

**BYLAWS**

of

**Spring Hills Estates Road Improvement  
and Maintenance Association, Inc.**

an Alaska corporation

Effective Date: August 5, \_\_, 1998

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## Article I.

### OFFICES

Section 1. Principal Office. The principal office of the corporation shall be located in the State of Alaska at such place as the board of directors may from time to time determine.

Section 2. Registered Office. The registered office of the corporation required by the Alaska Corporations Code to be maintained in the State of Alaska may, but need not be, identical with the principal office in the State of Alaska. The address of the registered office may be changed from time to time by the board of directors.

## Article II.

### SHAREHOLDERS

Section 1. Annual Meeting. The annual meeting of the shareholders shall be held in Anchorage, Alaska, on the third (3rd) Sunday of the month of September of each year, beginning with the year 1998, or on such other date as the board may determine for the purpose of electing directors and the transaction of such other business as may come before the meeting.

Section 2. Special Meetings. Special meetings of the shareholders, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the president, the board of directors, or the holders of not less than one-tenth (1/10) of all the shares of the corporation entitled to vote at the meeting.

Section 3. Notice of Meeting. Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose(s) for which the meeting is called, shall be delivered not less than twenty (20) nor more than sixty (60) days before the date of the meeting, either personally or by mail, by or at the direction of the president, the secretary, the board of directors or the persons calling the meeting, to each shareholder of record as of the date the notice is provided. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to each shareholder at such address as which appears on the stock transfer books of the corporation, with postage thereon prepaid, or if the shareholder has filed with the secretary of the corporation a written request that notice be mailed to a different address, addressed to the shareholder at the new address. A waiver of notice for any meeting, in a writing signed by a shareholder before or after the time for notice, is equivalent to the giving of notice to such shareholder.

Section 4. Voting Lists. The officer or agent having charge of the stock transfer books for shares of the corporation shall, at least twenty (20) days before each meeting of shareholders, compile a complete list thereof, arranged in alphabetical order, with the address of

and the number of shares held by each shareholder. Prior to such meeting, such list shall be kept on file at the registered office of the corporation and shall be subject to inspection and copying by any shareholder at any time during usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any shareholder during the whole time of the meeting. The original stock transfer book shall be prima facie evidence as to who are the shareholders entitled to examine such list or transfer books or to vote at any meeting of shareholders. Failure to comply with the requirements of this Section 4 of Article II does not affect the validity of the action taken at the meeting.

Section 5. Quorum. A majority of the outstanding shares of the corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of shareholders. A shareholder may appear and participate at a meeting of shareholders in person, telephonically by conference call or by similar electronic means. If less than a majority of the outstanding shares are represented at a meeting, a majority of the shares so represented may adjourn the meeting from time to time without further notice. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. The shareholders present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum, if any action taken other than adjournment is approved by at least a majority of shares required to constitute a quorum.

Section 6. Proxies. A person entitled to vote shares may vote by proxy executed in writing by such person, or by that person's duly authorized attorney-in-fact. Such proxy shall be delivered to the corporation: (a) in the case of a meeting of the shareholders, at such time as the board of directors may determine, but not later than the time of the meeting; (b) in the case of an action by the shareholders by unanimous written consents pursuant to Section 10 of this Article II, before or at the time such action is executed by such proxy; and (c) by personal delivery, courier, first class mail, or facsimile transmission to such address or telephone number as the board of directors may determine. No proxy shall be valid after eleven (11) months from the date of execution, unless it otherwise qualifies under AS 10.06.418(e) and has not been revoked pursuant to AS 10.06.418.

Section 7. Voting of Shares. Subject to the provisions of Section 9 of this Article II, each outstanding share entitled to vote shall be entitled to one (1) vote upon each matter submitted to a vote of the shareholders. If a quorum is present at a meeting of the shareholders, the affirmative vote of a majority of the shares represented at the meeting and entitled to vote is the act of the shareholders, unless the vote of a greater number is required by the articles of incorporation, these bylaws or applicable state or federal law.

Section 8. Voting of Shares by Certain Holders.

(a) Shares held jointly by more than one (1) person, either as tenants in common or tenants by the entirety, may be voted by any one (1) of such persons. Any joint

owner of a share may vote such share or appoint a proxy to vote such share on behalf of all such owners, unless the corporation is expressly directed to the contrary in a writing executed by all such owners. For the purposes of these bylaws, all joint owners of a share shall collectively constitute a single shareholder.

(b) Shares held by an administrator, executor, guardian or conservator may be voted by that person, without a transfer of such shares into that person's name. Shares held in the name of a trustee may be voted by the trustee, but no such shares shall be deemed held by a trustee without a transfer of such shares into the trustee's name.

(c) Shares held in the name of a receiver may be voted by such receiver, and no shares shall be deemed held by a receiver without such shares being transferred into the receiver's name, unless authority to transfer the shares is contained in an appropriate order of the court by which such receiver was appointed.

(d) A shareholder whose shares are pledged or encumbered shall be entitled to vote such shares until the shares have been transferred into the name of the pledgee or secured party or any other person. Thereafter such pledgee, secured party or other person shall be entitled to vote the shares so transferred.

(e) Shares held in the name of another corporation may be voted by its officer, agent or proxy, as the bylaws of the other corporation may prescribe, or in the absence of such a provision, as the board of directors of such corporation may determine.

Section 9. Voting for Directors. At each election for directors, every shareholder entitled to vote at such election may vote the number of shares owned by the shareholder for as many persons as there are directors to be elected and for whose election the shareholder has a right to vote. The shareholders shall not be entitled to cumulatively vote their shares.

Section 10. Informal Action by Shareholders. Any action required to be taken at a meeting of the shareholders, or any other action which may be taken at a meeting of the shareholders, may be taken without a meeting by written consents, identical in content, setting out the action taken, signed by all of the outstanding shares entitled to vote on the action. Such consents shall be filed with the minutes of the corporation and have the same effect as a unanimous vote.

### **Article III.**

#### **BOARD OF DIRECTORS**

Section 1. General Powers. All corporate powers shall be exercised by or under the authority of, and the business and affairs of the corporation shall be managed under the direction of, its board of directors.

Section 2. Director Duties. Each director of the corporation shall: (a) be an owner or part owner of a lot in Spring Hills Estates or Spring Hills Estates, Addition No. 1 subdivision; and (b) perform the duties of a director in good faith, in a manner the director reasonably believes to be in the best interests of the corporation, and with the care, including reasonable inquiry, that an ordinarily prudent person in a like position would use under similar circumstances. A director is entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by: (a) one or more officers or employees of the corporation whom the director reasonably believes to be reliable and competent in the matters presented; or (b) counsel, public accountants, or other persons as to matters that the director reasonably believes to be within the person's professional or expert competence. A director is not acting in good faith if the director has knowledge concerning the matter in question that makes reliance on such information, opinions, reports or statements unwarranted.

Section 3. Number, Tenure and Qualifications. A fully constituted board of directors of the corporation shall consist of three (3) members. A change from such fixed number of directors to another fixed number, or from a fixed to a variable board, may be adopted only as a bylaw by approval of the outstanding shares. Each director shall serve from the time of his or her election or appointment until the next annual meeting of shareholders and until his or her successor is elected and qualified, until his or her death, or until he or she resigns or is removed in the manner hereinafter provided. Each director shall be a shareholder of the corporation, or the duly authorized representative of a nonnatural shareholder, and at least eighteen (18) years of age at the time of his or her election or appointment.

Section 4. Resignation/Removal. A director may resign at any time or be removed at any time, with or without cause, by a majority of the outstanding shares. A director shall be deemed to have resigned effective upon the transfer of all of his or her share(s) in the corporation.

Section 5. Regular Meetings. An annual meeting of the board of directors shall be held at a mutually agreeable time, date and location in Anchorage within one (1) month after the annual shareholders meeting, for the purpose of electing officers and the transaction of such other business as may come before the meeting. The board of directors may provide, by resolution, the day, time and place within the State of Alaska for the holding of other regular meetings of the board. A regular meeting not fixed by the board pursuant to this Section 5 of Article III shall be treated as a special meeting for the purpose of meeting notices.

Section 6. Special Meetings. Special meetings of the board of directors may be called by or at the request of the president, the secretary, or any director. The person or persons calling such special meeting may fix any place within the State of Alaska as the place for holding the special meeting.

Section 7. Notice. Notice of any regular or special meeting of the board shall be given at least ten (10) days before the meeting by written notice mailed to each director at his or her address, unless notice of the meeting is given by electronic means, personal messenger or comparable person-to-person communication. If notice is given by any such latter means, it shall be given at least seventy-two (72) hours before the meeting. The business to be transacted at and the purpose of any special meeting of the board must be specified in the notice of such meeting. Any director may waive notice of any meeting. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director objects to the transaction of any business before or at the commencement of the meeting due to the lack of proper notice.

Section 8. Quorum. A majority of the number of a fully constituted board of directors pursuant to Section 3 of this Article III shall constitute a quorum for the transaction of business at any meeting of the board of directors, but if less than such majority is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice. A director may appear and participate at a meeting in person, telephonically by conference call or by similar electronic means.

Section 9. Recording Meetings. Accurate and complete written minutes of all meetings and other proceedings of the board of directors shall be kept as part of the corporation's business records.

Section 10. Manner of Acting. The act of a majority of the directors present at a meeting of the board of directors at which a quorum is present is the act of the board of directors.

Section 11. Informal Action by Directors. Any action required to be taken or permitted to be taken by the board of directors may be taken without a meeting by written consents, identical in content, setting out the action taken and signed by all members of the board. Such consents shall be filed with the minutes of the corporation and have the same effect as a unanimous vote.

Section 12. Vacancies. Except for the vacancy created by the removal of a director, any vacancy occurring on the board of directors may be filled by the affirmative vote of a majority of the remaining directors, whether or not less than a quorum, or by the sole remaining director. Vacancies created by the removal of directors may be filled only by the shareholders. A director elected to fill a vacancy shall be elected for the unexpired term of the director's predecessor in office. Any director position to be filled by reason of an increase in the number of directors shall be filled by election at an annual meeting or at a special meeting of shareholders called for that purpose. If, after the filling of a vacancy by the directors, the directors who have been elected by the shareholders constitute less than a majority of the directors, the holder(s) of an aggregate of ten percent (10%) or more of the outstanding shares may call a special meeting of the shareholders to elect a new board.



Section 13. Presumption of Assent. A director who is present at a meeting of the board of directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless the director's dissent shall be entered in the minutes of the meeting or unless the director shall file a written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent to the secretary of the corporation promptly after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

Section 14. Director Conflicts of Interest.

(a) A contract or other transaction between the corporation and one or more of its directors, or between the corporation and a corporation, company, firm or association in which one or more of the directors of the corporation has a material financial interest, is neither void nor voidable because the director or directors or the other corporation, firm or association are parties or because the director or directors are present at the meeting of the board that authorizes, approves or ratifies the contract or transaction, if the material facts as to the transaction and as to the director's interest are fully disclosed or known to the (i) shareholders, and the contract or transaction is approved by the shareholders in good faith, with the shares owned and controlled by the interested director or directors not being entitled to vote, or (ii) board, and the board authorizes, approves or ratifies the contract or transaction in good faith by a sufficient vote without counting the vote of the interested director or directors, and the person asserting the validity of the contract or transaction sustains the burden of proving that the contract or transaction was just and reasonable as to the corporation at the time it was authorized, approved or ratified.

(b) A contract or other transaction between the corporation and a corporation or association of which one or more directors of the corporation are directors is neither void nor voidable because the director or directors are present at the meeting of the board that authorizes, approves or ratifies the contract or transaction, if the material facts of the transaction and the director's other directorship are fully disclosed or known to the board and the board authorizes, approves or ratifies the contract or transaction in good faith by a sufficient vote without counting the vote of the common director or directors or the contract or transaction is approved by the shareholders in good faith. The foregoing does not apply to contracts or transactions covered by subsection (a) of this Section 14 of Article III.

(c) Interested or common directors shall be counted in determining the presence of a quorum at a meeting of the board that authorizes, approves or ratifies a contract or transaction.

Section 15. Right of Inspection. Each director of the corporation has the absolute right at a reasonable time to inspect and copy all books, records and documents of every kind and to inspect the physical properties of the corporation or a domestic or foreign subsidiary of

the corporation. Inspection by a director may be made in person or by agent or attorney, and the right of inspection includes the right to copy and make extracts.

#### **Article IV.**

#### **OFFICERS**

Section 1. Number and Type. The officers of the corporation shall be a president, a secretary and a treasurer, who shall be elected by the board of directors. Any two or more offices may be held by the same person, except the offices of president and secretary. Each officer of the corporation shall be a shareholder of the corporation, or the duly authorized representative of a nonnatural shareholder, and at least eighteen (18) years of age. A director of the corporation may also serve as an officer of the corporation.

Section 2. Election and Term of Office. The initial officers of the corporation shall be appointed or elected by the board of directors at the organization meeting of the corporation. Thereafter, the officers of the corporation shall be appointed or elected annually by the board of directors at the first meeting of the board of directors held after each annual meeting of the shareholders. Each officer shall hold office until his or her successor shall have been duly elected and shall have qualified, until his or her death or until he or she shall resign or shall have been removed in the manner hereinafter provided.

Section 3. Resignation/Removal. Each officer elected or appointed by the board of directors serves at the pleasure of the board. An officer may resign at any time upon written notice to the corporation. An officer shall be deemed to have resigned effective upon the transfer of all of his or her shares in the corporation.

Section 4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, shall be filled by the board of directors for the unexpired portion of the term.

Section 5. Duties. Each officer of the corporation shall perform the duties of the office in good faith and with that degree of care, including reasonable inquiry, that an ordinarily prudent person in like position would use under similar circumstances. An officer is entitled to rely on information, opinions, reports or statements, including financial statements and other financial data in each case prepared or presented by legal counsel or public accountants. An officer is not acting in good faith if the officer has knowledge concerning the matter in question that makes reliance on such information, opinions, reports or statements unwarranted. The duties of each office are as follows:

Section 5.1. President. The president shall be the chief executive officer of the corporation and shall, subject to the control of the board of directors, in general supervise and control all of the business and affairs of the corporation. The president shall also be the

chief operating officer of the corporation and shall, subject to the control of the board of directors, in general supervise and control all of the operational affairs of the corporation. The president shall, when present, preside at all meetings of the shareholders and board of directors. The president may sign, with the secretary or any other proper officer of the corporation thereunto authorized by the board of directors, statements for shares of the corporation, any contracts or other instruments which the board of directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the board of directors or by these bylaws to some other officer or agent of the corporation, or shall be required by law to be otherwise signed or executed. The president shall also perform all duties incident to the office of president and such other duties as may be prescribed by the board of directors from time to time.

Section 5.2. Secretary. The secretary shall keep the minutes of the shareholders and of the board of directors meetings in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these bylaws or as required by law; have charge and be custodian of the corporate records and of the seal of the corporation and see that the seal of the corporation is affixed to all documents, the execution of which on behalf of the corporation under its seal is duly required; keep a register of the mailing address of each shareholder which shall be furnished to the secretary by such shareholder; sign with the president statements for shares of the corporation; have general charge of the stock transfer books of the corporation; and, in general, perform all duties incident to the office of secretary and such other duties as from time to time may be assigned by the president or the board of directors.

Section 5.3. Treasurer. The treasurer shall have charge and custody of and be responsible for all funds, securities and the books of account of the corporation, receive and give receipts for monies due and payable to the corporation from any source whatsoever, and deposit all such monies in the name of the corporation in such banks, trust companies and other depositories as shall be selected in accordance with the provisions of these bylaws; and, in general, perform all duties incident to the office of treasurer and such other duties as from time to time may be assigned by the president or the board of directors. If required by the board of directors, the treasurer shall give a bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the board of directors shall determine.

## **Article V.**

### **FINANCIAL MATTERS**

Section 1. Contracts. The board of directors may authorize any officer or officers, agent or agents to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation. Such authority may be general or confined to specific instances.

Section 2. Checks, Drafts, Etc. All checks, drafts or other orders for the payment of money issued by or in the name of the corporation, shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by the board of directors.

Section 3. Deposits. All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the board of directors may select.

Section 4. Fiscal Year. The board of directors may fix and change the fiscal year of the corporation from time to time to the extent allowed by applicable state or federal law.

Section 5. Annual Operating Budget. Prior to the annual meeting of the corporation's shareholders each year, the board of directors shall formulate and prepare a proposed budget for the corporation's operations for the succeeding twelve (12) month period. Such proposed budget shall (a) detail the anticipated, foreseeable and necessary maintenance expenses of the corporation for such period, and (b) propose an amount to be charged to and assessed against the shareholders sufficient to satisfy such obligations. Such proposed budget shall be transmitted to the shareholders of the corporation with the notice of such annual meeting. At such annual meeting at which a quorum of the shareholders is present, such proposed budget shall be discussed and approved by the majority vote of the shares attending the meeting. The board of directors shall not authorize annual expenditures that exceed such budget by more than ten percent (10%) in the aggregate, unless: (a) (i) the board calls and holds a special meeting of the shareholders of the corporation to request a modification of the budget and (ii) such modification is approved by a majority of the shares attending such a duly called and held special meeting; or (b) an emergency or exigent road maintenance problems requires it, in which case the board shall call and hold such a special meeting within thirty (30) days after such an expenditure is made to seek ratification of such expenditure and amendment of the budget to reflect it.

Section 6. Assessments and Liens. The assessment established by a budget duly approved by the shareholders as set forth in Section 5 of this Article V shall be apportioned equally among the shareholders. Each shareholder shall pay his/her proportionate share of such assessment for operating expenses in full within thirty (30) days after such budget is approved. Failure to fully and timely satisfy such assessment obligations shall create a lien in favor of the corporation against (a) such shareholder's shares of the corporation and (b) such shareholder's properties associated with such shares. Such assessment and lien shall bind, burden and run with such shares and the properties associated therewith and may be foreclosed by the corporation as a judgment pursuant to AS 09.30 and 09.35.

## Article VI.

### SHARES AND THEIR TRANSFER

Section 1. Transfer of Shares. No certificates evidencing shares of the corporation shall be issued. Transfer of shares of the corporation shall be made only on the stock transfer books of the corporation: (a) by the shareholder or by his or her legal representative, who shall furnish proper evidence of authority to transfer, or by his or her attorney thereunto authorized by power of attorney duly executed and filed with the secretary of the corporation; and (b) on the terms and conditions set forth in the corporation's articles of incorporation. The person(s) in whose name(s) shares stand on the stock transfer books of the corporation shall be deemed by the corporation to be the sole and exclusive owner(s) of such shares for all purposes. The corporation shall, however, recognize any equitable or other claim, interest, lien or right in, to or against such shares asserted by a third party if the corporation has received actual notice of the assertion of such claim, interest, lien or right affecting such shares or the shareholder's properties associated with such shares.

Section 2. Restrictions on Transfer of Shares. The transferability and alienability of the shares of the corporation shall be restricted in accordance with the corporation's articles of incorporation.

## Article VII.

### BOOKS AND RECORDS

(a) The corporation shall keep correct and complete books and records of account, recordings and/or minutes of meetings and other proceedings of its shareholders and board of directors, and a record of its shareholders, containing the names and addresses of all shareholders and the number and class of the shares held by each. The books and records of account, minutes and the record of shareholders may be in written form or in any other form capable of being converted into written form within a reasonable time.

(b) The corporation shall make its books and records of account, or certified copies of them, reasonably available for inspection and copying at the corporation's registered office or principal place of business in the State of Alaska by a shareholder of the corporation. Shareholder inspection shall be upon written demand stating with reasonable particularity the purpose of the inspection. The inspection may be in person or by agent or attorney, at a reasonable time and for a proper purpose. Only books and records of account, minutes and the record of shareholders directly connected to the stated purpose of the inspection may be inspected or copied.

(c) The corporation shall keep, at its principal business office in Anchorage, the original or a copy of the corporation's articles of incorporation and bylaws, with amendments

and restatements to date. All such documents shall be available for inspection by a shareholder of the corporation at all reasonable times during office hours.

**Article VIII.**

AMENDMENTS

These bylaws may be altered, amended or repealed and new bylaws may be adopted by the board of directors at any regular or special meeting of the board of directors, unless and to the extent that the shareholders expressly reserve unto themselves the power to adopt, amend or repeal such bylaws. Bylaws adopted or amended by the shareholders may not be amended to the contrary or repealed by the board of directors. Bylaws repealed by the shareholders may not be readopted by the board.


**Article IX.**

SEVERABILITY

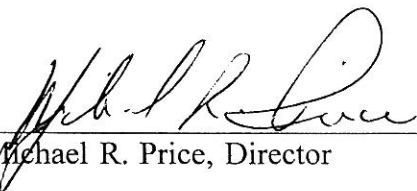
In the event that any provision of these bylaws (a) conflicts with or is prohibited by any applicable state or federal law or (b) is declared to be void or unenforceable by a court of competent jurisdiction, the remaining provisions of these bylaws shall nevertheless be valid, binding and enforceable as if such void or unenforceable provision had been omitted from these bylaws when they were adopted.

APPROVED by the board of directors of the corporation effective the 5<sup>th</sup> day of August, 1998.

APPROVING DIRECTORS:

  
\_\_\_\_\_  
Susan S. Bowers, Director

  
\_\_\_\_\_  
Jane V. Burrows, Director

  
\_\_\_\_\_  
Michael R. Price, Director

DISSENTING DIRECTORS: None

ABSENT DIRECTORS: None

**PROTECTIVE COVENANTS**  
**(AMENDED)**

SPRING HILLS ESTATES, according to Plat No. 83-382, and SPRING HILLS ESTATES, ADDITION NO. 1, according to Plat No. 84-140, Anchorage Recording District, Third Judicial District, State of Alaska.

WHEREAS, protective covenants were previously recorded in Book 1120 at Page 801 through 807, and a road maintenance agreement was previously recorded in Book 1477 at Page 0655 through 0666, applicable to certain of the real estate described herein; and

WHEREAS, the road maintenance agreement has been informally applied to Spring Hill Drive, Golden Spring Circle, and Silver Spring Circle and the real estate benefited thereby.

THE UNDERSIGNED HOMEOWNERS/PROPERTY OWNERS, being the record owners of real property within SPRING HILLS ESTATES and SPRING HILLS ESTATES, ADDITION NO. 1, according to Plats filed as 83-382 and 84-140 in the Anchorage Recording District, hereby bind themselves, their heirs, successors, and/or assigns and their below described real property to the provisions of the following described protective covenants, being those originally recorded in Book 1120 at Page 801 et seq., as further amended hereby to include a provision on road maintenance and subjecting SPRING HILLS ESTATES and SPRING HILLS ESTATES, ADDITION NO. 1, to the provisions hereof.

**USE RESTRICTIONS**

**Section 1. GENERAL PROVISIONS**

(A) All restrictive covenants listed and/or contained herein are subject in all instances to compliance with State of Alaska and Municipality of Anchorage zoning ordinances, and pertinent restrictions.

(B) Enforcement shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenants, whether to restrain such violation(s) or to recover damages.

These covenants and restrictions are severable and

the invalidation of one shall not invalidate any other covenant hereof and each covenant shall be independent to such extent.

(C) Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the subdivision plat.

**Section 2.**        **DEVELOPER RESERVATION AND TERM:** The Developer hereby reserves for itself, its successors and assigns, the right to exercise any and all powers and controls herein given in this Section. Said reserved right shall automatically terminate when the Developer has sold seventy percent (70%) of all lots. Each lot shall be subject to this reserved right in the Developer and each Owner shall take subject thereto.

**Section 3.**        **RESIDENCES:** No lot shall be used except for residential purposes. No building shall be erected, placed, altered, or permitted to remain on any lot other than one detached, single-family dwelling not to exceed three stories in height and a private garage for not more than three cars and not less than two cars.

**Section 4.**        **BUSINESS OR COMMERCIAL ACTIVITY:** No business or commercial activity shall be maintained or conducted on any lot. Provided, however, that professional and administrative occupations may be carried on within residences on lots so long as there exists no external evidence thereof.

**Section 5.**        **CONSTRUCTION:** No trailer, recreational vehicle, basement, tent, shack, garage, barn or other outbuilding or buildings or any structure of a temporary character erected or placed on the Properties shall at any time be used as living quarters except as hereinafter specifically authorized.

**Section 6.**        **NUISANCES:** No nuisances or offensive activity shall be carried on or upon any lot, nor shall anything be done thereon which may be, or may become, a nuisance, or cause unreasonable embarrassment, disturbance or annoyance to other owners in the enjoyment of their lots. No repair or restoration of any motor vehicle, boat, trailer, aircraft or other vehicle shall be permitted on any portion of any lot except for emergency repairs thereto and then only to the extent necessary to enable movement thereof to a proper repair facility.

**Section 7.**        **BUILDING LOCATIONS:**



(A) No building shall be located on any lot nearer than thirty-five feet (35') to the front lot line, or nearer than twenty-five (25') to the rear lot line, or nearer than twenty-five (25') to the side lot lines. Notwithstanding the above lot line requirements, no structure shall be placed nearer than thirty-five feet (35') from the right-of-way line of any public right-of-way.

(B) For the purpose of these covenants, eaves, steps, and open porches shall not be considered as a part of a building; provided, however, that this shall not be construed to permit any portion of a building on a lot to encroach upon another lot.

**Section 8. DWELLING QUALITY AND SIZE:** Each single-family residence to be constructed in said subdivision shall contain a minimum of 2,000 square feet of living area. A garage attached to or detached from the main structure of the residence is not to be construed as living area.

**Section 9. LIVESTOCK AND POULTRY:** No animal, livestock or poultry of any kind shall be raised, bred, or kept on any lot, except cats, dogs, birds or fish may be kept if they are not kept, bred or maintained for any commercial purpose, and they shall not be kept in numbers or under conditions reasonable objectionable in a closely built-up residential community. Animals shall not be allowed to roam loose outside the limits of any lot on which they are kept.

**Section 10. THE LIMIT FOR CONSTRUCTION:** The exterior of any building, structure or other improvement shall be completed within twelve (12) months from the commencement of construction so as to present a finished appearance when viewed from any angle, and all construction materials and debris shall be removed and final grading shall be completed within said twelve-month period.

**Section 11. UNSIGHTLY CONDITIONS:** No unsightly conditions shall be permitted to exist on any lot. Unsightly conditions shall include, without limitations, laundry hanging or exposed in view for drying; litter, trash, junk or other debris; inappropriate, broken, damaged or ugly furniture or plants, non-decorative gear, equipment, cans, bottles, ladders, trash barrels and other such items; and no awnings, air conditioning units or other projections shall be placed on the exterior

walls of any Housing Unit.

**Section 12. PARKING:** Except as hereinafter expressly provided, the Common Areas and/or streets located on the Properties shall not be used for the overnight parking of any vehicle other than private family automobiles and no boat, boat trailer, house trailer, camper, truck or other recreational vehicle or similar object, or any part thereof, shall be stored or permitted to remain on any Common Area or streets.

Notwithstanding the foregoing, Lot Owners who have guests visiting them intending to stay in a camper, trailer, or other form of recreational vehicle, may park on the public street adjacent to said Lot for a period of up to two weeks.

**Section 13. DEVELOPER CONSTRUCTION AND SALE OF UNITS OR LOTS:**

In additional to other rights reserved to the Developer or its successors or assigns in the Declaration, the Developer hereby reserves for itself, its successors or assigns so long as it owns any lot, the right to maintain upon the Properties such facilities as in the sole opinion of the Developer are required, convenient or incidental to the construction and sale of Housing Units or Lots, including a business office, storage area, construction yards, signs model units and sales office.

**Section 14. TEMPORARY STRUCTURES:** No temporary structure, boat, truck, trailer, camper or recreational vehicle of any kind shall be used as a living area while located on the project; however, trailers or temporary structures for use incidental to the initial construction of the improvements on the property may be maintained hereon, but shall be removed within a reasonable time upon completion of construction of the project.

**Section 15. OUTBUILDINGS:** Outbuildings, including greenhouses, storage sheds, barns, etc., shall be permitted only if constructed in a permanent manner and in a style which is compatible with the architectural design of the main dwelling structure. No outbuildings will be permitted which are not properly sided, painted, and roofed.

**Section 16. RUBBISH:** Trash, garbage, or other waste shall be disposed of only by depositing same into designated trash containers. No lot shall be used or maintained as a dumping ground for rubbish. All equipment for the storage or disposal of such material

shall be kept in a clean and sanitary condition. There shall be no exterior fires whatsoever, except barbecue fires contained within receptacles therefor.

**Section 17. RESUBDIVISION:** The area of lots herein described shall not be reduced in size or resubdivided, except that owners of three (3) contiguous lots may divide the inner or middle lot, thus increasing the size of the two (2) remaining lots which shall then be treated for all purposes pertinent to these covenants as enlarged single lots.

**Section 18. DRAINAGE DITCHES:** Each owner shall maintain the grade of ditches as designed and constructed by Declarant.

**Section 19. ACCESS TO LOT:** Only one access driveway shall be permitted for each lot in the subdivision, except in the case of a circular drive.

**Section 20. SIGNS:** No sign of any kind shall be displayed to the public view on any lot, except one sign of not more than six square feet, advertising property for sale or rent, or signs used by a period. All signs shall also comply with the then current zoning ordinance regulations applicable to signs.

**Section 21. WATER SUPPLY:** Individual water supply shall be permitted on any lot.

**Section 22. TREE REMOVAL:** No living trees, larger than six inches (6") in diameter as measured three feet (3') above the ground may be removed from any lot except for the construction of the principal dwelling driveway and septic tank systems.

**Section 23. FENCES:** Maximum height for any and all retaining walls or fences shall be six feet (6'). No fences shall extend within thirty-five feet (35') of any right-of-way.

**Section 24. ENFORCEMENT:** Enforcement shall be by proceeding at law or in equity against any persons violating or attempting to violate any covenant either to restrain violation or to recover damages.

**Section 25. SEVERABILITY:** Invalidation of any one of these covenants by a judgment or court order shall in no way affect any of the other provisions which shall remain in force and effect.

**Section 26. TERMS:** The foregoing restrictions

and conditions for building and use in the portion of SPRING HILLS ESTATES covered by these covenants are hereby declared and adopted by the Owners of the subdivision and all easements created, granted and reserved are declared to be the act of the Owners, and all conditions on purchase and ownership of property in the Subdivision shall be deemed and considered covenants running with the land, for the period of time for thirty-five (35) years from the date of recording of the covenants. At the expiration of that period of time, these covenants may be changed by the approval of a majority of the land owners within the subdivision; otherwise, said covenants shall be automatically extended for successive periods of ten (10) years.

**Section 27. ROAD MAINTENANCE:** Each lot owner of SPRING HILLS ESTATES under Plat No. 83-382 and of SPRING HILLS ESTATES, ADDITION NO. 1, under Plat No. 84-140, Anchorage Recording District, Third Judicial District, State of Alaska, shall be obligated to contribute to the maintenance costs of Spring Hill Circle, Spring Hill Drive, Golden Spring Circle, and Silver Spring Circle until such time as maintenance of said streets is assumed by the Municipality of Anchorage or the State of Alaska. All said owners or purchasers of lots in said subdivisions shall automatically be members of the Spring Hills Road Improvement and Maintenance Association, whether or not formally chartered, for the purpose of accomplishing the above-described road maintenance through collection of funds and assessment of liens for pro rata share costs of such service. In the absence of any formal homeowner's association with duly adopted by-laws, this provision shall require every property owner to privately maintain the roads as needed for maintenance as determined by the residents. This provision shall be a covenant running from each such owner to all others and binding upon their heirs, successors and assigns, and running with their respective real estate interests described herein. No provision hereof shall inure to the benefit of any person not owning real estate within Spring Hills Estates or Spring Hills Estates, Addition No. 1.

The following described real property is located within the Anchorage Recording District, Third Judicial District, State of Alaska.