

**BYLAWS OF THE
MEMORY LAKE ESTATES ONE OWNERS' ASSOCIATION**

ARTICLE I

Section 1. Creation of Corporation. The Memory Lakes Estates One Owners' Association is a non-profit corporation formed pursuant to the Fourth Supplemental Declaration of Covenants, Conditions and Restrictions to the Declaration of Covenants, Conditions and Restrictions Memory Lake Estates (as Previously Amended), which was recorded in the Records of the Palmer Recording District, Third Judicial District, State of Alaska in Book 1100 beginning at Page 252 on November 15, 2000. For convenience those documents will be called the 4th CCRs. Page 1 of the 4th CCRs makes reference to other Declarations of record, which are also applicable pursuant to the terms of the 4th CCRs. The term "Applicable Declarations" shall include the 4th CCRs and those of other Declarations of record.

Section 2. Applicability of Bylaws. The provisions of these Bylaws are applicable to the property described in paragraph 1 of Attachment "A" of the 4th CCRs, which include all structures and improvements located thereon. It will be referred to as the "Covered Property." All present and future owners, tenants and occupants of any Lots in the Covered Property, are subject to these Bylaws. Acquisition, lease, rental or occupancy of any of the Lots in the Covered Property shall signify that these Bylaws are accepted and ratified and shall be complied with by the occupant.

**ARTICLE II
ASSOCIATION OF LOT OWNERS**

Section 1. Membership. The Owners upon acquiring title to a Lot within the Covered Property shall automatically become a member of the Association and shall remain a member thereof until such time as ownership of such Lot ceases for any reason. There shall be one vote per Lot.

Section 2. Register of Members. The Board of Directors shall cause a register to be kept containing the names and addresses of all Members of the Association. Members of the Association who sell or convey their interest in a Lot shall within ten (10) days of the change, report to the Board of Directors the name and address of their successor in interest. A member of the Association shall upon request, furnish the Board with a copy of any document under which he obtained ownership of a Lot.

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

Section 4. Place of Meetings. Meetings of the Association shall be held in such suitable place convenient to the Owners as may be designated by the Board of Directors by written notice to the members.

Section 5. Annual Meetings. The first annual meeting of Members shall be held in January of 2002. The organizational meeting of December 13, 2000 shall be considered as the annual meeting for 2001. At such meetings the Members shall elect by ballot a Board of Directors in accordance with the provisions of Section 5 of Article III of these Bylaws and may also transact such other business of the Association as may properly come before them.

Section 6. Special Meetings. Special meetings of the Association may be held at any time upon the call of the President or upon the call of Members representing at least twenty-five percent (25%) of the Lots within the Covered Property.

Section 7. Notice of Meetings. The Secretary shall at least ten (10) days nor more than sixty (60) days before the date set for each annual and special meeting; give written notice thereof to each Member according to the Association's record of ownership; stating whether it is an annual or special meeting, the authority for the call thereof, the place, day and hour of such meeting and the purpose therefore; in any of the following ways: (a) by leaving the same with the owner personally, or (b) by leaving the same at the owners residence or usual place of business, or (c) by mailing it, postage prepaid, addressed to the owner at their address as it appears on the record of ownership of the Association or (d) electronic mail if requested. If notice is given pursuant to the provisions of this section, the failure of any Member to receive actual notice of such meeting shall in no way invalidate the meeting or any proceedings thereat. The presence of any Member in person or by proxy at any meeting shall be deemed a waiver of any required notice as to such Member unless such Member shall at the opening thereof object to the holding of such meeting for noncompliance with the provisions of this section.

Section 8. Quorum. The presence at any meeting in person or by proxy of Members owning ten percent (10%) of the Lots within the Covered Property (each with one vote per Lot) as herein defined shall constitute a quorum. The vote of a majority of the quorum present at any meeting shall be binding upon the Association except as otherwise provided herein.

Section 9. Voting. Voting shall be on the basis of one vote for each Lot. An executor, administrator, guardian or trustee may vote in person or by proxy at any meeting of the Association. The vote for any Lot owned or controlled by an executor, administrator, guardian or trustee; whether or not the same shall have been transferred to the executors, administrators, guardians or trustees name in the Association's record of ownership; provided that they shall first present evidence satisfactory to the Secretary that they own or control such Lot in such capacity. In the event the Lot is owned by more than one person, firm, corporation, trustier, or combination thereof, they must act unanimously to cast the vote allocated to the Lot. Anything herein to the contrary notwithstanding, a Member owning more than one Lot in the Covered Property shall be entitled to a vote for each of the Lots owned by that Member.

Section 10. Proxies. Votes may be cast in person or by proxy of the Member as shown by the record of ownership of the Association. The authority given by any Member, to another person, to represent them at meetings of the Association shall be in writing, signed by such Member and filed with the Secretary, and unless limited by its terms shall continue until revoked by a writing filed with the Secretary or by the death or incapacity of such Member. Provided, however, that the maximum duration of a proxy shall not exceed 365 days.

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

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

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

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

Section 14. Books and Records. Any Member or Mortgagee of a first mortgage on a Lot in the Covered Property shall, upon request, be entitled to inspect the books and records of the Association during normal business hours.

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

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

ARTICLE III BOARD OF DIRECTORS

Section 1. Number and Qualifications. The direction and administration of the Project and the affairs of the Association shall be vested in a Board of Directors (hereinafter "Board") composed of three (3) persons, who shall be elected as hereinafter provided. Each member of the Board shall be one of the Members, except for those elected and serving on the initial Board of Directors; provided; however; that in the event a Member is a corporation, partnership, trust, or other legal entity other than a natural person or persons; then any officer, shareholder or director of such corporation, partner of such partnership, beneficiary or individual trustee of such trust, or manager of such other legal entity, shall be 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 administration of the affairs of the Association and may do all such acts and things therefore as are not by law or by these Bylaws, directed to be exercised and done only by the Members. In addition to powers and duties conferred by these Bylaws, the Applicable Declarations or resolutions of the Association, the Board shall be responsible for, but not limited to, the following:

- (a) Management and operation of the Covered Property.
- (b) Establishment and collection of annual assessments and special assessments against the Members for common expenses.
- (c) Appointment and dismissal of any personnel necessary for operation and maintenance of the Covered Property (if any).
- (d) Execution of contracts within the scope of their duties and powers.
- (e) Administration, interpretation and enforcement of the Applicable Declarations, easements, uses, limitations, obligations and all other provisions set forth in the Applicable Declarations and Bylaws, including the right to levy fines for violations of rules and regulations.
- (f) Establishment and enforcement of such reasonable rules and regulations as may be necessary for the operation, use and occupancy of the Covered Property with the right to amend same from time to time.
- (g) Protection and defense of the entire Covered Property from loss and damage by suit or otherwise.
- (h) Purchase and maintenance at all times of all policies of casualty and liability insurance with respect to the Covered Property required by

the Applicable Declarations or this Bylaw and such other insurance and bonds as may be provided by the Applicable Declarations, by this Bylaw, or authorized by the Board.

- (i) Custody of all funds of the Association, and maintenance of full and accurate books of accounts and records of said funds, including the right to assign future income of the Association.
- (j) Arbitration of disputes between Members, relating to the Covered Property.
- (k) In general to carry on the administration of this Association and to do all of those things necessary and reasonable in order to carry out the communal aspects of the Covered Property.

Section 3. Managing Agent. The Board may employ professional management in the form of a responsible Alaska firm to manage and control the Association at such compensation and with such administrative powers and duties as the Board may establish.

Section 4. Representation. The President or managing agent, subject to the direction of the Board, shall represent the Association or any two or more Members, similarly situated as a class in any action, suit, hearing or other proceeding concerning the Association, the Common Areas and two or more Members. On behalf of the Association or Members, they may institute, defend, intervene in, prosecute and settle any such actions, suits or proceedings without prejudice to the rights of any Members individually to appear, sue or be sued.

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

Section 6. Vacancies. Vacancies in the Board, caused by any reason, shall be filled by a vote of a majority of the remaining Directors, even though they may constitute less than a quorum, and each person so elected shall be a Director until his successor is elected at the next annual meeting of the Association. Death, incapacity or resignation of any Director, or their ceasing to be the Member or Co-Member of a Lot shall cause their office to become vacant.

Section 7. Removal of Directors. At any regular meeting or special meeting of the Association duly called, any one or more of the Directors may be removed with or without cause by vote of a majority of Members 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 such meeting.

Section 8. Compensation. No compensation shall be paid to Directors for their services as Directors. No remuneration shall be paid to a Director for services performed by them 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 may not be an employee of the Association.

Section 9. Regular Meetings. A regular annual meeting of the Board shall be held immediately after, and at the same place as the annual meeting of the Members. Other meetings of the Board may be called, held and conducted in accordance with such regulations as the Board may adopt.

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

Section 11. Waiver of Notice. Before or at any meeting of the Board any Director may in writing waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board where the time, place and purpose of a future meeting is set, shall be waiver of notice to the Director of such meeting. If all Directors are present at any meeting of the Board, no notice thereof shall be required, and any business may be transacted at such meeting.

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

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

ARTICLE IV OFFICERS

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

Section 2. Election of Officers. The officers of the Association shall be elected annually by the Members at the annual meeting. Should the Members fail to elect officers, the Board shall elect officers at its annual meeting. Those officers elected shall hold office at the pleasure of the Board.

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

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

Section 5. Treasurer. The Treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. They shall be responsible for the deposit of all moneys and other valuable affects in the name and to the credit of the Association, in such depositories as may be designated by the Board.

Section 6. Secretary. The Secretary shall attend and keep the minutes of all meetings of the Board and of the Association; shall give notices as provided by these Bylaws; and shall have other powers and duties as may be incidental to the office of Secretary, given them by these Bylaws or assigned to them from time to time by the Board. If the Secretary shall not be present at any meeting, the presiding officer shall appoint a secretary pro temper, who shall keep the minutes of such meeting and record them in the books provided for that purpose. The Secretary shall become interim President if the President ceases to be a member of the Board for any reason.

Section 7. Auditor. The Association may, at any meeting, appoint some person, firm or corporation engaged in the business of auditing to act as auditor of the Association; and to perform such audits and fiscal duties as may be required by Alaska Common Membership Act or requested of them by the Association.

Section 8. Execution of Instruments. All checks, drafts, notes, acceptances, conveyances, contracts and other instruments shall be signed on behalf of the Association by such person or persons as shall be provided by general or special resolution of the Board or in the absence of any such resolution applicable to such instrument, by the President, the Treasurer or the Secretary. The Board may adopt resolutions to require dual signatures on instruments.

ARTICLE V COMMITTEES

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

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

ARTICLE VI ASSESSMENTS

Section 1. Obligation. All Members shall be obligated to pay the estimated assessments imposed by the Board to meet the common expenses of maintenance, operation and management of the Covered Property as set forth in the Applicable Declarations (as described on page 1 of the 4th CCRs).

ARTICLE VII HANDLING OF FUNDS

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

ARTICLE VIII AMENDMENTS OF BYLAWS

Section 1. Procedure. These Bylaws may be amended, in any respect not inconsistent with any provisions of law or the Applicable Declarations, by vote of sixty-seven percent (67%) of the Members at any meeting of the Association duly called for such purpose.

ARTICLE IX FISCAL YEAR

Section 1. Fiscal Year. The fiscal year of the Association shall be a calendar year.

ARTICLE X COMPLIANCE

Section 1. Subordination. These Bylaws are subordinate and subject to the provisions of the Applicable Declarations and all amendments thereto. They are also intended to comply with the requirements of the Alaska Common Ownership Act. If any of these Bylaws conflict with the provisions of the statute, the provisions of the statute will apply.

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

Section 3. Nonprofit Corporations. This Association is not organized for profit. Nothing in these Bylaws shall be deemed or construed to authorize the Association or the Board to conduct or engage in any active business for profit on behalf of any or all of the Members.

ADOPTION OF BYLAWS

We, the undersigned, being the first Board of Directors of Memory Lakes Estates One Owners' Association as set forth in the Articles of Incorporation for such corporation hereby adopt the foregoing Bylaws as the Bylaws of such corporation on this 25th day of March, 2002.

(signature on recorded document)
Cindilee Dupuis

(signature on recorded document)
Suzan Short

(signature on recorded document)
Ron Neffendorf

Not on Board
Harry Zola

Exceeded Term Limit
William Hogue

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