

BYLAWS
RIVER QUEST LOT OWNERS ASSOCIATION, INC.

ARTICLE I - GOVERNING LAWS

Section 1. These Bylaws are adopted by River Quest Lot Owners Association, Inc. an Alaska nonprofit corporation, for the regulation and management of its affairs. In the event that any of these Bylaws are inconsistent with the Articles of Incorporation, or the Declaration, the Articles or Declaration govern.

Section 2. Definitions.

A. Declaration. “Declaration” or “CCRs” means the Declaration of Covenants, Conditions and Restrictions and its amendments, applicable to the planned community commonly known and referred to as River Quest Subdivision Phase 1, as shown on Plat No. 2004-39, recorded 7/16/04, at Serial No. 2004-006959, Kenai Recording District, Third Judicial District, State of Alaska, and any additional real property that may be annexed thereto.

B. Other Definitions. Capitalized terms which are not separately defined in these Bylaws shall have the same meanings in these Bylaws as in the Declaration, and each and every such definition is incorporated herein by reference.

Section 3. General Purposes and Powers. This corporation shall have the purposes or powers and duties as are stated in its Articles of Incorporation, as amended, described as follows:

A. All the powers of a nonprofit corporation set forth in AS 10.20.011, and all the powers delineated in the Act, AS 34.08; subject only to limitations on the exercise of those powers as set forth in the Articles and Bylaws, and this Declaration.

B. The power to do any lawful thing that may be authorized, required or permitted to be done by the Association under the Act, this Declaration, the Articles, Bylaws and Rules; and to do and perform any act that may be necessary or proper for, or incidental to, the exercise of any of the powers of the Association.

C. Duties as described in, or as limited by, the Declaration, the Articles, these Bylaws, Rules, and the Act.

ARTICLE II - OFFICES AND AGENCY

Section 1. Principal Office. The principal office (principal place of business) of this corporation in Alaska shall be located at such place as the Board of Directors from time to time may designate. In addition, the corporation may maintain other offices within or without the State of Alaska as its business requires.

Section 2. Registered Office. The registered office of this corporation is the corporation’s place of business address as registered with the State of Alaska. The corporation shall continuously maintain a registered office within the State of Alaska for the duration of this corporation. The registered office of this corporation is the street address of the corporation’s registered agent.

ARTICLE II - OFFICES AND AGENCY, cont.

Section 3. Registered Agent.

A. The registered agent of this corporation is that person or entity upon whom any process, notice or demand, required or permitted by law to be served upon the corporation, may be served. A registered agent shall be appointed by the Board of Directors, and shall serve until a new registered agent is appointed. The registered agent may be either an individual resident of the State of Alaska, or a domestic or foreign Alaska corporation, authorized to act as such an agent. A new registered agent shall be appointed if the office becomes vacant for any reason, or the agent becomes disqualified or incapacitated to act, or if the corporation, through its Board of Directors, revokes the appointment. The registered agent shall immediately forward a copy of any process, notice or demand served on the registered agent to the President of the corporation.

B. The registered agent may voluntarily resign, and the Board of Directors shall accept that resignation, but only under the following conditions: (a) The agent must prepare and file the paperwork required in order to resign, with the appropriate state agency, and send a copy of such paperwork to the corporation by registered or certified mail, addressed to the principal office of the corporation as it is known to the agent, within five (5) days after the date of filing; and (b) the effective date of resignation is at least thirty (30) days after the date the resignation is filed with the appropriate state agency.

Section 4. Change of Office or Agent. The Board shall ensure that notice of a change of the registered agent or registered office is submitted to the appropriate state agency.

ARTICLE III - DIRECTORS

Section 1. Management. The Board of Directors is vested with the management of the affairs of this corporation.

Section 2. Qualifications.

A. The qualifications to become and remain a director of this corporation are as follows:

1. Directors must be over 18 years of age.
2. Directors must be members of the corporation, as defined in Article VI.

B. Employees of the corporation may not serve as board members while so employed or within one year after termination of employment. Spouses, children, parents or siblings of employees of the corporation may not serve as board members.

Section 3. Election of Directors. The initial Board of Directors are appointed by the incorporators. The initial Board of Directors shall nominate and appoint a successor Board of Directors at the first annual meeting; after which, Board members shall be elected by the voting members at the annual membership meeting each year. Election of directors shall be by secret ballot; the person receiving the highest number of votes for each seat to be filled wins the election. Other nominating and election procedures may be established by resolution of the Board.

ARTICLE IV - DIRECTORS, cont.

Section 4. Number of Directors. The number of directors of this corporation shall be no less than three (3) and no more than nine (9). The initial Board of Directors is three (3) members. The initial Board of Directors shall designate the number of directors by resolution, at the first annual meeting. Subsequently, the Board may increase or decrease the number of directors by resolution or by amendment to these Bylaws.

Section 5. Term of Office. The directors shall be elected for a term of three (3) years, and shall serve until a successor is qualified and elected; except that the terms shall be staggered so that one-third (1/3) of the members of the Board shall be elected each year. The initial Board of Directors shall designate the seats and staggered terms of the successor Board of Directors by resolution at the first annual meeting.

Section 6. Vacancy.

A. Any vacancy occurring on the Board of Directors, and any directorship to be filled by reason of the increase of the number of directors, shall be filled by Board of Directors appointment at a regular or special meeting, within six (6) months of the vacancy, or by election at the next annual meeting of members, whichever comes first. The newly elected director filling a vacant seat shall serve for the unexpired term of the predecessor. The newly elected director occupying a newly created seat shall serve until the next annual meeting of members.

B. At any regular meeting with a quorum present, by majority vote of the Board members present, the Board shall declare vacant the office of any Board member who has three (3) unexcused absences from the regular meetings of the Board within any consecutive twelve month period.

Section 7. Meetings of Directors.

A. **Location.** Meetings of the Board of Directors, whether annual, regular or special, shall be held at the principal office of this corporation or at the place designated by the Board.

B. **Annual Meeting.** An annual meeting of the Board of Directors shall be held each year. The January regular meeting of the Board of Directors shall be the annual meeting of the Board of Directors of this corporation, unless otherwise provided by resolution of the Board. The purpose of the first annual meeting is for the initial Board of Directors to appoint a successor Board of Directors, designate their seats and terms, and to transact any other business necessary to complete organization of the corporation. The purposes of subsequent annual meetings are to nominate Board of Director candidates to be elected by the members, to review reports of the operations and finances of the corporation for the preceding fiscal year, and to transact any other business of the corporation.

C. **Regular Meetings.** Regular meetings of the Board of Directors shall be held monthly at the date and time designated by Board resolution. The Board may decline to meet each and every month but shall meet at least quarterly.

D. **Special Meetings.** A special meeting of the board of directors may be called by:

1. The president or vice-president in the absence of the president;
2. Two (2) members of the Board of Directors.

ARTICLE IV - DIRECTORS, cont.

E. Order of Business. The agenda for the annual meeting shall be as set forth in Article III, Section 7(B). The agenda for any regular meeting shall be set by the President. The agenda for any special meeting shall be as set forth in the notice of special meeting.

F. Notice of Meetings. Notice of a Board of Directors meeting shall be delivered no less than ten (10) days before a regular meeting or the annual meeting, and three (3) days before a special meeting. The notice may be delivered by mail, electronic mail, by telephone or in person. The notice shall include the date, time and place of the meeting, and, for special meetings, the purpose of the special meeting. If notice is by mail, the notice is considered delivered when deposited in the U.S. mail, addressed to the director at the director's address as it appears on the records of this corporation, with postage prepaid.

G. Waiver of Notice. Attendance of a director at any meeting of the Board of Directors shall constitute a waiver of notice of such meeting, except where such director attends a meeting for the expressed purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. A director may also waive notice of any meeting in writing.

H. Open Meetings. Regular and special meetings shall be open to all members, provided that members who are not directors may not participate in any deliberation or discussion, unless expressly authorized to do so by the vote of a majority of a quorum of the Board. The Board may, with the approval of a majority of a quorum of the Board, adjourn a meeting and reconvene in executive (closed) session to discuss and vote on personnel matters, litigation in which the Association is or may become involved, and orders of business of a similar sensitive nature. The type of matter to be considered in executive session shall first be announced in open session.

Section 10. Board Quorum and Action.

A. A majority of the Board of Directors entitled to vote shall constitute a quorum for the conduct of all business. The act of a majority of the directors present at a meeting at which a quorum is present, by motion or resolution, shall be the act of the Board of Directors, unless a greater number is required under the provisions of Alaska Nonprofit Corporation Act, the Articles of Incorporation, or any provision of these Bylaws. The Board may by resolution establish rules to govern the conduct of Board meetings.

B. Any Board action required by law or under the Articles of Incorporation of this corporation, or these Bylaws, or any action which otherwise may be taken at any Board meeting, may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the directors entitled to vote with respect to the subject matter of such consent. Such consent shall have the same force and effect as a unanimous vote. The written consents shall be filed with the directors meeting minutes.

C. Any Board action required or allowed to be taken by resolution under the Articles of Incorporation, or these Bylaws, shall be in written resolution form.

Section 11. Responsibilities of Board. The Board of Directors has the following responsibilities and duties:

A. Establish and annually review and evaluate the corporation's operations plan, and services provided by the corporation;

B. Establish, review and approve an annual corporate budget and annual financial report;

C. Establish, and review, evaluate and modify governing policies and procedures, including the Declaration and the Association Rules as appropriate, every (3) years, or three (3) years from the date of adoption of the policy or procedure, whichever is later;

D. Employ employees if necessary; and

E. Any other duties as may be appropriate or authorized by law.

Section 12. Board Conflict of Interest.

An officer or director of the corporation must disclose any financial interest, either directly or indirectly, in their own name, as representative or agent of, or in the name of, any other person, association, trust or corporation, in any business of the corporation of which such officer or Board member may be called upon to act or vote, before voting on the matter. After the disclosure, the director may abstain from voting, or the Board may bar the interested director from voting, on the matter in question, as a conflict of interest. No officer or director take or receive, or offer to take or receive, either directly or indirectly, any money or other thing of value as a gift or means of influence in their vote or action in their official character.

Section 13. Removal From Office. Any directed elected or appointed to office may be removed by the Board of Directors whenever in its judgment the best interest of this corporation will be served.

ARTICLE IV - OFFICERS

Section 1. Description. The officers of this corporation shall consist of president, vice-president, secretary; and treasurer. Two or more offices may be held by the same person, except the offices of president and secretary.

Section 2. Election of Officers/Terms. Each of the officers of this corporation shall be elected and appointed for the term of one year by the Board of Directors. Each officer shall remain in office until a successor has been qualified and elected. The election of officers shall be held at the annual meeting of the Board of Directors.

Section 3. President/Vice President. The president shall call and preside at meetings, and shall, subject to the control of the Board of Directors or Board committees, supervise and control the affairs of the corporation. The President shall present a detailed report of the business affairs of the corporation at the annual meeting. The president shall perform any other duties incident to such office and such other duties as may be provided in these bylaws or as may be assigned from time to time by the Board of Directors. The Vice-President shall assume the president's duties in the absence of the president.

Section 4. Secretary. The secretary shall ensure that minutes are kept of all meetings of the board of directors, shall be the custodian of the corporate records, shall ensure that membership rolls are established and maintained, shall ensure that all notices are given as required by law or by these Bylaws, shall ensure that documentation required by State or federal law for the corporation is filed in a timely and complete manner; and generally, shall perform any other duties incident to the office of Secretary and such other duties as may be required by law, by the Articles of Incorporation, or by these Bylaws, or which may be assigned from time to time by the Board of Directors.

ARTICLE IV - OFFICERS, cont.

Section 5. Treasurer. The treasurer is responsible for all funds of the corporation and shall ensure that such funds are deposited as required by the Board of Directors, shall ensure that adequate and correct accounts of the corporation's properties and business transactions are kept, shall render reports and accounting to the directors as required by the Board of Directors, and shall perform in general any other duties incident to office of treasurer and such other duties as may be required by law, by the Articles of Incorporation, or by these Bylaws, or which may be assigned from time to time by the Board of Directors.

Section 6. Removal From Office. Any officer elected or appointed to office may be removed by the Board of Directors whenever in its judgment the best interest of this corporation will be served. However, such removal shall be without prejudice to any contract rights of the officer so removed. Removal from such office does not constitute removal from the Board.

ARTICLE V - COMMITTEES

Section 1. Committees. Board committees may be established, and the procedures for the conduct of committee meetings, by these Bylaws or by resolution of the Board. For each committee so established, the powers and duties, and operating procedures, shall also be established in the Bylaw or resolution establishing such committee.

Section 2. Committee System. If the Board establishes committees, the Board may utilize a committee system, meaning that matters to be considered by the Board for action may first be referred to an appropriate committee, by the Board, for consideration and recommendation. However, the majority of the Board members present at a meeting may elect to consider and act upon any business without committee referral or may remove any matter from a committee and consider and act upon such matter. Matters may be assigned to the appropriate committee by the Board at a meeting of the Board.

Section 3. Committee Duties. Board committees may make reports to the Board of Directors and advise the Board of Directors, or perform any other duty assigned by the Board of Directors.

Section 4. Appointment to Committees. Committee members, including committee chairpersons, shall be appointed by the president at the annual meeting or when there is a vacancy on the committee. The president may participate as an ex officio member of any committees.

ARTICLE VI - MEMBERSHIP

Section 1. Rights. Any person, partnership, corporation, association or other legal entity can be a Member of the Corporation. No Member shall hold more than one membership in the Corporation. All Members shall have the same rights, privileges, restrictions and conditions, as set forth in these Bylaws. There is no limitation on the number of Members of the Corporation. Membership interests in the Corporation are not transferable.

Section 2. Voting Members. There is a class of voting members of this corporation, called Members. All references to members in these Bylaws refer to this class of voting members, unless specifically stated otherwise. Members of this class have the right to vote for and elect the

Board of Directors of the corporation, as set forth in this Article III, and to vote on any other matter referred to the members for a vote by the Board of Directors.

Section 3. Nonvoting Members. There is a class of nonvoting members of this corporation called Supporters. Members of this class have no voting rights. Members of this class consist of those persons or organizations that donate time or money to the corporation, but do not meet the qualifications or membership requirements of Article III, Sections 4 and 5, below, or do not wish to be voting members of the corporation. The Board may establish other membership privileges for this class, either by written Board resolution, or by amendment to these Bylaws, subject to the terms and conditions of this Article III.

Section 4. Qualifications. Membership is open to any person over the age of 18 years of age who is interested in promoting the welfare of Central Peninsula General Hospital.

Section 5. Requirements.

A. Membership requirements are as follows:

1. Complete and submit an application for membership, on a form approved by the Board.
2. Pay annual dues to the corporation, as set by Board resolution.

B. A member who does not comply with the membership requirements set forth in this Section is not in good standing, and shall be deemed to have voluntarily resigned from membership in the corporation, and shall be promptly removed from the membership rolls.

Section 6. Membership Rolls. The corporation shall maintain a membership roll listing the name and address of each corporate Member in good standing. The membership roll shall be kept in the principal place of business of the Corporation.

Section 7. Records Date. Only those persons or entities who are members in good standing, as defined in this Article in the membership book of the corporation on the day of any meeting of Members or such other day as fixed by the Board of Directors, are entitled to vote.

Section 8. Annual Meeting. An annual meeting of the members shall be held each year, on the same date, prior to, and at the same location, of the annual meeting of the Board of Directors, unless otherwise provided by resolution of the Board. The purpose of the annual meeting is to elect the Board of Directors, and to transact any other business of the corporation, which the Board has forwarded to the members for action at the annual meeting.

Section 9. Regular Meetings. Regular meetings of members may be held at a date, time and place designated by the Board of Directors. The Board may establish written rules and procedures to govern the conduct of regular membership meetings.

Section 10. Special Meetings. A special meeting of the members may be called by a majority of the Board of Directors, or by a written request of a majority (51%) of the voting members listed on the membership rolls. All requests for a special meeting of members must state the reason for which the special meeting of members is being sought. A request to have a special meeting of members will be considered served on the Board of Directors if it is given to the President or Secretary of the corporation by either personal delivery or certified mail. Upon receipt of a valid request for a special meeting, the Board of Directors will schedule a special meeting at a

date not less than thirty (30) days nor no more than sixty (60) days from the receipt of the request. The Board of Directors shall give notice of the special meetings to all members entitled to vote.

Section 11. Notice of Meeting. Notice of a meeting of members shall be delivered no less than ten (10) days before a regular meeting, and fifteen (15) days before a special meeting. Notice of regular meetings may be given through distribution of a calendar of meetings, or by announcement at a prior regular membership meeting. Notice of special meetings shall be delivered by mail. The notice shall be in writing, signed by the President or Secretary, and shall include the date, time and place of the meeting, and, for special meetings, the purpose of the special meeting. The notice is considered delivered when deposited in the U.S. mail addressed to the member at the member's address as it appears on the records of the corporation, with postage prepaid. If the Board of Directors fails to give the notice of a special meeting of members, the person or persons making the request for the special meeting may set the date and time of the special meeting and give the notice themselves.

Section 12. Quorum. A majority (51%) of the voting membership listed on the membership rolls in good standing constitutes a quorum. If a majority of the Members entitled to vote are present at a meeting of members, either in person or by proxy, a quorum shall exist for conducting the meeting and taking action. If, however, a quorum does not exist either in person or by proxy, a valid meeting cannot be held. If a quorum is present when the meeting is called to order, the Members may continue to hold the meeting and transact business until adjournment, even if some Members leave so that a quorum is no longer present, provided a majority of Members who constituted the initial quorum still remain.

ARTICLE III - MEMBERSHIP, cont.

Section 13. Voting. Only Members on the voting membership roll of the corporation in good standing may vote on a question, in person, or by proxy. If a quorum is present, an affirmative vote of a majority of the voting Members present at the meeting in person or by proxy is necessary to take action. At a special meeting of Members, membership action is limited to that which is stated in the notice of the meeting, unless all of the corporation's Members are present in person or by proxy and all agree to additional business being conducted. The Board may also provide for election of Board of Directors members by mail, by resolution of the Board.

Section 14. Proxies. At any meeting of voting Members, a Member may be represented by a person who entitled to vote for the Member, upon presentation of a valid written proxy to the chair of the meeting, at the meeting. A proxy must be in writing, signed and notarized by the Member, on the form approved by the Board. Once duly created, a proxy shall remain in effect until it is revoked or until the end of the meeting at which it is presented, whichever comes first.

Section 15. Conduct of Meeting. The President shall call a meeting of Members to order and preside over the meeting as the chair, or, may delegate the chair's duties to another Board officer or member. If no Board officer attends the membership meeting, the Members may appoint a person to act as the chair for that meeting. Minutes of all membership meetings shall be taken, promptly provided to the Board of Directors, and kept in the corporate records.

Section 16. Membership Committees. Membership committees, the powers and duties of such committees, and the procedures for the conduct of committee meetings, may be established by these Bylaws or by resolution of the Board. Committee members, including committee

chairpersons, shall be appointed by the president at the annual meeting or when there is a vacancy on the committee.

Section 17. Termination of Membership.

A. A Member's membership interest in the Corporation shall terminate on the occurrence of any of the following events:

1. Upon receipt by an officer or director of a Member's written resignation of membership in the Corporation;

2. Upon death of a Member if a natural person or the dissolution of the Member if a corporation, partnership or association;

3. Upon the failure of a Member to meet the membership requirements of Article VI, Section 5, above.

4. For cause, if Board of Directors for the Corporation finds that a Member has engaged in conduct that violates the purposes for which the Corporation was formed, or has breached the duty of good faith owed to the Corporation, or for any other reason which warrants termination of membership for cause.

B. Termination of membership for non-payment of dues occurs automatically without notice being given by the Corporation. Membership may be reinstated in full if delinquent dues are paid within thirty (30) days of the due date, or if the Board of Directors, acting by resolution, reinstates the membership.

ARTICLE VII - GENERAL CORPORATE MATTERS

Section 1. Nonliability of Directors, Officers, Employees or Members. No Director by virtue of just being a member of the corporation's Board of Directors, shall be liable for the debts, liabilities or obligations of the Corporation.

Section 3. Nondiscrimination. The corporation, and its officers, directors, employees and agents shall not discriminate against any person because of race, sex, age, color, national or ethnic origin, handicap or family status.

Section 3. Fiscal Year. The fiscal year of this corporation is January 1 to December 31.

Section 4. Corporate Transactions. No application or bid, or contract, transaction or instrument, whether verbal or in writing, or any term therein, shall be executed on behalf of the corporation or shall be effective to bind the corporation, without prior approval by Board resolution.

Section 5. Insurance. The corporation shall obtain and maintain directors and officers liability insurance, if such insurance is available at a reasonable cost. The corporation shall obtain other insurance policies, as necessary to protect the interests of the corporation.

Section 6. Signature Authority.

A. Except as otherwise provided by law, all checks, drafts, promissory notes, orders for the payment of money, and other evidences of indebtedness of this corporation shall be signed by a designated signor, appointed as signatory by Board resolution. In the event the designated signor is

not available to sign, then the signature or countersignature shall be by the alternate designee appointed as signatory by Board resolution. However, this shall not prevent the Board of Directors from establishing a petty cash fund or other funds to be managed as directed by the Board.

B. Contracts, leases, or other such instruments executed in the name of and on behalf of the corporation shall be signed by the secretary and countersigned by the president; and shall have attached copies of the resolutions of the Board of Directors, certified by the secretary, authorizing their execution.

Section 7. Corporate Records. The corporation shall keep correct and complete books and records of account, and shall also keep minutes of the proceedings of its Board of Directors, individual committees, and members. The corporation shall keep at its principal office a record giving the names and addresses of its Board directors, and members (membership roll).

Section 8. Access to Records. All books and records of this corporation may be inspected by any director, their agent or attorney, for any proper purpose at any reasonable time.

Section 9. Stock, Income and Dividends. This corporation shall not have or issue shares of stock. No dividend shall be paid, and no part of the income of this corporation shall be distributed to its directors or officers. However, the corporation may pay compensation or reimbursement in a reasonable amount to officers and directors for services tendered or expenses incurred.

Section 10. Loans. This corporation shall make no loans to any of its directors, officers, management or personnel employed by the corporation. No loan or other such instruments of indebtedness, or application or bid therefor, shall bind or be effective against the corporation without prior approval by the Board by resolution. Any loan or other such instrument of indebtedness, or application or bid therefor, executed in the name of and on behalf of the corporation shall be signed by the secretary and countersigned by the president; and shall have attached copies of the resolution of the Board of Directors, certified by the secretary, authorizing their execution.

Section 11. Waiver of Notice. Whenever any notice whatever is required to be given under the provisions of Alaska Nonprofit Corporation Act, the Articles of Incorporation of this corporation, or these bylaws, a waiver of such notice in writing, signed by the person or persons entitled to notice, whether before or after the time stated in such waiver, shall be deemed equivalent to giving of such notice.

ARTICLE VIII - AMENDMENT

The power to alter, amend or repeal these bylaws, or to adopt new bylaws, is vested in the Board of Directors. Any such amendment may be made at any regular meeting of the Board and shall become effective at the conclusion of the meeting at which made, or at a later time so specified, provided that: the proposed amendment is presented to the Board at a meeting prior to the meeting at which a vote on the amendment is sought; and the amendment is approved by two-thirds (2/3) of the Board members serving at the time the amendment is voted on.

ADOPTED BY THE BOARD OF DIRECTORS BY RESOLUTION AND VOTE ON THE
* DAY OF *, 2004 AT SOLDOTNA, ALASKA, AND APPROVED IN WRITING BY
SIGNATURE BELOW.

DATE: _____

DATE: _____

DATE: _____

DATE: _____

DATE: _____
