10.2.Insurance. The Board of Directors shall obtain and maintain, to the extent obtainable, fire insurance with extended coverage, vandalism and malicious mischief endorsements, insuring all buildings, including all of the units and the bathroom and kitchen fixtures initially installed by the Declarant, but not including furniture, furnishings or other personal property supplied or installed by unit owners, together with all heating and air conditioning equipment and other service machinery contained in the units and all limited common elements. The insurance shall over the property and shall name as insured the Association, and all unit owners and their mortgagees. As their interests may appear, in an amount equal to and not less than the replacement value of the buildings, without deduction for depreciation. Each policy shall provide that proceeds shall be payable to the Association as provided in these Bylaws as trustee for all unit owners and their mortgagees or land contract vendors as their interest may appear. All such policies shall provide that adjustment of loss shall be made by the Association, and that the net insurance proceeds shall be payable to the Association.

All policies of physical damage insurance shall contain waivers of subrogation and waivers of any defense based on co-insurance or of invalidity arising from any acts of the insured, and shall provide that the policies may not be cancelled or substantially modified without at least ten (10) days prior written notice to all of the insured's. Prior to obtaining any policy of fire insurance or any renewal of the policy, the Association shall obtain an appraisal from a fire insurance company or otherwise of the full replacement value of the buildings, [illegible] of the units and all of the common and limited common elements without [illegible] for depreciation, the cost of which shall be [illegible] of fire insurance [illegible] provided.

Unit owners or their mortgagees or land contract vendors shall not be prohibited from carrying other insurance for their own benefit provided that all policies shall contain waivers of subrogation, and that the liability of the carriers issuing insurance obtained by the Association shall not be affected or diminished by reason of any additional insurance. The insurance obtained by the Association will not cover the contents of the units or public liability claims arising out of occurrences happening within the boundaries of the unit.

10.3.Repair and Reconstruction After Damage.

(a) In the event of any damage to or destruction of the property in the amount of $10,000.00 or less, whether or not the insurance proceeds, in any, are sufficient to complete repair or reconstruction, the Board of Directors is authorized to and shall arrange for the prompt repair and reconstruction, including any damaged units, and any kitchen or bathroom fixtures initially installed by the Declarant, but not including any wall, ceiling, or floor decoration or coverings or other furniture, furnishings, fixtures, interior walls and/or partitions or equipment installed by unit owners in the units, and the Board of Directors shall disburse any insurance proceeds to the contractors engaged in the repair and reconstruction in appropriate progress payments. Any cost of the repair and reconstruction in excess of the

insurance proceeds shall be a common expense, and the Board of Directors may assess all unit owners for the deficit as part of the common expenses.

By acceptance of the deed to a unit, each unit owner shall be deemed to have consented to this authorization and direction for repair and reconstruction. The authorization and direction shall be deemed continuous action by the Association by unanimous consent and shall constitute the determination by unit owners and the Association to repair or reconstruct as required. If, notwithstanding the foregoing provisions, a determination to repair or reconstruct is submitted to the vote of unit owners, then the affirmative vote of one unit owner shall be sufficient to determine to repair or reconstruct.

(b) In the event the property is destroyed or damaged in an amount in excess of $10,000.00 and the insurance proceeds, if any, less an amount not exceeding $10,000.00 are insufficient to complete repair or reconstruction, the Association by vote of a majority of unit owners shall determine within 90 days after the damage or destruction whether to proceed with repair, reconstruction, or sale. If the Association determines to repair or reconstruct, the Board of Directors shall arrange for the repair or reconstruction in accordance with the preceding paragraph of this section. If the Association, within 90 days after such damage or destruction in excess of $10,000.00 fails to make a determination of whether to repair, reconstruct or sell, the property shall be deemed to be owned in common by the unit owners in the same percentages as previously owned by each unit owner in the common elements and be subject to an action for partition at the suit of any unit owner. In the event of a partition action, the net proceeds of sale, together with the net insurance proceeds, shall be divided by the Board of Directors among all the unit owners in proportion to their respective interests in common element, after first paying out2 of the share of each unit owner, to the extent sufficient for the purpose, all liens on the undivided interest in the property owned by each unit owner.

(c) In the event the property is destroyed or damaged in an amount in excess of $10,000.00 and the insurance proceeds less an amount not exceeding $10,000.00, are sufficient to complete repair or reconstruction in accordance with these Bylaws.

By acceptance of the deed to a unit, each unit owner shall be deemed to have consented to this authorization and direction for repair and reconstruction. The authorization and direction shall be deemed continuous action by the Association by unanimous consent and shall constitute the determination by the unit owners and the Association to repair or reconstruct as required. If, notwithstanding the foregoing provisions, a determination to repair or reconstruct is submitted to the vote of unit owners, then the affirmative vote of one unit owner shall be sufficient to determine to repair or reconstruct.

ARTICLE XI
ENFORCEMENT OF COVENANTS AND DOCUMENTS

It shall be the responsibility of each Unit Owner to see that the occupants and tenants of the Unit owned by such Unit Owner, and the employees, agents, representatives, invitees, and guests of such Unit Owner, occupants, and tenants, abide by the provisions of the Declaration, Bylaws, Condominium Ownership Act, all rules and regulations of the Association, and any decisions made by the Association, the Board of Directors, or any committees of the Association that are authorized by any of the foregoing. Unit Owners should report infractions to the Board of Directors in writing, and the Board of Directors shall reply to the reporting Unit Owner within thirty (30) days concerning the action taken. In the event of a violation of any provision of the Declaration, the Bylaws, the Condominium Ownership Act, any rule or regulation of the Association, or any authorized decision of the Association, the Board of Directors, or any committee of the Association, the Board of Directors shall notify the alleged offender. If the violation is not corrected within a reasonable time, the Association may take such action as it deems appropriate, including legal action against the offending Unit Owner or the Unit Owners of the Unit in which such offender is a tenant, occupant, employee, agent, representative, invitee, or guest, to correct the violation. In any such action brought against a Unit Owner in which the Association is the prevailing party, the Unit Owner defendant in such action shall pay the Association's costs and actual attorneys' fees. If the Association fails to take such action within thirty (30) days of the Association's receipt of the report of the violation, a Unit Owner may take appropriate legal action to enforce the provisions of the Declaration, the Bylaws, the Condominium Ownership Act, the rules and regulations of the Association, and any authorized decision of the Association, the Board of Directors, or any committee of the Association.

ARTICLE XII
LIABILITY AND INDEMNITY

12.01. General Scope and Definitions

(a) The rights of directors and officers of the Association provided in this Article shall extend to the fullest extent permitted by the Wisconsin Nonstock Corporation Law and other applicable laws as in effect from time to time.

(b) For purposes of this Article, "director or officer" means a natural person (i) who is or was a director or officer of the Association, (ii) who, while a director or officer of the Association, is or was serving at the Association's request as director, officer, partner, trustee, member of any governing or decision-making committee, employee, or agent of another corporation or foreign corporation, partnership limited liability company, joint venture, trust, or other enterprise, or (iii) who, while

a director of officer of the Association, is or was serving an employee benefit plan because his or her duties to the Association also was imposed duties on, or otherwise involved services by, the person to the plan or to participants in or beneficiaries of the plan. Unless the context requires otherwise, "director or officer" shall also mean the estate and personal representative of a director or officer.

(c) For purposes of this Article, "proceeding" means any threatened, pending, or completed civil, criminal, administrative, or investigative action, suit, arbitration, or other proceeding, whether formal or informal, which involved foreign, federal, state, or local law (including federal or state securities laws) and that is brought by or in the right of the Association or by any other person.

(d) For purposes of this Article, "expenses" means fees, costs, charges, disbursements, attorneys' fees, and any other expenses incurred in connection with a proceeding, including a proceeding in which a director or officer asserts his or her rights under this Article, and if the context requires, liabilities, including the obligation to pay judgment, settlement, penalty, assessment, forfeiture, or fine, including any excise tax assessed with respect to an employee benefit plan.

12.02.Mandatory Indemnification.

(a) To the extent that a director or officer has been successful on the merits or otherwise in the defense of any proceeding (including, without limitation, the settlement, dismissal, abandonment, or withdrawal of any action by which he or she does not pay or assume any material liability), or in connection with any claim, issue, or matter therein, he or she shall be indemnified by the Association against expenses actually and reasonably incurred by him or her in connection therewith to the extent that he or she was a party to the proceeding because he or she is or was a director of officer of the Association.

(b) In cases not included under Section 12.02(a), the Association shall indemnify any director or officer against expenses actually and reasonably incurred by the director or officer in a proceeding to which the director or officer was a part because he or she is or was a director or officer, unless liability was incurred because the director or officer breached or failed to perform a duty he or she owed to the Association and the breach or failure to perform constituted any of the following: (i) a willful failure to deal fairly with the Association or its members in connection with a matter in which the director or officer had a material conflict of interest; (ii) a violation of criminal law, unless the director or officer had reasonable cause to believe his or her conduct was lawful or no reasonable cause to believe his or her conduct was unlawful; (iii) a transaction from which the director or officer derived an improper personal profit or benefit; or (iv) willful misconduct. The termination of a proceeding by judgment, order, settlement, or conviction, or upon a plea of no

contest or an equivalent pleas, does not, by itself, create a presumption that indemnification of the director or officer is not required under this subsection.

(c) Indemnification under this Section is not required to the extent that the director or officer has previously received indemnification or allowance of expenses from any person, including the Association, in connection with the same proceeding.

(d) To the extent indemnification is required under this Article XII, the Association has purchased or is required under Section 12.10 to purchase insurance on behalf of the indemnified person, and the insurance policy included a provision obligating the insurer to defend such person, the Association shall be obligated to extend such defense. To the extent possible under such insurance policy, the defense shall be extended with counsel reasonably acceptable to the indemnified person. The Association shall keep the indemnified person advised of the status of the claim and the defense thereof and shall consider in good faith the recommendations made by the indemnified person with respect thereto.

12.03.Determination of Right to Indemnification. Unless otherwise provided by written agreement between the director or officer and the Association, the director or officer seeking indemnification pursuant to this Section 12.03 shall make a written request for indemnification and shall designate one of the following ways in which the determination of the right to indemnification is to be made: (a) by a majority vote of a quorum of the Board of Directors consisting of directors not at the time parties to the same or related proceedings; (b) by independent legal counsel selected by a quorum of the Board of Directors or its committee in the manner prescribed in Section 12.03(a) or, if unable to obtain such a quorum or committee, by a majority vote of the full Board of Directors, including directors who are parties to the same or related proceedings; (c) by arbitration; or (d) by an affirmative vote of a majority of the Unit Owners entitled to vote; provided however, that Unit Owners who are at the times parties to the same or related proceedings, whether as plaintiffs or defendants or in any other capacity, may not vote in making the determination. Any determination under this Section shall be made pursuant to procedures consistent with the Wisconsin Nonstock Corporation Law unless otherwise agreed by the Association and the person seeking indemnification. Such determination shall be completed, and eligible expenses, if any, shall be paid to the person requesting indemnification hereunder within sixty (60) days of the Association's receipt of the written request required hereunder.

12.04.Allowance of Expenses as Incurred. Within thirty (30) days after a written request by a director or officer who is a party to a proceeding because he or she is or was a director or officer, the Association shall pay or reimburse his or her reasonable expenses as incurred if the director or officer provided the Association with all the following: (a) a written affirmation of his or her good faith belief that he or she has not breached or failed to perform his or her duties to the Association; and (b) a written undertaking, executed personally or on his or her behalf, to

repay the allowance and, if required by the Association, to pay reasonable interest on the allowance to the extent that it is ultimately determined under Section 12.03 that indemnification under Section 12.02 is not required and indemnification is otherwise not ordered by a court. The undertaking under this Section shall be an unlimited general obligation of the director or officer and may be accepted without reference to his or her ability to repay the allowance. The undertaking may be secured or unsecured.

12.05.Partial Indemnification

(a) If it is determined pursuant to Section 12.03 that a director or officer is entitled to indemnification as to some claims, issues, or matters in connection with any proceeding, but not as to other claims, issues, or matters, the person or persons making such determination shall reasonably determine and indemnify the director or officer for those expenses that are the result of claims, issues, or matters that are a proper subject for indemnification hereunder in light of all circumstances.

(b) If it is determined pursuant to Section 12.03 that certain expenses (other than liabilities) incurred by a director or officer are for any reason unreasonable in amount in light of all the circumstances, the person or persons making such determination shall authorize the indemnification of the director or officer for only such amount as he or she or they shall deem reasonable.

12.06.Indemnification of Employees and Agents. The Board of Directors may, in its sole discretion, provide indemnification and/or defense and/or allowance of expenses in advance of a final determination of any proceeding to an employee or agent of the Association; provided, however, that prior to such indemnification, defense, or allowance of expenses, the Board of Directors shall first determine that the employee or 18agent acted in good faith and in a manner he or she reasonably believed to be in, and not opposed to, the best interests of the Association.

12.07.Limited Liability of Directors and Officers.

(a) Except as provided in Subsections 12.07(b) and (c), a director or officer is not liable to the Association, its members or creditors, or any person for damages, settlements, fees, fines, penalties, or other monetary liabilities arising from a breach of, or failure to perform, any duty resulting solely from his or her status as a director or officer, unless the person asserting liability proves that the breach or failure to perform constitutes any of the acts of misconduct listed in Section 12.02(b).

(b) Except as provided in Section 12.07(c), this section 12.07 does not apply to any of the following: (i) a civil or criminal proceeding brought by or on behalf of any governmental unit, authority, or agency; (ii) a proceeding brought by any person for a violation of state or federal law where the proceeding is brought pursuant to an

express private right of action created by state or federal statute; or (iii) the liability of a director under Wisconsin Statutes Sections 181.0832 and 181.0833.

(c) Wisconsin Statutes sections 12.07(b)(i) and (ii) do not apply to a proceeding brought by a governmental unit, authority, or agency in its capacity as a private party or contractor.

12.08.Severability of Provisions. The provisions of this Article and the several rights to indemnification, advancement of expenses, and limitation of liability created hereby are independent and severable and, if any such provision or right shall be held by a court of competent jurisdiction in which a proceeding relating to such provisions or rights is brought to be against public policy or otherwise to be unenforceable, the other provisions of this Article shall remain enforceable and in full effect.

12.09.Nonexclusivity of Rights. The rights to indemnification, defense, and advancement of expenses provided for in this Article shall not be deemed exclusive of any other rights to which those seeking indemnification, defense, or advancement of expenses may be entitled under any agreement authorized by the Board of Directors, any of the Bylaws, any vote of the members or disinterested directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office. Notwithstanding the foregoing, the Association shall not indemnify a director or officer for any liability incurred by the director or officer in connection with a proceeding, or part thereof, pursuant to which such director or officer is determined by or on behalf of the Association that the director or officer did not breach or fail to perform a duty he or she owes to the Association that constitutes conduct under Section 12.02(b). A director or officer who is a party to the same or related proceeding for which indemnification, defense, or an allowance of expenses is sought may not participate in a determination under this Section.

12.10.Purchase of Insurance. The Association shall use its reasonable best efforts to purchase and maintain insurance on behalf of any person who is or was a director or officer of the Association, to the extent that such director or officer is insurable and such insurance coverage can by secured by the Association at rates, and in amounts and subject to such terms and conditions as shall be determined in good faith to be reasonable and appropriate by the Board of Directors of the Association, and who determination shall be conclusive (provided, however, that such insurance shall contain a provision obligating the insurer to defend the director or officer, if such provision is available at reasonable rates), against liability asserted against or incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the Association would have the power to indemnify or defend him or her against such liability under the provisions of this Article.

12.11Benefit. The rights to indemnification, defense, and advancement of expenses provided by or granted pursuant to, this Article shall continue as to a person who has ceased to be a

director or officer and shall inure to the benefit of the heirs, executors, and administrators of such a person.

12.12.Amendment. No amendment or repeal of this Article shall be effective to reduce the obligations of the Association under this Article with respect to any proceeding based on occurrence that take place before such amendment or repeal.

ARTICLE XIII
GENERAL PROVISIONS

13.01.Seal. The Association shall not have a corporate seal.

13.02.Interpretation. These Bylaws are subject to all provisions of the Declarations, the Articles, the Wisconsin Condominium Ownership Act, and the Wisconsin Nonstock Corporation Law. If any provision of these Bylaws shall be held invalid, such invalidity shall not render invalid any other provision hereof that can be given effect. Any invalid provision or portion thereof shall be interpreted as having been amended to comply with the provision of the Wisconsin Condominium Ownership Act and/or the Wisconsin Nonstock Corporation Law in effect on the date of the adoption of these Bylaws. Nothing in these Bylaws shall be deemed or construed to authorize the Association to conduct or engage in any active business for profit on behalf of any or all Unit Owners.

13.03.Notices. Except as otherwise may be provided in the Wisconsin Condominium Ownership Act or Wisconsin Nonstock Corporation Law, notices to any Unit Owner that are to be delivered or mailed pursuant to these Bylaws shall be deemed to have been given (a) in the case of delivered notices, on the date when the notice is delivered to the address on file with the secretary of the Association, or (b) in the case of mailed notices, on the date when the notice, addressed to the address on file with the secretary of the Association, is deposited in the United States mail with sufficient postage to effect delivery.

ARTICLE XIV
AMENDMENT

These Bylaws may be amended only with the assent of at least sixty-seven percent (67%) of the votes of the Unit Owners' provided, however, as long as the Declarant owns any Unit, and so long as the Condominium is subject to expansion under the Article VI of the Declaration, no amendment shall be effective without the written consent of the Declarant. Any first Mortgagee or its insurer or guarantor shall, upon written request to the Association, be entitled to timely written advance notice of any proposed amendment to these Bylaws.

RESTATED RULES AND REGULATIONS OF
CROSSWIND CONDOMINIUM HOMEOWNERS ASSOCIATION, INC.

The following rules and regulations are adopted by Crosswind Condominium Owners Association, Inc. (the "Association") for the purpose of assuring that the Condominium is operated in an efficient and orderly manner so as to create a pleasant living environment.

ARTICLE I
GENERAL

1.01.Applicability to all Residents. All rules and regulations shall apply to and shall be complied with by all Unit Owners, residents within Units, and their guests, families, invitees, and tenants.

1.02.Definitions. All capitalized terms not defined herein shall have the definitions assigned to such terms by the Declaration of Condominium for Crosswinds Condominium (the "Declaration")

1.03.Heating. Whether occupied or vacant, all Units shall be heated to at least 60 degrees Fahrenheit during the winter months.

2.01.Signs. No sign of any kind shall be displayed to the public view on any Unit without the written consent of the Association and, if Declarant owns at least one Unit, the Declarant. The Declarant reserves the right to erect signs, gates, or other entryway features at all entrances to the Condominium and to erect appropriate signs for the sale of Units.

2.02.Hanging of Garments and Window Coverings. The hanging of garments from the windows or any facades of the Condominium is prohibited. No sheets shall be used for window coverings.

2.03.Protrusions. No awnings, machines, air conditioning units, wiring for electrical or telephone installation, or other similar protrusions shall be allowed on the exterior of the Condominium without the prior written consent of the Association.

2.04.Fixtures to Outside of Units. To the extent this restriction is permitted by applicable law, no exterior antennas, windmills, flags, windsocks, hammocks, thermometers, or satellite dishes shall be erected on any Unit without the prior written approval of the Association.

2.05.Laundry. No laundry is to be hung on the balcony or in windows for any reason.

2.06.Limited Common Elements. All decks and patios open to public view shall be kept in a neat and orderly condition. No personal property shall be stored thereon except for grills (only on the first floor patios) and for patio and deck furniture.

2.07.Uniformity. Unless otherwise granted written approval by the Association, all front doors, garage doors, and storm doors on all unit shall be uniform in nature. All windows in units shall be all-side, vinyl, sliding windows, unless otherwise approved in writing by the Association.

ARTICLE III
USE RESTRICTIONS

3.01.Animals. Unit owners shall be allowed to keep up to: (i) two (2) cats or one (1) dog per Unit; (ii) one (1) dog and one (1) cat per Unit; or (iii) subject to a combined weight limit of fifty (50) pounds, two (2) dogs per Unit. Animals shall be carried or kept on a leash at all times when not in a Unit. In addition to cats and dogs, small animals that are kept in a cage or tank may also be permitted with Association approval. All animals shall not unreasonably disturb other Condominium residents and shall not be left unattended in any portion of the Common Elements. All animals must be registered with the Association and owners of animals shall be pecuniary liable for damage caused by their animals. Kennels shall be kept inside their respective owner's Unit. Unit Owners are responsible for the immediate cleanup of their animals regardless of the circumstances.

3.02.Damage to Common Elements. Damages to the Common Elements caused by a resident or visitors of a resident or an agent of a resident shall be the responsibility of the Unit Owner or the person causing such damage.

3.03.Maintenance of Unit. All Unit Owners shall promptly perform or shall have promptly performed all maintenance and repair work within their own Unit that would adversely affect any portion of the Condominium. Each Unit Owner shall be responsible for all damages and liabilities that any failure to maintain or repair may engender.

3.04.Maintenance of Common Elements. Unit Owners shall be prohibited from discarding any materials from the windows, balconies, or doors of the Units and shall be prohibited from discarding any materials into the Common Elements.

3.05.Nuisances. No offensive or unlawful activity shall occur in the Condominium. No offensive or unlawful use shall be made of the Condominium. All Unit Owners at their own expense shall comply with all city, state, and federal laws applicable to their Unit. No Unit shall be used or maintained as a dumping ground for garbage.

3.06.Storage. The Association shall not be liable for any loss or damage to property placed in any Unit or Common Elements. No materials prohibited by law or local ordinance may be stored in any of these areas.

3.07.Skateboards and Bicycles. Unit Owners are hereby prohibited from using skateboards or bicycles on the walkways or courtyard of the Condominium and shall be liable for the cost of repairing all damage caused by the use of such items.

3.08.Grills. All grilling on personal grills must be done 15 feet away from any building and on a concrete surface.

3.09.Garbage and Recycling Pickup. Garbage cans and recycling should not be placed on the curb until after dark the night prior to the morning pickup.

3.10.Landscaping. Unit Owners are hereby prohibited from planting outdoor vegetation anywhere within the Condominium without the prior written approval of the Association.

3.11.Leasing a Unit. If a Unit Owner wishes to lease hit or her unit, he or she must comply with Alaska Statutes Section 34.03.360, or any other applicable statute in force at the time. The Unit Owner must provide the tenant with a copy of the Condominium Declaration, these rules and any other documents required by law. Failure to do so may subject the Unit Owner to fines provided the Association has given the Unit Owner 10 days notice and opportunity to cure the violation. The tenant and Unit Owner are both responsible for the tenant's compliance with these rules and the Bylaws of the Association.

ARTICLE IV
VEHICLE RESTRICTIONS

4.01.Obstructions. Driveways shall not be used for any purpose other than the ingress and egress to and from Units

4.02.Parking. Unit Owners shall not be permitted to park their vehicles in any space other than their assigned locations. Unit Owners shall not park, nor shall they permit their families, guests, invitees, or tenants to park on or to block access to, the parking areas of other Unit Owners or any crosswalk. Guest parking is available in the Unit Owners' assigned parking locations or on the street. Improperly parked vehicles shall be subject to removal at the vehicle owner's expense. Unit Owners shall not leave their vehicles idling in any garages. Unit Owners shall not use their parking spaces for performing work on their vehicles.

4.03.Service and Recreational Vehicles. Parking of service and recreational vehicles, including but not limited to trailers, boats, campers, vans, or other vehicles, shall be prohibited except for

loading or unloading. A temporary waiver of these prohibitions may be obtained at the discretion of the Association.

4.04.Bikes/Recreational Equipment. Unit Owners shall keep bikes and other recreational equipment in their Unit and shall not store them in the Common Elements.

ARTICLE V
AMENDMENTS

This document may be amended at any time by the Board of Directors of the Association.

ARTICLE VI
FINES

In addition to all other remedies available to the Association or to other Unit Owners under the Declaration, the Bylaws, or applicable law, the Association shall have the right, following delivery of notice of violation and expiration of any cure period required under the Declaration, to impose against any Unit Owner in violation of the Declaration, the Bylaws, or these Rules and Regulations, a fine against such Unit Owner according to the following schedule:

(a) For the first offense in a given twelve-month period:

_____$50.00_____

(b) For the second offense in a given twelve-month period:

_____$100.00_____

(c) For the third offense in a given twelve-month period:

_____$150.00_____

Fines are to be paid immediately to the Association. Any fine not paid within ten days after billing therefor by the Association shall accrue a late charge in the amount of _____$15.00_____ for every month the fine is not paid. The Association shall have the right, following imposition of any fine, to collect the same as a Special Assessment against the Unit Owner's Unit.