## COUNTRY MANOR CONDOMINIUM

Condominium Declaration,
Bylaws, Declaration of Restrictions,
and Attached Exhibits.

LEGAL DOCUMENTS PREPARED BY:
PANCRATZ, KRUGER, WOLD, YUILL & JOHNSON, P.C.
414 Gate City Building
Fargo, North Dakota 58102

## DECLARATION ESTABLISHING A PLAN OF CONDOMINIUM OWNERSHIP

1. Submission of Property. MARK GULBRANDSON and SHARON GULBRANDSON, husband and wife, and EUGENE NICHOLAS and CONNIE NICHOLAS, husband and wife, whose address is Cando, North Dakota 58324, (hereinafter jointly called "the Owner"), hereby submits the following land owned by it in fee simple, together with the buildings and improvements erected thereon, hereinafter collectively called the condominium, to the provisions of Chapter 47-04.1 of the North Dakota Century Code:

Lots Three (3), Four (4), Five (5), and Six (6), Block Six (6), Percival and McDonald's Addition to City of Cando, Towner County, North Dakota, according to the certified plat thereof on file and of record in the Office of the Register of Deeds in and for said county and state.

- 2. Name and Address. The condominium shall be known as COUNTRY MANOR CONDOMINIUM. Its address shall be 304 Main Street, Cando, North Dakota 58324.
- 3. Buildings. The buildings erected on such land consist of one eight unit wood frame apartment building and one eight stall wood frame garage building.
- 4. Units. Attached as Exhibit A is a list of all units in the buildings, their unit designations, location, and number of rooms. Attached as Exhibits A-1 and A-2 are building floor plans and a project site plan. Each unit shall consist of a two bedroom apartment and a separate garage designated by the same number on the attached Exhibit A-2.
- 5. Dimensions of Units. Horizontally each unit consists of an area measured horizontally from the unit side of the walls and partitions separating such unit from adjoining units, the exterior, or common elements. The unit shall be measured to the surface on the unit side of such walls and partitions; such surface being that of the wall board, concrete or other material with which the wall is constructed, and excluding wall covering. Vertically, each unit consists of the space between the top of the apartment floor, excluding floor covering, and the underside of the apartment ceiling. Garages are measured horizontally from the inside of each partition and vertically from the top of the floor to the underside of the ceiling, or roof framing if no ceiling is constructed.
- 6. Common Elements. The common elements consist of the entire condominium property, including all parts of the buildings other than the units and including, without limitation, the following:
  - (a) The land on which the buildings are erected;

- (b) All exterior walls of the buildings; all walls and partitions separating units from corridors, stairs, incinerators, and other mechanical equipment spaces; all other walls and partitions; the roof and upper floor ceilings;
- (c) Stairways outside the units, and entrances to and exits from the buildings;
- (d) The yards, gardens, trees and bushes, recreational, community or maintenance facilities; mail areas, vaults, and other areas used in connection therewith; parking and driveway areas;
- (e) All space devoted to the lodging or use of any person employed in connection with the operation of the condominium property;
- (f) All central and appurtenant installations for services such as power, light, telephone, gas, hot and cold water, heat, refrigeration, and incineration (including all pipes, ducts, wires, cables, and conduits used in connection therewith, whether located in common areas or in units);
  - (g) All sewer and water pipes;
- (h) All other parts of the condominium property and all apparatus and installations existing in the building or on the property for common use or necessary or convenient to the existence, maintenance, or safety of the condominium.
- 7. Encroachments. If any portion of the common elements shall encroach upon any unit, or if any unit shall encroach upon any other unit or upon any portion of the common elements as a result of the construction of the buildings, or as a result of settling or shifting of the buildings, a valid easement for the encroachment and for its maintenance shall exist so long as the buildings stand. In the event the buildings, the unit, any adjoining unit, or any adjoining common element, shall be partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings, and then rebuilt, any resulting encroachment of a part of the common elements upon any unit or of any unit upon any other unit or upon any part of the common elements shall be permitted and a valid easement for such encroachments and for its maintenance shall exist so long as the buildings stand.
- 8. Common Elements Inside Units. The board of managers to be selected by the unit owners pursuant to the bylaws (attached as Exhibit B), shall have a right of access to each unit to inspect all pipes, wires, ducts, cables, conduits, public utility lines, and other common elements located within any of the units, to remove violations therefrom, and to maintain, repair, or replace such common elements and common elements located elsewhere in the building.

- 9. <u>Limited Common Areas</u>. Each unit owner shall have a right of exclusive use, subject to reasonable regulation by the board of managers, with respect to balconies or patios adjacent to such unit and designed for its use.
- 10. Fractional Interest. The fractional interest which each unit bears to the entire project and the respective undivided interest in the common elements attributable to each unit are as set forth on the attached Exhibit A.
- ll. Power of Attorney to Board of Managers. Each unit owner shall grant to the persons who shall from time to time constitute the board of managers, an irrevocable power of attorney, coupled with an interest, to acquire title to or lease any unit whose owner desires to surrender, sell, or lease the same, or which may be subject to a foreclosure or other judicial sale in the name of the board of managers or its designee, corporate or otherwise, on behalf of all unit owners, and to convey, sell, lease, mortgage, vote the votes appurtenant thereto, or otherwise deal with any such unit so acquired or leased. Such power shall not be exercised to impair the security of any mortgage upon the condominium or any unit thereof. Any unit so acquired, together with any such interest in the common elements or in other condominium property appurtenant thereto, shall be held by the board of managers or its designee, corporate or otherwise, on behalf of all unit owners, in proportion to their respective common interests.
- 12. Service of Process. The owner is hereby designated to receive notice of process in any action which may be brought against the condominium, until such time as the board of managers shall be selected, whereupon any member of such board may be served.
- 13. Units Subject to Declaration, Bylaws, Rules and Regulations. All present and future owners, tenants, and occupants of units shall be subject to, and shall comply with the provisions of this declaration, the bylaws, rules and regulations adopted pursuant thereto, and the Declaration of Restrictions attached as Exhibit C, as these instruments may be amended from time to time. The acceptance of a deed or conveyance, or the entering into of a lease, or the entering into occupancy of any unit shall constitute an acceptance of the provisions of such instruments by such owner, tenant, or occupant. The provisions contained in such instruments shall be covenants running with the land and shall bind any person having at any time any interest or estate in such unit, as though such provisions were recited and fully stipulated in each deed, conveyance or lease thereof.
- 14. Amendment of Declaration. This declaration may be amended by the vote of at least 75 percent in number and in common interest of all unit owners, cast in person or by proxy at a meeting duly held in accordance with the provisions of the bylaws. Any such amendment shall be approved in writing by all mortgages who are the holders of mortgages constituting first liens on one or more units. Notwithstanding the above,

for a period of one year from the date of recording of this declaration, provided it then holds title to at least one-third of the units of this condominium, the owner, without additional parties, may amend the declaration for purposes of compliance with real estate title or mortgagee requirements. No such amendments shall be effective until recorded in the office of the Register of Deeds, Cass County.

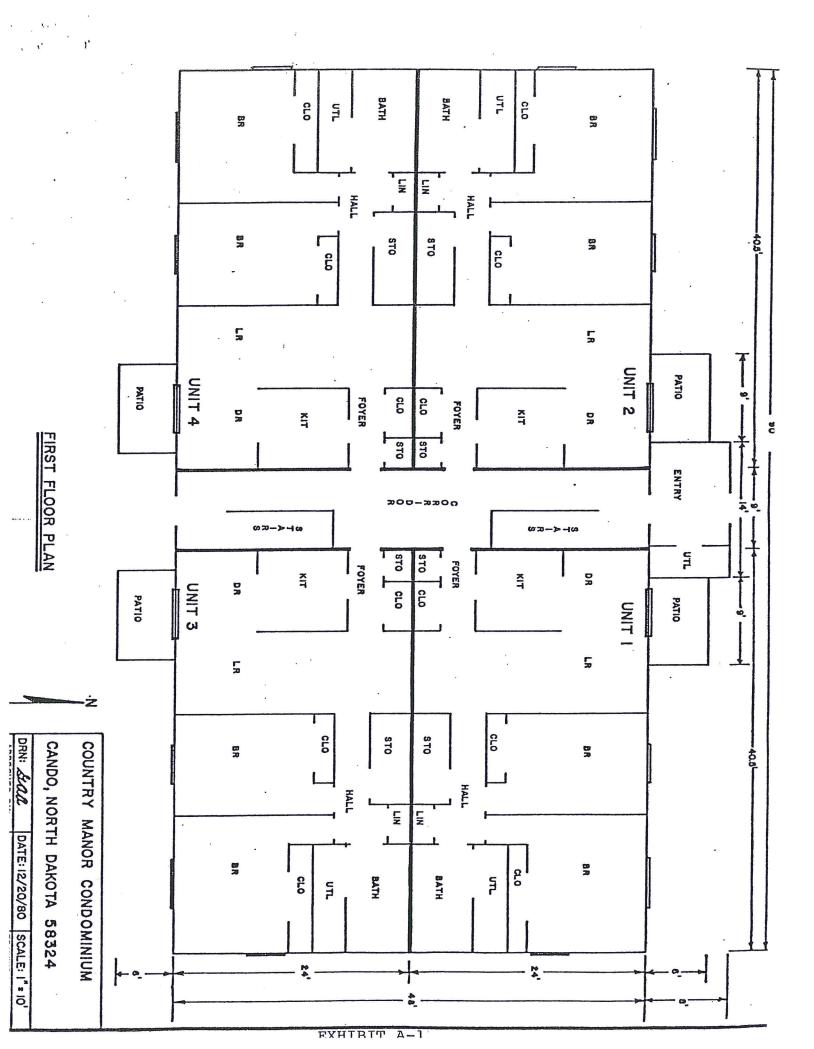
- 15. Invalidity. The invalidity of any provisions of this declaration shall not affect in any manner the validity or enforcement of the remainder of this declaration, and other provisions of this declaration shall continue in effect as if such invalid provision has never been included herein.
- 16. <u>Waiver</u>. No provision contained in this declaration shall be deemed to have been waived by reason of any failure to enforce it, irrespective of the number of violations which may occur.

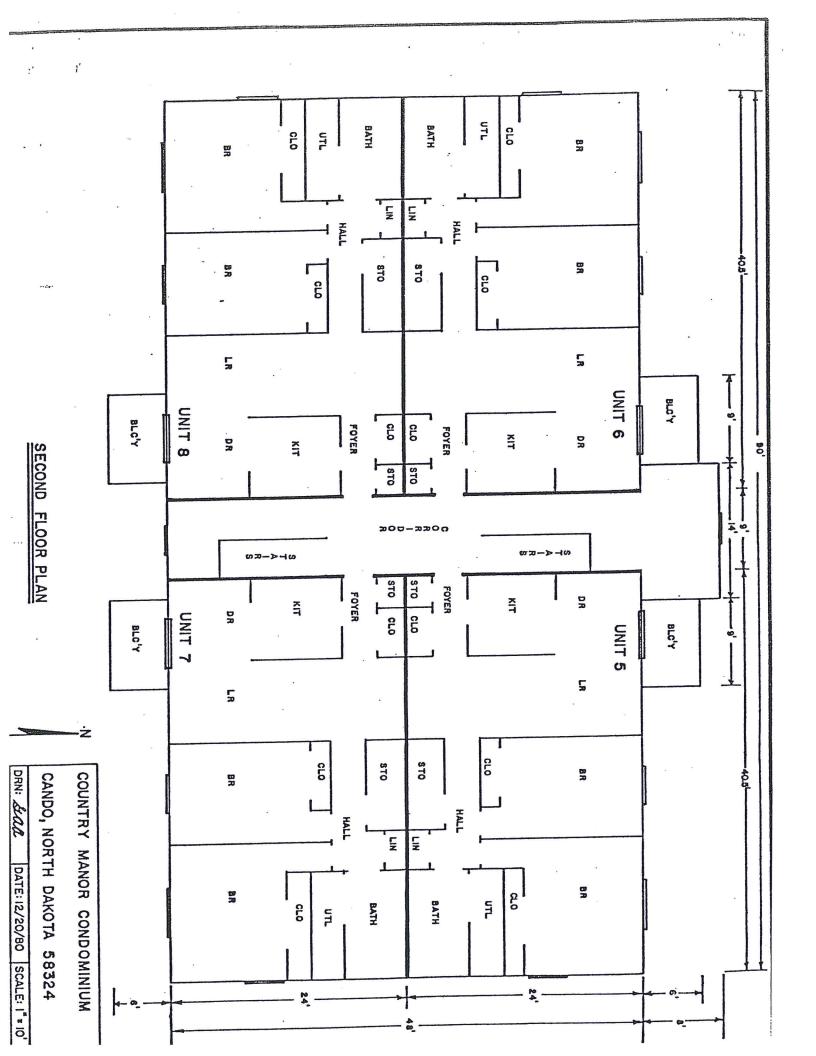
-	
IN WITNESS WHEREOF, the owner, 1981.	has signed this day of
	Mark Gulbrandson
*	
	Sharon Gulbrandson
	Eugene Nicholas
·	
	Connie Nicholas
STATE OF NORTH DAKOTA)	
COUNTY OF) ss.	
Gulbrandson and Sharon Gulbrandson, The persons who are described in and	, 1981, before me, a and state personally appeared Mark husband and wife, known to me to be who executed the within instrument
and acknowledged to me that they exe	cuted the same.
*	
	Notary Public

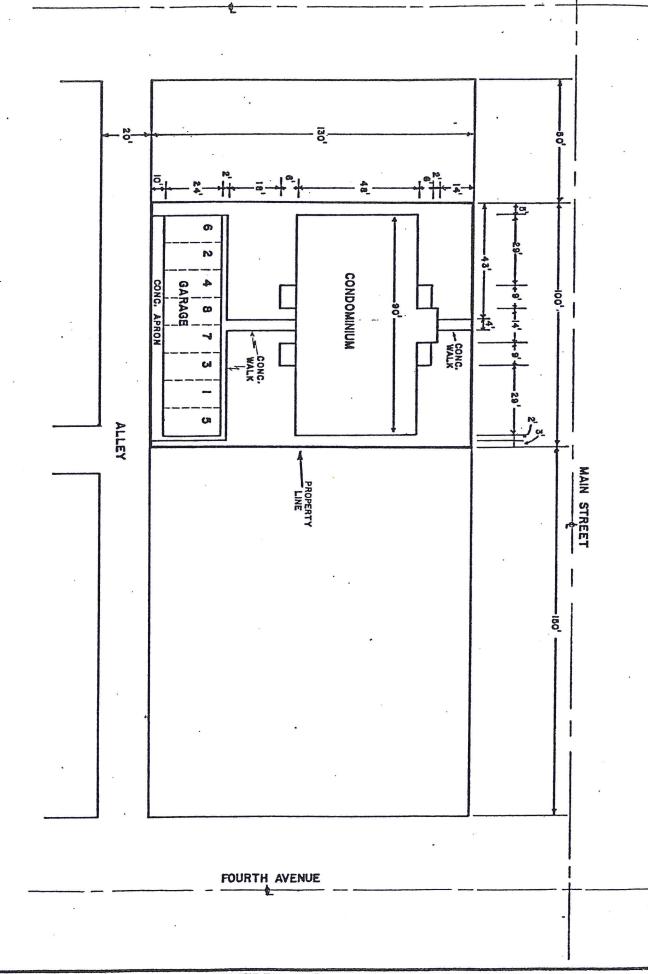
## EXHIBIT A

# COUNTRY MANOR CONDOMINIUM

Unit No.	Location	Rooms		Fractional Interest
1	First Floor NE Corner	All units have bath, living rodining area, an	oom kitchen,	1/8
2	First Floor NW Corner	n	"	1/8
3	First Floor SE Corner	11	II.	1/8
4	First Floor SW Corner	u .	tf	1/8
5	Second Floor NE Corner	и	H	1/8
6	Second Floor NW Corner	II	II	1/8
7	Second Floor SE Corner		II	1/8
8	Second Floor SW Corner		ш	1/8







DRN: LAA

CANDO, NORTH DAKOTA 58324

COUNTRY MANOR CONDOMINIUM

DATE: 12/20/80 | SCALE: 1": 40"

#### EXHIBIT B

## BYLAWS OF

## COUNTRY MANOR CONDOMINIUM

## ARTICLE I.

## Plan of Condominium Unit Ownership

Section 1. <u>Condominium Unit Ownership</u>. This property located at Cando, North Dakota, (hereinafter called the "condominium"), has been submitted under Chapter 47-04.1 of the North Dakota Century Code to condominium ownership simultaneously herewith.

Section 2. Applicability of Bylaws. The provisions of these bylaws are applicable to the condominium and to the use and occupancy thereof. The term "condominium" property as used herein shall include the land, the buildings, and all other improvements thereon, all easements, rights, and appurtenances belonging thereto, and all other property intended to be submitted to the provisions of the laws of the State of North Dakota regarding condominium ownership.

The term "unit" or "condominium unit" as used herein shall mean those areas and appurtenances defined by the condominium declaration and exhibits as separate units within the condominium project. For most purposes it shall describe an individual apartment, garage and appurtenances.

Section 3. Application. All present and future owners, mort-gages, lessees, and occupants of condominium units and their employees, and any other persons who may use the facilities of the condominium in any manner are subject to these bylaws, the declaration, and rules and regulations pertaining to use and operation of the condominium property. The acceptance of a deed or conveyance, or the entering into of a lease, or the act of occupancy of a condominium unit shall constitute an acceptance of the provisions of these instruments and an agreement to comply therewith.

Section 4. Office. The office of the condominium and of the board of managers shall be located at 523 Main Street, Cando, North Dakota, until such time as it shall be changed by action of the board of managers.

## ARTICLE II.

Section 1. Number and Qualification. The affairs of the condominium shall be governed by a board of managers. The board of managers shall consist of the Sponsor or its designees until the organizational meeting of unit owners. Thereafter the board of managers shall be composed of three persons, all of whom shall be owners or spouses of owners

or mortgagees of condominium units, or, in the case of partnership owners or mortgagees, shall be members or employees of such partnership, or in case of corporate owners or mortgagees, shall be officers, stockholders, or employees of such corporations.

- Section 2. <u>Powers and Duties</u>. The board of managers shall have the powers and duties necessary for the administration of the affairs of the condominium, except such powers and duties as by law or by the declaration or by these bylaws may not be delegated to the board of managers by the unit owners. The powers and duties to be exercised by the board of managers shall include, but shall not be limited to, the following:
  - (a) Operation, care, upkeep and maintenance of the common elements; ordinary maintenance of limited common elements shall be the obligation of the benefitted unit owner, but structural repairs or replacement shall be a common obligation;
  - (b) Determination of the amount required for operation, maintenance, and other affairs of the condominium;
  - (c) Collection of the common charges from the unit owners;
  - (d) Employment and dismissal of the personnel, as necessary for the efficient maintenance and operation of the condominium;
  - (e) Adoption and amendment of rules and regulations covering the details of the operation and use of the condominium property;
  - (f) Opening of bank accounts on behalf of the condominium and designating the signatories required therefor;
  - (g) Purchasing, leasing, or otherwise acquiring in the name of the board of managers, or its designee, corporate or otherwise, on behalf of all unit owners, condominium units offered for sale or lease or surrendered by their owners to the board of managers;
  - (h) Purchasing condominium units at foreclosure or other judicial sales in the name of the board of managers, or its designee, corporate or otherwise, on behalf of all unit owners;
  - (i) Selling, leasing, mortgaging, voting the votes appurtenant to (other than for the election of members of the board of managers), or otherwise dealing with condominium units acquired by, and subleasing condominium units leased by

the board of managers or its designee, corporate or otherwise, on behalf of all unit owners;

- (j) Organizing corporations to act as designee of the board of managers in acquiring title to or leasing of condominium units on behalf of all unit owners.
- (k) Leasing space or rooms under their control and granting licenses for vending machines;
- (1) Obtaining insurance for the condominium property, including the condominium units, pursuant to the provisions of Article V., Section 2 hereof, and
- (m) Making repairs, additions, and improvements to, or alterations of, the condominium property, and repairs to and restoration of the property in accordance with the other provisions of these bylaws, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.
- Section 3. Managing Agent. The board of managers may employ for the condominium a managing agent at a compensation established by the board of managers, to perform such duties and services as the board of managers shall authorize including, but not limited to the duties listed in subdivisions (a), (c), (d), (k), (l) and (m) of Section 2 of this Article II. The board of managers may delegate to the managing agent, all of the powers granted to the board of managers by these bylaws other than the powers set forth in subdivisions (b), (e), (f), (g), (h), (i) and (j) of Section 2 of this Article II.
- Section 4. Election and Term of Office. At the first annual meeting of the unit owners, the term of office of one member of the board of managers shall be fixed at two (2) years, the term of office of one member at three (3) years and the term of office of one member at one (1) year. Thereafter, the term of office of all members of the board shall be three (3) years. At the expiration of the initial term of office of each respective member of the board of managers, his successor shall be elected to serve for a term of three (3) years. The members of the board of directors shall hold office until their respective successors shall have been elected by the unit owners.
- Section 5. Removal of Members of the Board of Managers. At any regular or special meeting of unit owners, any one or more of the members of the board of managers may be removed with or without cause by a majority of the unit owners and a successor may then or thereafter be elected to fill the vacancy thus created. Any member of the board of managers whose removal has been proposed by the unit owners shall be given an opportunity to be heard at the meeting.
- Section 6. <u>Vacancies</u>. Vacancies in the board of managers caused by any reason other than the removal of a member thereof by a vote of the unit owners, shall be filled by vote of a majority of the remaining

members at a special meeting of the board of managers held for that purpose promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum, and each person so elected shall be a member of the board of managers for the remainder of the term of the member so removed and until a successor shall be elected at the next annual meeting of the unit owners.

Section 7. Organization Meeting. The first meeting of the members of the board of managers following the first annual meeting of the unit owners shall be held within ten (10) days thereafter, at such time and place as shall be fixed by the unit owners at the meeting at which such board of managers shall have been elected, and no notice shall be necessary to the newly elected members of the board of managers in order legally to constitute such meeting, providing a majority of the whole board of managers shall be present thereat.

Section 8. Regular Meetings. Regular meetings of the board of managers may be held at such time and place as shall be determined from time to time by a majority of the members of the board of managers, but at least one such meeting shall be held during each fiscal year. Notice of regular meetings of the board of managers shall be given to each member of the board of managers, by mail or telephone, at least three (3) business days prior to the day named for such meeting.

Section 9. Special Meetings. Special meetings of the board of managers may be called by the president on three (3) business days' notice to each member of the board of managers, given by mail or telephone, which notice shall state the time, place, and purpose of the meeting. Special meetings of the board of managers shall be called by the president or secretary in like manner and on like notice on the written request of at least three (3) members of the board of managers.

Section 10. <u>Waiver of Notice</u>. Any member of the board of managers, may, at any time, waive notice of any meeting of the board of managers in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the board of managers at any meeting of the board shall constitute a waiver of notice by him. If all the members of the board of managers are present at any meeting of the board, no notice shall be required and any business may be transacted at such meeting.

Section 11. Quorum of Board of Managers. At all meetings of the board of managers, a majority thereof shall constitute a quorum for the transaction of business, and the votes of a majority of the members of the board of managers present at a meeting at which a quorum is present shall constitute the decision of the board of managers. If at any meeting of the board of managers there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called, may be transacted without further notice.

Section 12. <u>Compensation</u>. No member of the board of managers shall receive any <u>compensation</u> from the condominium for acting as such but may be reimbursed for expenses incurred.

Section 13. Liability of the Board of Managers. The members of the board of managers shall not be liable to the unit owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The unit owners shall indemnify and hold harmless each member of the board of managers against all contractual liability to others arising out of contracts by the board of managers on behalf of the condominium unless any such contract shall have been made in bad faith or contrary to the provisions of the declaration or these bylaws. It is intended that the members of the board of managers shall have no personal liability with respect to any contract made by them on behalf of the condominium. It is also intended that the liability of any unit owner arising out of the indemnity in favor of the members of the board of managers shall be limited to such proportion of the total liability thereunder as his interest in the common elements bears to the interests of all the unit owners in the common elements.

## ARTICLE III.

Section 1. Annual Meeting. Promptly after condominium units representing 75 percent or more in common interest shall have been conveyed by the Sponsor, or at such earlier time as Sponsor may determine, the Sponsor shall call a first meeting of unit owners and shall notify all unit owners as provided under Section 4 of this Article. Thereafter, the annual meetings of the unit owners shall be held on the 21st day of January of each succeeding year, unless such date shall occur on a Saturday or Sunday, in which event the meeting shall be held on the succeeding Monday. At such meetings the board of managers shall be elected by ballot of the unit owners in accordance with the requirements of Section 4 of Article II of these bylaws. So long as the Sponsor shall own one or more condominium units, the Sponsor shall be entitled to elect at least one (1) member of the board of managers, who shall serve for a term of one (1) year. The unit owners may transact such other business at such meetings as may properly come before them.

Section 2. Place of Meetings. Meetings of the unit owners shall be held at the principal office of the condominium or at such other suitable place convenient to the owners as may be designated by the board of managers.

Section 3. Special Meetings. It shall be the duty of the president to call a special meeting of the unit owners if so directed by resolution of the board of managers or upon a petition signed and presented to the secretary by unit owners having at least 75 percent of the common interest. The notice of any special meeting shall state the time, place, and purpose of the meeting. No business shall be transacted at a special meeting, except as stated in the notice.

Section 4. Notice of Meetings. The secretary shall mail to each unit owner of record a notice of each annual or special meeting of the unit owners, at least ten (10) but not more than twenty (20) days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held, at the building or at such other address as such unit owner shall have designed by notice in writing to the secretary. The mailing of a notice of meeting in the manner provided in this section shall be considered service of notice.

Section 5. Adjournment of Meetings. If any meeting of unit owners cannot be held because a quorum has not attended, a majority in common interest of the unit owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time no less than 48 hours from the time the original meeting was called.

Section 6. Order of Business. The order of business at all meetings of the unit owners shall be as follows:

- (a) Roll call;
- (b) Proof of notice of meeting;
- (c) Reading of minutes of preceding meeting;
- (d) Reports of officers;
- (e) Report of board of managers;
- (f) Reports of committees;
- (g) Election of inspectors of election (when so required);
- (h) Election of members of the board of managers
  (when so required);
  - (i) Unfinished business; and
  - (j) New business.

Section 7. <u>Voting</u>. The owner of each condominium unit, or some person designated by such owner or owners to act as proxy on his or their behalf and who need not be an owner, shall be entitled to cast the votes appurtenant to such condominium unit at all meetings of unit owners. The designation of any such proxy shall be made in writing to the secretary, and shall be revocable at any time by written notice to the secretary by the owner or owners so designated. Each condominium unit shall have one vote, even though it may have more than one owner.

Section 8. Majority of Unit Owners. As used in these bylaws the term "majority of unit owners" shall mean those unit owners having more than 50 percent of the total authorized votes of all unit owners present in person or by proxy and voting at any meeting of the unit owners.

Section 9. Quorum. The presence in person or by proxy of unit owners having one third of the total authorized votes of all unit owners shall constitute a quorum at all meetings of the unit owners.

Section 10. Majority Vote. The vote of a majority of unit owners at a meeting at which a quorum shall be present shall be binding upon all unit owners for all purposes except where a higher percentage vote is required by law, by the declaration, or by these bylaws.

## ARTICLE IV.

## Officers

Section 1. <u>Designation</u>. The principal officers of the condominium shall be the president, the vice-president, the secretary, and the treasurer, all of whom shall be elected by the board of managers. The board of managers may appoint such other officers as in its judgment may be necessary. The president must be a member of the board of managers.

Section 2. Election of Officers. Officers shall be elected by the board of managers at the annual meeting of each new board of managers and shall hold office at the pleasure of the board of managers.

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

Section 4. President. The president shall be the chief executive officer of the condominium. He shall preside at all meetings of the unit owners and of the board of managers. He shall have all of the general powers and duties which are incident to the office of president of a corporation.

Section 5. Vice-President. The vice-president shall take the place of the president and perform his duties whenever the president shall be absent or unable to act. If neither the president nor the vice-president is able to act, the board of managers shall appoint some other member of the board of managers to act in the place of the president, on an interim basis. The vice-president shall also perform such other duties as shall from time to time be imposed upon him by the board of managers or by the president.

Section 6. Secretary. The secretary shall keep the minutes of all meetings of the unit owners and of the board of managers; he shall have charge of such books and papers as the board of managers may direct; and shall, in general, perform all the duties incident to the office of secretary.

Section 7. Treasurer. The treasurer shall have the responsibility for condominium funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial statements. He shall be responsible for the deposit of all moneys and other valuable effects in the name of the board of managers, or the managing agent, in such depositories as may from time to time be designated by the board of managers, and he shall, in general, perform all the duties incident to the office of the treasurer.

Section 8. Agreements, Contracts, Deeds, Checks, etc. All agreements, contracts, deeds, leases, checks, and other instruments of the condominium shall be executed by any two officers of the condominium or by such other person or persons as may be designated by the board of managers.

Section 9. <u>Compensation of Officers</u>. No officer shall receive compensation from the condominium for acting as such, but may be reimbursed for expenses incurred.

## ARTICLE V.

## Operation of the Property

Section 1. <u>Determination of Common Expenses and Common Charges.</u>
The board of managers shall from time to time, and at least annually, prepare a budget for the condominium, determine the amount of the common charges required to meet the common expenses of the condominium, and allocate and assess such common charges against the unit owners according to their respective common interests. The common expenses shall include, among other things, the cost of all insurance premiums on the policies of insurance required to be or which have been obtained by the board of managers pursuant to the provisions of Section 2 of this Article. common expenses may also include such amounts as the board of managers may deem proper for the operation and maintenance of the condominium property, including, without limitation, an amount for working capital of the condominium, for a general operating reserve, for a reserve fund for replacements, and to make up any deficit in the common expenses for any prior year. The common expenses may also include such amounts as may be required for the purchase or lease by the board of managers or its designee, corporate or otherwise, on behalf of all unit owners, of any condominium unit whose owner has elected to sell or lease such condominium unit or of any condominium unit which is to be sold at a foreclosure or other judicial sale. The board of managers or its designee shall advise each unit owner in writing of the amount of common charges payable by him, and shall furnish copies of each budget on which such common charges are based to all unit owners.

Section 2. <u>Insurance</u>. The board of managers shall be required to obtain and maintain, to the extent obtainable, the following insurance:

Fire insurance with extended coverage, vandalism, and malicious mischief endorsements, insuring the condominium buildings (including all of the condominium units and the bathroom and kitchen fixtures initially installed therein by the Sponsor, but not including furniture, furnishings, or other personal property supplied or installed by unit owners), together with all air-conditioning equipment and other service machinery contained therein; such insurance shall cover the condominium, the board of managers, and all unit owners and their mortgagees, as their interest may appear in an amount equal to 90 percent co-insurance of replacement value of the buildings. Each policy shall contain a standard mortgage clause in favor of each mortgagee of a condominium unit which shall provide that proceeds shall be payable to such mortgagee as its interest may appear, subject, however, to payment provisions in favor of the board of managers hereinafter set

The amount of fire insurance to be maintained until the first meeting of the board of managers following the first annual meeting of the unit owners shall be in at least the sum of \$\_\_\_\_\_.

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 such policies may not be cancelled or substantially modified without at least ten (10) days' prior written notice to all of the insured, including all mortgagees of condominium units. Duplicate originals of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all mortgagees of units who request such, at least ten (10) days prior to expiration of the then current Prior to obtaining any policy of fire insurance or any renewal thereof, the board of managers shall obtain an appraisal from a fire insurance company or otherwise of the full replacement value of the buildings, including all of the condominium units and all of the common elements therein, for the purpose of determining the amount of fire insurance to be effected pursuant to this section.

The board of managers shall also be required to obtain and maintain, to the extent obtainable, public liability insurance in such limits as the board of managers may from time to time determine covering each member of the board of managers, the managing agent, the manager, and each unit owner. Such public liability coverage shall also cover cross liability claims of one insured against another. The board of managers, or its designee, shall review such limits at each renewal date of said

policy. Until the first meeting of the board of managers following the first annual meeting of the unit owners, such public liability insurance shall be in a single limit of covering all claims for bodily injury or property arising out of one occurrence.

Unit owners shall not be prohibited from carrying other insurance for their own benefit provided that all policies shall contain waivers of subrogation and further provided that the board of managers' obligation shall not be affected or diminished by reason of any such additional insurance carried by any unit owner.

Section 3. Repair or Reconstruction After Damage. In the event of damage to the project, the board of managers shall arrange for the prompt repair and restoration of the buildings (including any damaged condominium units and any kitchen or bathroom fixtures initially installed therein by the Sponsor, but not including any wall, ceiling, or floor decorations or coverings or other furniture, furnishings, fixtures, or equipment installed by unit owners in the condominium units), and the board of managers shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration to the extent of such expenses. Any excess in expenses over the insurance proceeds shall constitute a common expense and the board of managers may assess all the unit owners for such deficit as part of the common charges. Any surplus proceeds shall be paid to unit owners in proportion to their common interest, subject to unpaid liens upon such unit.

Section 4. Partition. In the event that all or a substantial and material portion of the project has been destroyed or substantially damaged and that condominium owners holding in aggregate more than 50% interest in the common areas are opposed to repair or restoration of the project, the project shall be subject to an action for partition upon the suit of any unit owner or lienor, as if owned in common, in which event the net proceeds of sale, together with the net proceeds of insurance policies (or if the amount of insurance proceeds shall have exceeded the cost of repair or restoration then the excess of such insurance proceeds) shall be divided by the board of managers, as the case may be, among all the unit owners in proportion to their respective common interests, after first paying out of the share of each unit owner the amount of any unpaid liens on his condominium unit, in the order of the priority of such liens. Any mortgagee shall be deemed to have a lien upon the proceeds allocable to its mortgaged unit.

Section 5. Payment of Common Charges. All unit owners shall be obligated to pay the common charges assessed by the board of managers pursuant to the provisions of Section 1 of this Article V at such time or times as the board of managers shall determine.

No unit owner shall be liable for the payment of any part of the common charges assessed against his condominium unit subsequent to a sale, transfer, or other conveyance by him thereof (made in accordance with the provisions of Section 1 of Article VII of these bylaws). A unit owner may, subject to the conditions specified in these bylaws, convey his condominium unit to the board of managers or its designee, corporate or otherwise, on behalf of all other unit owners, and in such cas be exempt from common charges thereafter assessed. A purchaser of a condominium unit shall be liable for the payment of common charges assessed against such unit prior to the acquisition by him of such unit, except that a mortgagee or other purchaser of a unit at a foreclosure sale shall not be liable for and such unit shall not be subject to a lien for the payment of common charges assessed prior to the foreclosure sale.

Section 6. Collection of Assessment. The board of managers shall assess common charges against the unit owners from time to time and at least annually and shall take prompt action to collect from a unit owner any common charge due which remains unpaid by him for more than thirty (30) days from the due date for its payment. A lien for past due common charges may be made a matter of record by recording with the Register of Deeds a notice as provided by statute.

Section 7. Default in Payment of Common Charges. In the event of default by any unit owner in paying to the board of managers the assessed common charges, such unit owner shall be obligated to pay interest at the legal rate on such common charges from the due date thereof, together with all expenses incurred by the board of managers in any proceedings brought to collect such unpaid common charges. The board of managers shall have the right and duty to attempt to recover such common charges, together with interest thereon and the expenses of the proceedings, in an action brought against such unit owner, or by foreclosure of the lien on such condominium unit granted by the laws of the State of North Dakota.

Section 8. Foreclosure of Liens for Unpaid Common Charges. In any action brought by the board of managers to foreclose a lien on a condominium unit because of unpaid common charges the unit owner shall be required to pay a reasonable rental for the use of the condominium unit and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect such rental. The board of managers, acting on behalf of all unit owners, shall have power to purchase the condominium unit at the foreclosure sale and to acquire, hold, lease, mortgage, vote the votes appurtenant to, convey, or otherwise deal with the same. A suit to recover a money judgment for unpaid common charges shall be maintainable without foreclosure or waiving the lien securing the same. The lien for common charges referred to in Sections 7 and 8 is inferior to any mortgage given and recorded prior to recording any liens or notice of liens for common charges.

Section 9. Statement of Common Charges. The board of managers shall promptly provide any unit owner, who makes a request in writing, with a written statement of his unpaid common charges.

Section 10. Abatement and Enjoining of Violations. The violation of any rule or regulation adopted by the board of managers, or the breach of any bylaw contained herein, or the breach of any provision of the

declaration, shall give the board of managers the right, in addition to any other rights set forth in these bylaws: (a) to enter the condominium unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting unit owner, any structure, thing, or condition that may exist therein contrary to the intent and meaning of the provision hereof, and the board of managers shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate, or remedy such thing or condition by appropriate legal proceedings.

## Section 11. Maintenance and Repair.

- (a) All maintenance of and repairs to any condominium units, structural or nonstructural, ordinary or extraordinary, (other than maintenance of or repairs to any common elements contained therein not necessitated by the negligence, misuse, or neglect of the owner of such condominium unit) shall be made by the owner of such condominium unit. Each unit owner shall be responsible for all damages to any other condominium unit and to the common elements resulting from his failure to effect such maintenance and repairs.
- (b) All maintenance, repairs, and replacements to the common elements, whether located inside or outside of the condominium units (unless necessitated by the negligence, misuse, or neglect of a unit owner, in which case such expense shall be charged to such unit owner), shall be made by the board of managers and be charged to all the unit owners as a common expense.
- (c) Repairs or replacements to the limited common elements shall be made by the board and charged as a common expense. Ordinary maintenance of such areas, including floor covering replacement where necessary, shall be the responsibility and expense of the respective unit owner.
- Section 12. Additions, Alterations, or Improvements by Board of Managers. Whenever in the judgment of the board of managers the common elements shall require additions, alterations, or improvements costing in excess of \$7,500.00 and the making of such additions, alteration or improvements shall have been approved by a majority of the unit owners and by those mortgagees holding mortgages constituting first liens upon one or more condominium units, the board of managers shall proceed with such additions, alterations, or improvements and shall assess all unit owners for the cost thereof as a common charge. Any additions, alterations, or improvements costing \$7,500.00 or less may be maby the board of managers without approval of the unit owners or any mortgagees of condominium units and the cost thereof shall constitute a common charge.

Section 13. Additions, Alterations, or Improvements by Unit Owners. No unit owner shall make any structural addition, alteration, or improvement in or to his condominium unit, without the prior written consent of

the board of managers. The board of managers shall have the obligation to answer any written request by a unit owner for approval of a proposed structural addition, alteration, or improvement in such unit owner's condominium unit, within thirty (30) days after such request, and failure to do so within the stipulated time shall constitute a consent by the board of managers to the proposed addition, alteration, or improvements. Any application to any governmental authority for a permit to make a structural addition, alteration, or improvement in or to any condominium unit shall be executed by the board of managers. The board of managers shall not be liable to any contractor, subcontractor, or materialman or to any person sustaining personal injury or property damage for any claim arising in connection with such addition, alteration or improvement. The provisions of this Section shall not apply to condominium units owned by the Sponsor until such condominium units shall have been conveyed by the Sponsor.

Section 14. Right of Access. A unit owner shall grant a right of access to his condominium unit to the managing agent and any other person authorized by the board of managers or the managing agent, to make inspections; to correct any condition originating in his condominium unit and threatening another condominium unit or elsewhere in the building; and to correct any condition which violates the provisions of any mortgage covering another condominium unit. Requests for such entry shall be made in advance and such entry shall be scheduled for a time reasonably convenient to the unit owner. However, in case of an emergency, such right of entry shall be immediate, whether the unit owner is present at the time or not.

Section 15. Water and Sewer. Water shall be supplied to all the condominium units and the common elements through one or more building meters and the board of managers shall pay, as a common expense, all charges for water consumed on the condominium property which is not metered to an individual condominium unit, together with all related sewer rents arising therefrom, promptly after the bills therefor are rendered. In the event of a proposed sale of a condominium unit, the board of managers, on request of the selling unit owner shall execute and deliver to the purchaser of such condominium unit or to the purchaser's escrow agent, a letter agreeing to pay all charges for water and sewer rents affecting the property as of the date of closing title to such condominium unit promptly after such charges shall have been billed by the municipal authorities.

Section 16. Electricity. Electricity shall be supplied by the public utility company serving the area directly to each unit through a separate meter and each unit owner shall be required to pay the bills for electricity consumed or used in his unit. The electricity serving the common elements shall be separately metered, and the board of managers shall pay all bills for electricity consumed in the common elements, except where excessive individual use is established. Excessive individual use, as determined by the board of managers, shall be billed to the respective unit owner.

## ARTICLE VI.

## Mortgages

- Section 1. Mortgage of Condominium Units. A unit owner may mortgage his condominium unit by a first mortgage, made to a bank, trust company, insurance company, federal or state chartered savings and loan association, pension fund, or other institutional lender, or by a purchase money mortgage. The board of managers and the officers thereof shall do no act which will lessen or prejudice the rights of any mortgagee in its mortgage lien.
- Section 2. Notice to Board of Managers. A unit owner who mortgages his condominium unit shall notify the board of managers of the name and address of his mortgagee.
- Section 3. Notice of Unpaid Common Charges. The board of managers, whenever so requested in writing by a mortgagee of a condominium unit, shall promptly report any then unpaid common charges or other default by the owner of the mortgaged condominium unit.
- Section 4. Notice of Default. The board of managers, when giving notice to a unit owner of a default in paying common charges or other default, shall send a copy of such notice to each holder of a mortgage covering such condominium unit whose name and address has been furnished to the board of managers.
- Section 5. Examination of Books. Each unit owner and each mort-gagee of a condominium unit shall be permitted to examine the books of account of the condominium at reasonable times, on business days, but not more often than once a month.

#### ARTICLE VII.

## Sales and Leases of Units

Section 1. Sales and Leases. No unit owner may sell or lease his condominium unit or any interest therein except by complying with the provisions of this section. A unit owner's sale of his condominium unit shall include the sale of (a) the undivided interest in the common elements appurtenant thereto; (b) the interest of such unit owner in any condominium units theretofore acquired by the board of managers, or its designee, on behalf of all unit owners, or the proceeds of sale or lease thereof, if any; and (c) the interest of such unit owner in any other assets of the condominium, hereinafter collectively called the "appurtenant interests".

Any unit owner who receives a bona fide offer for the sale or lease (of one year term or more), of his condominium unit, hereinafter called an "outside offer", which he intends to accept, shall give notice to the board of managers of such offer and of such intention, the name and address of the proposed purchaser or lessee, the terms of the proposed transaction and such other information as the board of managers may

reasonably require, and shall offer to sell or to lease such condominium unit, to the board of managers, or its designee, corporate or otherwise, on behalf of the owners of all other condominium units, on the same terms and conditions as contained in such outside offer. such notice shall constitute a warranty and representation by the unit owner who has received such offer, to the board of managers on behalf of the other unit owners, that such unit owner believes the outside offer to be bona fide in all respects. Within seven (7) days after receipt of such notice, the board of managers may elect by notice to such unit owner, to purchase or to lease such condominium unit, as the case may be, (or to cause the same to be purchased or leased by its designee, corporate or otherwise), on behalf of all other owners, on the same terms and conditions as contained in the outside offer and as stated in the notice from the unit owner. In the event the board of managers shall elect to purchase or to lease such condominium unit, or to cause the same to be purchased or leased by its designee, corporate or otherwise, title shall close at the office of the attorneys for the condominium within a reasonable time thereafter, after the giving of notice by the board of managers of its election to accept such offer. At the closing, the unit owner, if such condominium unit is to be sold, shall convey the same to the board of managers, or to its designee, on behalf of all other unit owners, by warranty deed. In the event such condominium unit is to be leased, the offering unit owner shall execute and deliver to the board of managers, or to its designee, a lease between the unit owner, as landlord, and the board of managers, or its designee, as tenant, covering such condominium unit, on the terms and conditions contained in such outside In the event the board of managers or its designee shall fail to accept such offer within seven (7) days, the unit owner shall be free to contract to sell or to lease such condominium unit, as the case may be, to the outside offeror on the terms and conditions set forth in the notice from the unit owner to the board of managers of such outside offer. deed to an outside offeror shall provide that the acceptance thereof by the grantee shall constitute an assumption of the provisions of the declaration, the bylaws and the rules and regulations, as the same may be amended from time to time. Any lease to an outside offeror shall be consistent with these bylaws and shall provide that it may not be modified, amended, extended, or assigned, without the prior consent in writing of the board of managers, that the tenant shall not sublet the demised premises, or any part thereof, without the prior consent in writing of the board of managers, and that the board of managers shall have power to terminate such lease and to bring summary proceedings to evict the tenant in the name of the landlord thereunder, in the event of default by the tenant in the performance of such lease. In the event the offering unit owner shall not, within ten (10) days after expiration of the board of managers' right of purchase or lease, contract to sell or lease such condominium unit, as the case may be, to the outside offeror on the terms and conditions contained in the outside offer, or if such a contract is entered into but not fulfilled, then the unit owner shall be required to again comply with all of the terms and provisions of this section in order to sell or to lease the condominium unit.

Any purported sale or lease of a condominium unit in violation

of this section shall be voidable at the election of the board of managers, up to a period of thirty (30) days after the new purchaser or tenant takes possession.

- Section 2. Consent of Unit Owners to Purchase or Lease by Board of Managers. The board of managers shall not exercise any option hereinabove set forth to purchase or lease any unit without the prior approval of a majority of the unit owners.
- Section 3. Release by Board of Managers of Right of First Refusal. The right of first refusal contained in Section 1 of this Article may be released or waived by the board of managers, in which event the condominium unit may be sold, conveyed, or leased, free and clear of the provisions of such section.
- Section 4. Certificate of Termination of Right of First Refusal. A certificate, executed and acknowledged by the secretary of the condominium, stating that the provisions of Section 1 of this Article have been met by a unit owner, or have been duly waived by the board of managers, and that the rights of the board of managers and the unit owners in favor of all persons who rely thereon in good faith. Such certificate shall be furnished to any unit owner who has in fact complied with the provisions of Section 1 of this Article or in respect to whom the provisions of such section have been waived, upon request, at a reasonable fee, not to exceed \$10.00.
- Section 5. Financing of Purchase of Condominium Units by Board of Managers. Acquisition of condominium units by the board of managers, or its designee, on behalf of all unit owners, may be made from the working capital and common charges in the hands of the board of managers, or if such funds are insufficient, the board of managers may levy an assessment against each unit owner in proportion to his ownership in the common elements, as a common charge, which assessment shall be enforceable in the same manner as provided in Sections 7 and 8 of Article V. Alternately the board of managers may borrow money to finance the acquisition of such condominium unit, provided, however, that no financing may be secured by an encumbrance of hypothecation of any property other than the condominium unit to be acquired by the board of managers.
- Section 6. Exceptions. The provisions of Section 1 of this Article shall not apply with respect to any sale or conveyance by a unit owner of his condominium unit to his spouse, or to any of his children or to his parent or parents or to his brothers or sisters, or any one or more of them, or to a condominium unit owned by the Sponsor, or to the acquisition or sale of a condominium unit by a mortgagee herein authorized who shall acquire title to such unit by foreclosure or by deed in lieu of foreclosure.
- Section 7. No Severance of Ownership. No unit owner shall execute any deed, mortgage, or other instrument conveying or mortgaging title to his condominium unit without including therein the appurtenant interests. Any such deed, mortgage, or other instrument purporting to effect one or

more of such interests, without including all such interests, shall be deemed and taken to include the interest or interests so omitted, even though it shall not be expressly mentioned or described therein. No part of the appurtenant interests of any condominium unit may be sold, transferred, or otherwise disposed of, except as part of a sale, transfer, or other disposition of the condominium unit.

Section 8. Gifts and Devises, etc. Any unit owner shall be free to convey or transfer his condominium unit by gift, or to devise the unit by will, or to pass the same by intestacy, without restriction.

Section 9. <u>Waiver of Right of Partition with Respect to Condominium Units Acquired by Board of Managers.</u> In the event that a condominium unit shall be acquired by the board of managers, or its designee, on behalf of all unit owners as tenants in common, all or such unit owners shall be deemed to have waived all rights of partition with respect to such condominium unit.

Section 10. Payment of Assessments. No unit owner shall convey, mortgage, pledge, hypothecate, sell, or lease his condominium unit unless and until he shall have paid in full to the board of managers all unpaid common charges theretofore assessed by the board of managers against his condominium unit.

## ARTICLE VIII.

## Condemnation

Section 1. Condemnation. In the event of a taking in condemnation or by eminent domain of part or all of the common elements, the award made for such taking shall be payable to the board of managers. The board of managers shall arrange for the repair and restoration of such common elements, and the board of managers shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. Any expense over condemnation proceeds may be assessed as a common expense by the board. Any surplus shall be distributed to unit owners in proportion to their common interest, subject to unpaid liens upon such unit. In the event the project is obsolete and uneconomical and 50 percent or more of unit owners disapprove the repair and restoration of such common elements, the board of managers shall disburse the net proceeds as provided in Section 4 of Article V of these bylaws.

## ARTICLE IX.

## Records

Section 1. Records and Audits. The board of managers or the managing agent shall keep detailed records of the actions of the board of managers and the managing agent, minutes of the meetings of the unit owners, and financial records and books of account of the condominium, including a chronological listing of receipts and expenditures, as well

as a separate account of each condominium unit which, among other things, shall contain the amount of each assessment of common charges against such condominium unit, the date when due, the amounts paid thereon, and the balance remaining unpaid. A written report summarizing all receipts and expenditures of the condominium shall be rendered by the board of managers to all unit owners at least semi-annually. In addition, an annual report of the receipts and expenditures of the condominium certified by an independent accountant, shall be rendered by the board of managers to all unit owners and to all mortgagees of condominium units who have requested the same, promptly after the end of each fiscal year.

#### ARTICLE X.

## Miscellaneous

Section 1. Notices. All notices to the board of managers shall be sent by registered or certified mail, c/o the managing agent, or if there is no managing agent, to the office of the board of managers or to such other address as the board of managers may hereafter designate from time to time. All notices to any unit owner shall be sent by registered or certified mail to the buildings or to such other address as may have been designated by him from time to time, in writing, to the board of managers. All notices to mortgagees of condominium units, shall be sent by registered or certified mail to their respective addresses, as designated by them from time to time, in writing, to the board of managers. All notices of change of address which shall be deemed to have been given when received.

Section 2. Invalidity. The invalidity of any part of these bylaws shall not impair or affect in any manner the validity, enforceability, or effect of the balance of these bylaws.

Section 3. <u>Captions</u>. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these bylaws, or the intent of any provision thereof.

Section 4. <u>Gender</u>. The use of the masculine gender in these bylaws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

Section 5. <u>Waiver</u>. No restriction, condition, obligation, or provision in these bylaws shall be deemed to have been abrogated or waived by reason or any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

## ARTICLE XI.

## Amendments to the Bylaws

Section 1. Owner Amendment. Except as hereinafter provided, these

bylaws may be modified or amended by the vote of 75 percent in number and in common interest of all unit owners at a meeting of unit owners duly held for such purposes, but only with the written approval of those mortgages holding mortgages constituting first liens upon one or more condominium units. Section 1 of Article III, Section 12 of Article V, Section 7 of Article VII, and this Section 1 of Article XI, however, may not be amended without the consent in writing of the Sponsor, so long as the Sponsor shall be the owner of one or more condominium units.

Section 2. Sponsor Amendment. For a period of one year after recording of these bylaws, so long as the Sponsor owns one third of the units of such project, the bylaws may be amended by the Sponsor alone for purposes of satisfying real estate title or mortgagee requirements.

Section 3. Form of Amendment. Such amendments shall be in writing, signed by the authorized officers of the Sponsor or the required number of unit owners, and mortgagees and shall be effective upon recording with the office of the register of deeds.

#### ARTICLE XII.

## Conflicts

Section 1. <u>Conflicts</u>. These bylaws are set forth to comply with the requirements of the laws of the State of North Dakota. In case any of these bylaws conflict with the provisions of such statute or of the declaration, the provisions of such statute or of the declaration, as the case may be, shall control.

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tion	this		day	of			, 19	81.					

Mark G	ılbrandson
Sharon	Gulbrandson
Eugene	Nicholas
Connie	Nicholas

STATE OF NORTH DAKOTA)  OUNTY OF	
Gulbrandson and Sharon Gulbrandson,	, 1981, before me, a y and state personally appeared Mark husband and wife, known to me to be d who executed the within instrument ecuted the same.
	Notary Public
STATE OF NORTH DAKOTA)  ) ss.  COUNTY OF)	
	husband and wife, known to me to be who executed the within instrument
	Notary Public

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#### EXHIBIT C

## DECLARATION OF RESTRICTIONS

Use of Condominium Units. In order to provide for congenial occupancy of the condominium property and for the protection of the values of the condominium units, the use of the condominium property shall be subject to the following limitations:

- (1) The condominium units shall be used for residential purposes only, except that the Owner-Sponsor may maintain one or more model units and advertising for purposes of initial sale of units.
- (2) The common elements shall be used only for the furnishing of the services and facilities for which they are reasonably suited and which are incidental to the use and occupancy of condominium units.
- (3) No nuisances shall be allowed on the condominium property nor shall any use or practice to be allowed which is a source of annoyance to its residents or which interfere with the peaceful possession or proper use of the condominium property by its residents.
- (4) No offensive or unlawful use shall be made of the condominium property or any part thereof, and all valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction shall be complied with. Such compliance shall be accomplished at the sole expense of the unit owners or the board of managers, whichever shall have the obligation to maintain or repair such portion of the condominium property.
- (5) No portion of a condominium unit (other than the entire condominium unit) may be rented, and no transient tenants may be accommodated therein.

Dated	this	 day	of	, 1981.
				Mark Gulbrandson
				Sharon Gulbrandson
*			æ	Eugene Nicholas
~ (				

Connie Nicholas

STATE OF NORTH DAKOTA)
COUNTY OF) ss.
On this
Notary Public
STATE OF NORTH DAKOTA)
COUNTY OF) ss.
On this day of, 1981, before me, a Notary Public in and for said county and state personally appeared Eugene Nicholas and Connie Nicholas, husband and wife, known to me to be the persons who are described in and who executed the within instrument and acknowledged to me that they executed the same.
Notary Public

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