

**WILLOWBROOK NORTH HOMEOWNERS
ASSOCIATION**

BYLAWS

ADOPTED OCTOBER 2010

BYLAWS
OF
WILLOWBROOK NORTH HOMEOWNERS ASSOCIATION

ARTICLE I

Introduction

These are the Bylaws of Willowbrook North Homeowners Association. Initial capitalized terms are defined in Article II of the Declaration.

ARTICLE II

Executive Board

Section 2.1 Number and Qualifications.

a. The affairs of the Common Interest Community and the Association shall be governed by an Executive Board, which shall consist of three (3) persons, all of whom shall be Lot Owners. If any lot is owned by a partnership or corporation, any officer, partner or employee of that Lot Owner shall be eligible to serve as a Director and shall be deemed to be a member for the purposes of the preceding sentence. Directors shall be elected by the Owners at the annual meeting. At any meeting at which Directors are to be elected, the Owners may, by resolution, adopt specific procedures for conducting the elections, not inconsistent with these Bylaws or the Corporation Laws of the State of Alaska.

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

c. The Executive Board shall elect the officers. The Directors and officers shall take office upon election.

d. At any time after the Owners 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 Owners for this purpose. Such meeting may be called and the notice given by any member if the Association fails to do so.

Section 2.2 Power and Duties. The Executive Board may act in all instances on behalf of the Association, except as provided in the Declaration, these Bylaws, or the Uniform Common Interest Ownership Act. The Executive Board shall have, subject to the limitations contained in the Declaration, the powers and duties necessary for the administration of the affairs of the Association and of the Common Interest Community which shall include, but not be limited to, the following:

- a. Adopt and amend the bylaws and rules and regulations;
- b. Adopt and amend budgets for revenues, expenditures and reserves;
- c. Collect assessments for common expenses from Owners;
- d. Hire and discharge managing agents and other employees, agents, and independent contractors;
- e. Institute, defend or intervene in litigation or administrative proceedings or seek injunctive relief for violations of the Association's Declaration, Bylaws or Rules in the Association's name on behalf of the Association or two or more owners on matters affecting the Association;
- f. Make contracts and incur liabilities;
- g. Regulate the use, maintenance, repair, replacement and modification of the Community Water System, including but not limited to the Well Road and Well House;
- h. Cause additional improvements to be made as part of the Community Water System;
- i. Seek damages on behalf of the Association from any owner who is not authorized to do maintenance on the Community Water System or on the well road or in the well house area and who damages the water system, well heads or well house, or who allows it's guest, family member, invitee, or other person acting under the owner's control or who is present in the subdivision because of the Owner to damage the same;
- j. Acquire, hold, encumber and convey in the Association's name any right, title or interest to real estate or personal property, but common elements may be conveyed or subjected to a security interest only pursuant to Section 34.08.430 of the Act;

k. Grant easements for any period of time including permanent easements, and leases, licenses and concessions for no more than one (1) year, through or over the Common Elements;

l. Impose and receive a payment, fee or charge for the use, rental or operation of the Community Water System and for services provided to Owners;

m. Impose a charge for late payment of assessments in accordance with Article V of the Declaration and, after Notice and an opportunity to be heard, levy a reasonable fine for a violation of the Declaration, Bylaws, or the Rules and Regulations of the Association;

n. Impose a reasonable charge for the preparation and recording of an amendment to the Declaration, a resale certificate required by Section 34.08.590 of the Act or a statement of unpaid assessments;

o. Provide for the indemnification of the Association's officers and Executive Board and maintain Directors and Officers liability insurance, should the Board elect to do so;

p. Assign the Association's rights to future income, including the right to receive Common Expense assessments;

q. Exercise any other powers conferred by the Declaration or Bylaws;

r. Exercise any other power that may be exercised in the State of Alaska by a legal entity of the same type as the Association;

s. Exercise any other power necessary and proper for the government and operation of the Association; and

t. By resolution, establish committees of Directors, permanent and standing, to perform any of the above functions under specifically delegated administrative standards, as designated in the resolution establishing the committee. All committees must maintain and publish notice of their actions to Owners and the Executive Board. However, actions taken by a committee may be appealed to the Executive Board by any Owner within forty-five (45) days of publication of such notice, and such committee action must be ratified, modified or rejected by the Executive Board at its next regular meeting.

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

Section 2.4 Additional Limitations. The Executive Board may not act on behalf of the Association to amend the Declaration, to terminate the Common Interest Community or to elect members of the Executive Board or determine the qualifications, powers and duties, or terms of office of Executive Board members, but the Executive Board may fill vacancies in its membership for the unexpired portion of any term.

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

Section 2.6 Removal of Directors. The Owners, by a two-thirds (2/3) vote of all persons present and entitled to vote at any meeting of the Owners at which a quorum is present, may remove any Director of the Executive Board with or without cause.

Section 2.7 Vacancies. Vacancies in the Executive Board caused by any reason other than the removal of a Director by a vote of the Owners, may be filled at a special meeting of the Executive Board held for that purpose at any time after the occurrence of any such vacancy, even though the Directors present at such meeting may constitute less than a quorum, in the following manner:

a. As to vacancies of Directors whom Owners elected, by a majority of the remaining such Directors constituting the Executive Board.

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

Section 2.8 Regular Meetings. The first regular meeting of the Executive Board following each annual meeting of the Owners shall be held within ten (10) days thereafter at such time and place as shall be fixed by the Owners at the meeting at which such Executive Board shall have been elected. No notice shall be necessary to the newly elected Directors in order to legally constitute such meeting, providing a majority of the Directors shall be present. The Executive Board may set a schedule of additional regular

meetings by resolution and no further notice is necessary to constitute such regular meetings.

Section 2.9 Special Meetings. Special meetings of the Executive Board may be called by the President or by a majority of the Directors on at least three (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 2.10 Location of Meetings. All meetings of the Executive Board shall be held in the Kenai Borough, unless all Directors consent in writing to another location.

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

Section 2.12 Quorum of Directors. At all meetings of the Executive Board, a majority of the Directors shall constitute a quorum for the transaction of business, and the votes of a majority of the Directors present at a meeting at which a quorum is present shall constitute the decision of the meeting. If, at any meeting, there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any adjourned meeting at which a quorum is present any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 2.13 Consent to Corporate Action. If all the Directors or all Directors of a committee established for such purposes, as the case may be, severally or collectively consent in writing to any action taken or to be taken by the Association, and the number of the Directors or committee constitutes a quorum for such action, such action shall be a valid corporate action as though it had been authorized at a meeting of the Executive Board or the committee, as the case may be. The Secretary shall file such consents with the minutes of the meetings of the Executive Board.

ARTICLE III

Owners

Section 3.1 Annual Meeting. The annual meeting of the Owners shall be held on the first Saturday of the Month of November of each year, provided that such day

is not a legal holiday, otherwise the next Saturday thereafter. In any event, the Board of Directors shall cause a meeting to be held as soon thereafter as conveniently may be and any business transacted or elections held at such meeting shall be valid as of transacted or held at the annual meeting.

Section 3.2 Budget Meeting. Meeting of Owners to consider proposed budgets shall be called in accordance with Article V of the Declaration. The budget may be considered at Annual or Special Meetings called for other purposes as well.

Section 3.3 Special Meetings. Special meetings of the Association may be called by the President, by a majority of the members of the Executive Board, or by Owners comprising twenty percent (20%) of the votes in the Association.

Section 3.4 Place of Meetings. Meetings of the Owners shall be held at the subdivision, or may be adjourned to such suitable place convenient to the Owners as may be designated by the Executive Board or the President.

Section 3.5 Notice of Meetings. Not less than ten (10) nor more than thirty (30) days in advance of a meeting, the Secretary or other office specified in the Bylaws shall cause notice to be hand-delivered or sent prepaid by United States mail to the mailing address of each Lot or to the mailing address designated in writing by the Lot Owner. No action shall be adopted at a meeting except as stated in the notice.

Section 3.6 Waiver of Notice. Any Owner may, at any time, waive notice of any meeting of the Owners in writing, and such waiver shall be deemed equivalent to the receipt of such notice.

Section 3.7 Adjournment of Meeting. At any meeting of the Owners, a majority of the Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to another time.

Section 3.8 Order of Business. The order of business at all meetings of the Owners shall be as follows:

- a. Establish quorum (or check-in procedure);
- b. Proof of notice of meeting;
- c. Approval of minutes of preceding meeting;
- d. Reports;

- e. Establish term of memberships of the Executive Board (if required and noticed);
- f. Election of inspectors of election (when required);
- g. Election of Directors of the Executive Board (when required);
- h. Ratification of Budget (if required and noticed);
- I. Unfinished business;
- j. New business; and
- k. Adjourn.

Section 3.9 Voting.

a. If only one of several owners of a Lot is present at a meeting of the Association, the owner present is entitled to cast the vote allocated to the Lot. If more than one of the owners is present, the vote allocated to the Lot 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 vote allocated to the Lot without protest being made promptly to the person presiding over the meeting by another owner of the Lot.

b. The vote allocated to a Lot may be cast under a proxy duly executed by the Lot Owner. If a Lot is owned by more than one person, each owner of the Lot may vote or register protest to the casting of votes by the other owners of the Lot through a duly executed proxy. A Lot Owner may revoke a proxy given under this Section only by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates one (1) year after its date, unless it specifies a shorter term.

c. The vote of a corporation or business trust may be cast by any officer of such corporation or business trust in the absence of express notice of the designation of a specific person by the board of directors or bylaws of the owning corporation or business trust. The vote of a partnership may be cast by any general partner of the owning partnership in the absence of express notice of the designation of a specific person by the owning partnership. The moderator of the meeting may require reasonable evidence that

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

d. The vote allocated to a Lot owned by the Association may not be cast.

Section 3.10 Quorum. Except as otherwise provided in these Bylaws, the Owners present in person or by proxy, but not less than one-tenth of the votes entitled to vote at the meeting, at any meeting of Owners, shall constitute a quorum at such meeting.

ARTICLE IV

Officers

Section 4.1 Designation. The principal officers of the Association shall be the President, Secretary, and Treasurer all of whom shall be elected by the Executive Board. The Executive Board may appoint an assistant treasurer, an assistant secretary, and such other officers as in its judgment may be necessary. The President, but no other officers, need be Directors. Any two (2) offices may be held by the same person, except the offices of President and Secretary.

Section 4.2 Election of Officers. The officers of the Association shall be elected annually by the Executive Board at the organization meeting of each new Executive Board and shall hold office at the pleasure of the Executive Board.

Section 4.3 Removal of Officers. Upon the affirmative vote of a majority of the Directors, any officer may be removed, either with or without cause, and his or her successor may be elected at any regular meeting of the Executive Board, or at any special meeting of the Executive Board called for that purpose.

Section 4.4 President. The President shall be the chief executive officer of the Association. He or she shall preside at all meetings of the Owners and of the Executive Board. He or she shall have all of the general powers and duties which are incident to the office of president of a nonprofit corporation organized under the laws of the State of Alaska, including, but not limited to, the power to appoint committees from among the Owners from time to time as he or she may in his or her discretion decide is appropriate to assist in the conduct of the affairs of the Association. He or she may fulfill the role of treasurer in the absence of the Treasurer. The President, as attested by the Secretary, may cause to be prepared and may execute amendments to the Declaration and the Bylaws on behalf of the Association, following authorization or approval of the particular amendment as applicable. The President shall take and pass the State of

Alaska's training for well operation and shall be responsible for the operation and oversight of the Community Water System and common water wells and provide an annual report to the Owners on the operation and quality of the water in the subdivision. The President shall also be available and onsite to handle any problems concerning the well operation. In the event that the President cannot be onsite, he or she shall have trained a substitute or shall hire a professional operator to handle said problems in place of the President, to be agreed upon by the Board of Directors.

Section 4.5 Secretary. The Secretary shall keep the minutes of all meetings of the Owners and the Executive Board. He or she shall have charge of such books and papers as the Executive Board may direct and he or she shall, in general, perform all the duties incident to the office of secretary of a nonprofit corporation organized under the laws of the State of Alaska. The Secretary may cause to be prepared and may attest to execution by the President of amendments to the Declaration and the Bylaws on behalf of the Association, following authorization or approval of the particular amendment as applicable.

Section 4.6 Treasurer. The Treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial data. He or she shall be responsible for the deposit of all monies and other valuable effects in such depositories as may from time to time be designated by the Executive Board, and he or she shall, in general, perform all the duties incident to the office of treasurer of a nonprofit corporation organized under the laws of the State of Alaska. He or she may endorse on behalf of the Association for collection only, checks, notes and other obligations, and shall deposit the same and all monies in the name of and to the credit of the Association in such banks as the Executive Board may designate. He or she may have custody of and shall have the power to endorse for transfer on behalf of the Association, stock, securities or other investment instruments owned or controlled by the Association or as fiduciary for others. The Treasurer shall also take the place of the President and perform his or her duties whenever the President is absent or unable to act. If neither the President nor the Treasurer is able to act, the Executive Board shall appoint some other Director to act in the place of the President, on an interim basis.

Section 4.7 Additional duties of Officers. The President, Secretary, and Treasurer shall also perform such other duties as may be imposed upon him or her by the Executive Board and, in the case of the Secretary and Treasurer, those duties imposed by the President. Such duties include, but are not limited to, the duty to uphold and enforce all State and Federal guidelines and regulations governing the testing and maintenance of the Community Water System and common water wells. All Officers shall read the

Declaration, the Articles of Incorporation and the Bylaws, as well as the Well Owner's Guide for the State of Alaska, and uphold and enforce all provisions contained in said documents.

Section 4.8 Agreements, Contracts, Deeds, Checks, etc. Except as provided in Sections 4.4, 4.5, 4.6, and 4.9 of these Bylaws, all agreements, contracts, deeds, leases, checks and other instruments of the Association shall be executed by any officer of the Association or by such other person or persons as may be designated by the Executive Board.

Section 4.9 Resale Certificates and Statements of Unpaid Assessments. The Treasurer, assistant 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 Lot for which the certificate is furnished.

ARTICLE V

Enforcement

Section 5.1 Abatement and Enjoinment of Violations by Owners. The violation of any of the Rules and Regulations adopted by the Executive Board, or the breach of any provision of the Documents shall give the Executive Board the right, after Notice and an opportunity to be heard, except in case of an emergency, in addition to any other rights set forth in these Bylaws:

a. to enter onto the Lot on which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Owner, any structure, thing or condition (except for additions or alterations of a permanent nature that may exist therein) that is existing and creating a danger to the Common Elements contrary to the intent and meaning of the provisions of the Documents, and the Executive Board shall not thereby be deemed liable for any manner of trespass; or

b. to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

Section 5.2 Fine For Violation. By resolution, following Notice and an opportunity to be heard, the Executive Board may levy a fine of up to Fifty Dollars (\$50.00) per day for each day that a violation of the Documents or Rules persists after such Notice and an opportunity to be heard.

ARTICLE VI

Indemnification

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

ARTICLE VII

Records

Section 7.1 Records. The Association shall maintain financial records.

Section 7.2 Examination. All records maintained by the Association or by the manager shall be available for examination and copying by any Owner, by any holder of a Security Interest in a property in the subdivision, or by any of their duly authorized agents or attorneys, at the expense of the person examining the records, during normal business hours and after reasonable notice.

Section 7.3 Records. The Association shall keep the following records:

a. An account for each Lot which is subject to assessment and which shall designate the name and address of each Owner, the name and address of each mortgagee who has given notice to the Association that it holds a mortgage on the Lot, the amount of each Common Expense assessment, the dates on which each assessment comes due, the amounts paid on the account, and the balance due.

b. An account for each Owner showing any other fees payable by the Owner.

c. A record of any capital expenditures in excess of One Thousand Dollars (\$1,000.00) approved by the Executive Board for the current and two (2) next succeeding fiscal years.

d. A record of the amount, and an accurate account of the current balance of any reserves for capital expenditures, replacement and emergency repairs, together with the amount of those portions of reserves designated by the Association for a specific project.

e. The most recently regularly prepared balance sheet and income and expense statement, if any, of the Association.

f. The current operating budget adopted pursuant to Subsection 34.08.460(a) of the Act and ratified pursuant to the procedures of Subsection 34.08.330(c).

g. A record of any unsatisfied judgments against the Association and the existence of any pending suits in which the Association is a defendant.

h. A record of insurance coverage, if any, provided for the benefit of Owners and the Association.

i. A record of any violations, with respect to any portion of the Common Interest Community, of health, safety, fire or building codes or laws, ordinances, or regulations of which the Executive Board has knowledge.

j. A record of the actual cost, irrespective of discounts and allowances, of the maintenance of the Common Elements.

k. Annually the Association shall prepare a balance sheet showing the financial condition of the Association as of a date not more than four (4) months prior thereto, and a statement of receipts and disbursements for twelve (12) months prior to that date. The balance sheet and statement shall be kept for at least ten (10) years from such date in the principal office of the Association.

l. Tax returns for state and Federal income taxation; state corporation biennial license tax/fees; and annual water rights fees.

m. Minutes of proceedings of incorporators, Owners, Directors, committees of Directors and waivers of notice.

Section 7.4 Form Resale Certificate. The Executive Board shall adopt a form resale certificate to satisfy the requirement of Section 34.08.580 of the Act.

ARTICLE VIII

Miscellaneous

Section 8.1 Notices. All notices to the Association or the Executive Board shall be delivered to the office of the manager, or if there is no manager, to the office of the Association, or to such other address as the Executive Board may hereafter designate from time to time, by notice in writing to all Owners and to all holders of Security interests in the Lots who have notified the Association that they hold a Security Interest in a Lot. Except as otherwise provided, all notices to any Owner shall be sent to his or her address as it appears in the records of the Association. All notices to holders of Security Interests in the Lot shall be sent, except where a different manner of notice is specified elsewhere in the Documents, by registered or certified mail to their respective addresses, as designated by them from time to time, in writing, to the Association. All notices shall be deemed to have been given when mailed except notices of changes of address, which shall be deemed to have been given when received.

Section 8.2 Waiver. No restriction, condition, obligation, or provisions contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

Section 8.3 Office. The principal office of the Association shall be in the Subdivision or at such other place as the Executive Board may from time to time designate.

ARTICLE IX

Amendments to Bylaws

The Board of Directors shall have the authority to make, amend, alter, or repeal the Bylaws of the Association by a majority vote of all of the Directors at any regular or special meeting of the Board so long as said amendment, alteration, repeal, or

enactment shall not violate the terms and conditions of the Declaration or the Articles of Incorporation.

Certified to be the Bylaws adopted by consent of the Directors of Willowbrook North Homeowners Association, dated the 18 day of October, 2010.

Carrie M. Hegler - Board of Director
Secretary

Attest: Barbara C. Roberts
President - Board of Director

Robert Rowley
Board of Director