

**BYLAWS
OF
LOOKOUT LANDING PHASE III HOMEOWNERS ASSOCIATION**

**ARTICLE I
BOARD OF DIRECTORS**

Section 1. Number and Qualifications.

(a) The affairs of the Association shall be governed by a Board of Directors which shall consist of no less than three (3) persons, all of whom shall be Unit Owner(s) or appointees of the Declarant. The number of Directors may be changed from time to time by amendment to these By-Laws.

(b) The terms of the Directors shall be for one (1) year, but any Director may be re-elected any number of times.

(c) Except as otherwise provided in Section 9 hereof, the Board of Directors shall be elected at the annual meeting by the Unit Owners. The Unit Owners may, by resolution, adopt specific procedures for conducting the election of members of the Board. The Board of Directors shall elect the officers.

Section 2. Powers. The powers of the Board of Directors are set forth in Article 25 of the Declaration.

Section 3. Standard of Care. In the performance of their duties, the officers and members of the Board of Directors are required to exercise the care required of fiduciaries of the Unit Owners.

Section 4. Removal. Except as otherwise provided in Section 9 hereof, the owners, by a two-thirds (2/3) vote of all persons present and entitled to vote at a meeting of the Owners at which a quorum is present, may remove any Director with or without cause.

Section 5. Vacancies. Except as otherwise provided in Section 9 hereof, vacancies on the Board of Directors caused by any reason other than the removal of a Director by a vote of the owners, may be filled at a special meeting of the Board of Directors, by a vote of a majority of the Board of Directors, even though the Directors present at such meeting may constitute less than a quorum.

Section 6. Regular Meeting. The regular meeting of the Board of Directors shall be held immediately after the annual meeting of the owners. No notice is necessary for such other regular meeting.

Section 7. Quorum. At all meetings of the Board of Directors, a majority of the members of the Board of Directors fixed by these By-Laws shall constitute a quorum for

the transaction of business, and the vote of a majority of the Directors present at a meeting at which a quorum is present shall constitute the act of the Board.

Section 8. **Special Meetings**. Special meetings of the Board of Directors may be called by the President or by a majority of the Directors on at least three (3) business days' notice to each Director. The notice shall be hand delivered or mailed, and shall state the time, place and purpose of the meeting.

Section 9. **Declarant Control**. During the period of Declarant Control, Declarant shall appoint and remove members of the Board of Directors as permitted by the Declaration and the Act. A director appointed by Declarant shall not be removed by a vote of Unit Owners. At any time after Unit Owners other than the Declarant are entitled to elect a Director, the Association shall call and give not less than ten (10) nor more than sixty (60) days' notice of a meeting of the Unit Owners for this purpose. Such meeting may be called and the notice given by any Unit Owner if the Association has not done so after the time Unit Owners other than the Declarant are entitled to elect a director.

ARTICLE II OWNERS

Section 1. **Annual Meetings**. Annual meetings of the Unit Owners shall be held on the first Wednesday in October. At such meetings, the Board of Directors shall be elected and other business which properly comes before the Unit Owners may be transacted.

Section 2. **Special Meetings**. Special meetings of the Unit Owners may be called at any time by the President or by the Board of Directors, or upon written request of the Unit Owners who are entitled to vote one-fifth (1/5) of the votes in the association.

Section 3. **Budget Meetings**. Notices of meetings at which a budget for the Association is to be voted on will include a summary of the proposed budget, and shall set a date for the meeting, which is not less than fourteen (14) nor more than thirty (30) days after mailing of the summary. Unless at such budget meetings a majority of all Unit Owners reject the budget, the budget is ratified, whether or not a quorum is present. If the proposed budget is rejected, the periodic budget last ratified by the Unit Owners continues until the Unit Owners approve a new budget.

Section 4. **Place of Meetings**. Meetings shall be held at the place designated in the notices of meetings provided by the Board of Directors.

Section 5. **Quorum**. Except as otherwise provided herein, Unit Owners present in person or by proxy, but not less than one-tenth (1/10) of the votes of the Association, shall constitute a quorum at any meeting of Unit Owners. If a quorum is present, a vote

of the majority of votes represented shall be binding on all Unit Owners unless a higher percentage is required in the Declaration, these By-Laws, or by the Act.

Section 6. **Notice of Meetings.** All meetings of the Association shall be noticed not less than ten (10) nor more than sixty (60) days in advance of a meeting. The secretary or other officer specified in the By-Laws shall cause notice to be hand-delivered or sent by pre-paid United States mail to the mailing address of each lot or to the mailing address designated in writing by the owner. No action shall be adopted at a meeting of the Association except as stated in the notice.

ARTICLE III OFFICERS

Section 1. **Election and Removal.** The officers shall be elected annually by the Board of Directors and shall hold office at the pleasure of the Board. Any officer may be removed, either with or without cause, by the affirmative vote of the Board of Directors and his or her successor may be elected at any meeting of the Board.

Section 2. **Duties.** The officers and their duties are as follows:

(a) **President** -- The President shall preside over all meetings of the Unit Owners and the Board of Directors. The President shall have all of the general powers and duties which are incident to the office of a president of a non-stock/non-profit corporation organized under the laws of the State of Alaska. The President, as attested by the Secretary, may cause to be prepared and may execute amendments to the Declaration and By-Laws on behalf of the Association.

(b) **Vice-President** -- The Vice-President shall take the place of the President and perform his duties whenever the President is absent or unable to act.

(c) **Secretary-Treasurer** -- The Secretary-Treasurer shall keep and record minutes of meetings of the Unit Owners and the Board of Directors; shall have charge of such books and papers as the Board of Directors direct; and shall in general perform all duties incident to the offices of Secretary or Treasurer of a non-stock/non-profit corporation organized under the laws of the State of Alaska. The Secretary may cause to be prepared and may attest to execution by the President of amendments to the Declaration and the By-Laws on behalf of the Association.

Section 3. **Compensation.** An officer may receive a fee from the Association for acting as such, as may be set by the Board of Directors and reimbursement for necessary expenses actually incurred in connection with his or her duties.

ARTICLE IV INDEMNIFICATION

The Directors and officers of the Association shall have the liabilities, and be entitled to indemnification, as provided in AS 10.20.051(b) and AS 10.20.011(14), the provisions of which are hereby incorporated by reference and made a part hereof.

ARTICLE V VOTING

Section 1. **General.** If only one of several owners of a Unit is present at a meeting of the Association, the owner present is entitled to cast all the votes allocated to the Unit. If more than one of the owners are present, the votes allocated to the Unit may be cast only in accordance with the agreement of a majority in interest of the owners. There is majority agreement if any one of the owners casts the votes allocated to the lot without protest being made promptly to the person presiding over the meeting by another owner of the Unit. Votes allocated to a Unit owned by the Association may not be cast.

Section 2. **Proxies.** Votes allocated to a Unit may be cast under a proxy duly executed by a Unit Owner. If a Unit is owned by more than one person, each owner of the Unit may vote or register protest to the casting of votes by the other owners of the Unit through a duly executed proxy. An owner may revoke a proxy given under this Section only by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates eleven (11) months after its date, unless it specifies a shorter term and does not bind the purchaser of a Unit owned by the proxy's grantor.

ARTICLE VI GENERAL

Section 1. **Fiscal Year.** The fiscal year of the Association shall begin on the 1st day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

Section 2. **Amendment.** These By-Laws may be amended, at a regular or special meeting by the Unit Owners, by a vote of a majority of a quorum of Unit Owners present in person or by proxy, except as otherwise provided by the Declaration. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

Section 3. **Resale Certificates.** The treasurer or a manager employed by the Association, or, in their absence, any officer having access to the books and records of the Association, may prepare, certify, and execute resale certificates in accordance with Section 34.08.590 of the Act and statements of unpaid assessments in accordance with Subsection 34.08.470(h) of the Act.

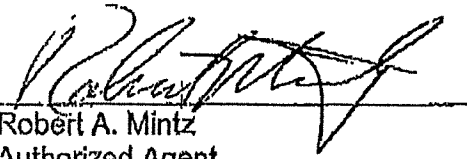
The Association may charge a reasonable fee for preparing resale certificates and statements of unpaid assessments. The amount of this fee and the time of payment shall be established by resolution of the Executive Board. The Association may refuse to furnish resale certificates and statements of unpaid assessments until the fee is paid. Any unpaid fees may be assessed as a Common Expense against the Unit for which the certificate or statement is furnished.

Section 4. **Capitalized Terms.** Capitalized terms used herein without definition shall have the meanings ascribed to them in the Declaration for Lookout Landing Phase III.

DATED at Anchorage, Alaska, this 27th day of September, 2002.

LOOKOUT LANDING PHASE III HOMEOWNERS
ASSOCIATION

By:


Robert A. Mintz
Authorized Agent