District the document conveying his unit to him, or other evidence of his title to it, and to file such evidence of his title with the Board through the manager; and the Secretary shall maintain that information in the records of the Association.

Section 8. Mortgages and Mortgagees. Any holder of a first mortgage in a unit may file a copy of the mortgage with the Board, and the Secretary shall maintain that information in the records of the Association. After the filing of the mortgage, the Board is required to give that holder prompt notice of any default in the Owner's obligations under the Declaration, Articles or Bylaws, not cured within thirty days of the date of the default. The holder, at its option, may pay the delinquent expenses. Each holder of a first mortgage shall have the right to examine the books and records of the Association during normal business hours, and to require the submission to it of annual reports within ninety days following the end of any fiscal year and such other financial data as the holder may determine is reasonable and pertinent.

Section 9. Insurance and Bonds. The Association as a common expense shall purchase and at all times maintain such policies of fire and liability insurance and bonds with respect to the project as may be provided by the Declaration or authorized by the Board. Such insurance and bonds will be such as to meet the requirements of any holder of a first mortgage on a unit, but in any event fire, extended coverage, and casualty insurance shall be maintained in an amount equal to the appraised value of the project (exclusive of the raw land, excavation, foundations, and utilities buried exterior to the building); and liability insurance in the amount of at least One Million Dollars (\$1,000,000.00) shall be maintained to protect the Association and the individual Owners from liabilities caused by acts and omissions of all officers, agents or employees of the Association, and the condition of the common areas. Any liability policies shall contain a clause waiving

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any right of subrogation the insurance carrier might otherwise have against any Owner or the Association, its directors and officers.

Notwithstanding any other provisions herein, or in the Declaration, so long as the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, or their successors or assigns is a mortgagee under a mortgage constituting a lien on a unit, or is an Owner of a unit, the Association will carry as a common expense a master policy of casualty and liability insurance and fidelity bonds with such coverage and endorsements and in such amounts as shall be required by such agencies regardless of other or different requirements of the Association, the Owners, mortgagees, or other interested parties.

Section 10. Notification of Damage or Loss. The Association shall notify the holders of first mortgages covering all or a portion of the project (directly and in care of any loan servicer), or their designee, in writing, whenever (a) damage to a unit covered by a first mortgage exceeds One Thousand Dollars (\$1,000.00), and/or (b) damage to common areas and related facilities exceeds Ten Thousand Dollars (\$10,000.00).

Section 11. Accounting for Expenditures. The Board and the manager shall keep detailed and accurate records in chronological order of the receipts and expenditures affecting the common areas and facilities, specifying and itemizing the maintenance and repair expenses of the common areas and facilities, and any other expenses insured. All books and records shall be kept in accordance with good accounting procedures, and shall be audited at least once a year by an auditor outside the Association. Such audit shall be completed and be available within ninety days after the end of the fiscal year of the Association.

Section 12. Non-Exemption for Common Expenses. No Owner may exempt himself wholly or partially from liability for charges made pursuant to Article VI by waiver of the use or enjoyment of any of the common areas or facilities, or by abandonment of the unit, or in any other fashion except prospectively by sale.

ARTICLE VII

EXECUTION OF INSTRUMENTS

Section 1. Instrument generally. All Association checks, drafts, notes, bonds, acceptances, contracts, and all other instruments except conveyances, shall be signed by such person or persons as shall be provided by general resolution applicable thereto. In the absence of such a resolution, such instruments shall be signed by the president or the Vice President, and by the Treasurer or Secretary or Assistant Treasurer or Assistant Secretary.

ARTICLE VIII

LIABILITY OF OFFICERS

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Section 1. Exculpation. No director or officer of the Association shall be liable for acts or defaults of any other officer or member or for any loss sustained by the Association or any member thereof, unless the same has resulted from his own willful misconduct or negligence.

Section 2. Indemnification. Every director, officer, and member of the Association shall be indemnified by the Association against all reasonable costs, expenses, and liabilities (including counsel fees) actually and necessarily incurred by or imposed upon him in connection with any claim, action, suit, proceeding, investigation, or injury of whatever nature in which he may be involved as a party or otherwise by reason of his having been a director, officer or member of the Association whether or not he is such a director, officer or member of the Association at the time of the incurring or imposition of such costs, expenses, or liabilities, except in relation to matter as to which he shall be finally adjudged in such action, suit, proceeding, investigation or inquiry to be liable for willful misconduct or negligence to the Association in the performance of his duties; or in the absence of such final adjudication, in the event of determination of such liability by the opinion of legal counsel selected by the Association. The foregoing right of indemnification shall be in addition to and not in limitation of all rights to which such persons may be entitled as a matter of law, and shall inure to the benefit of the legal representative of such person.

ARTICLE IX

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 Board.

ARTICLE X

EVIDENCE OF OWNERSHIP AND REGISTRATION OF MAILING ADDRESS

Section 1. Proof of Ownership. Except for those Owners who initially purchase a unit from Declarant, any person or entity on becoming an Owner shall furnish to the secretary of the Association and any manager a certified copy of the recorded instrument vesting that person or entity with an ownership interest in the unit, which copy shall remain in the files of the Association.

Section 2. Registration of Mailing Address. The Owner or several Owners of a unit shall have one and the same registered mailing address to be used by the Association for mailing of statements, notices, demands and all other communications, and as to each unit such registered address is the only address to be used by the Association. Such registered address shall be furnished by such Owners to the secretary of the Association and any Manager within fifteen days after transfer of title, or after a change of address. Registration shall be written and signed by all of the Owners of the unit or by such persons as are authorized by law to represent the interest of (all of) the Owners thereof.

Crestview Homeowners Association Bylaws

ARTICLE XI

BYLAWS

Section 1. Amendment. (These Bylaws may be amended, modified, or revoked in any respect from time to time by the majority vote of the condominium unit owners at a meeting of the Association duly called and noticed for the purpose of amending these Bylaws; provided, however, that these Bylaws shall always contain those particulars required by law.) [Material in () was adopted by amendment on January 30, 1990.]

Section 2. Conflict. In the event of any conflict between these Bylaws and the mandatory provisions of the Horizontal Property Regimes Act, the latter shall govern and apply.

ARTICLE XII

DEFINITIONS

Section 1. The definitions set out in the Declaration apply to these Bylaws and are incorporated herein by reference. The use of particular gender or number shall denote the masculine, the feminine, and the neuter, the singular and the plural, as the context merits.

ARTICLE XIII

PERIODIC APPRAISAL

In accordance with AS 34.07.180 (as it may from time to time be amended, recodified, or supplanted) the units and common areas and facilities of this project shall be periodically reappraised, with a recomputation of the percentage undivided interest of each Owner in the common areas and facilities as expressed in the Declaration, if required by such reappraisal. The cost of any such reappraisals shall be a common expense.

ADOPTION OF BYLAWS

The undersigned president and secretary of the Association hereby certifies that these Bylaws, by a majority vote of owners at a duly noticed and convened meeting, were adopted by the Association and are the Bylaws of the Association.

IN WITNESS THERETO, we set our signatures the 11th day of January, 1996, at Anchorage, Alaska.

W Moore

President
John W. [Signature]

Secretary