

DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP

1. Submission of Property. W. K. CANDOR, whose post office is City of Fargo, State of North Dakota, (hereinafter called "the Owner") hereby submits the following land owned by him in fee simple, together with the buildings and improvements created and to be erected thereon, hereinafter collectively called the "Condominium", to the provisions of Chapter 47-04.1 of the North Dakota Century Code:

Lots 4, 5, 6, 7, 8 and 9, Block 37, Roberts' Second Addition to the City of Fargo, Cass County, North Dakota, together with that portion of the vacated alley adjacent to said lots which lies between the extended North line of Lots 6 and 7 and the extended South line of Lots 4 and 9, together with that portion of the adjacent Easterly one-half of the vacated 12th Street North lying between the extended North line of Lot 6 and the extended South line of Lot 4, subject to easements of record.

2. Name and Address. The condominium shall be known as THE TOWERS. Its address shall be 1110 North Third Avenue, Fargo, North Dakota, 58102.

3. Building. The building as constructed (hereinafter called the "building") is nine (9) stories above the ground floor. The ground floor (Exhibit A) contains a foyer, lobby, parking stalls, overhead storage lockers, elevators and electrical, mechanical and maintenance equipment. The building above the ground floor consists of two towers, respectively known as the East Tower and West Tower. The typical floor (Exhibit B) contains eight (8) condominium units, four units in each tower, the towers being joined by a common lobby, with utility room and

two (2) elevators. The eighth (8th) floor contains eight (8) condominium units, a lobby, utility room, elevators, toilet and community room. All condominium units above the first (1st) floor have attached balconies and a penthouse for equipment is located on the roof of the building. The building contains a total of seventy-two (72) condominium units.

The building is constructed of pre-cast concrete, and each condominium unit is equipped with a range, refrigerator, disposal and dishwasher. Each unit has an independent heating system and is serviced by its own air conditioning unit, connected to a common cooling tower, distribution water pump and piping.

4. Units. Annexed hereto and made a part hereof (as Exhibit C) is a list of all units in the building, their unit designations, location and number of rooms. Each condominium unit consists of one (partial) floor.

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 wallboard, 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 unit floor, excluding floor covering and the underside of the unit ceiling, excluding ceiling covering.

6. Common Elements. The common elements consist of the entire condominium property, including all parts of the building other than the units and including, without limitation, the following:

- (a) The land on which the building is erected;
- (b) All exterior walls of the building; all walls and partitions separating units from corridors, stairs; all other walls and partitions;
- (c) All of the ground floor, the roof and upper floor ceilings and penthouse located on the roof;
- (d) All electrical, mechanical and elevator spaces;
- (e) All entrances to and exits from the building;
- (f) The yards, gardens, trees and bushes, recreational, community or maintenance facilities, foyer, lobbies, utility rooms, mail areas and other areas used in connection therewith and parking and driveway areas;
- (g) All space devoted to the lodging or use of any person employed in connection with the operation of the condominium property;
- (h) All central and appurtenant installations for services such as power, light, telephone, gas, hot and cold water, heat, cooling, waste collector and compaction, elevators (including all pipes, ducts, wires, cables and conduits used in connection therewith, whether located in common areas or units);
- (i) All sewer, water pipes and fire protection system;
- (j) 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 by-laws (attached as Exhibit D) 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. Limited Common Areas. Each unit owner shall have a right of exclusive use with respect to a parking space and storage area which will be identified by the same number as the unit to which it is assigned, subject to assignment and reasonable regulation by the owner or the board of managers. Each unit owner whose unit has an adjacent balcony shall have a right of exclusive use with respect to such balcony, subject to reasonable regulation by the board of managers.

10. Percentage of Interest. The percentage 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 C.

11. 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 the subject of 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. 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, W. K. Candor, whose address is 1534 South Sixth Street, Fargo, North Dakota, 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, By-laws, 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 by-laws, and rules and regulations adopted

pursuant thereto (Exhibit D), the Declaration of Restrictions attached as Exhibit E, 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, as they may be amended from time to time 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% 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 by-laws; provided, however, that any such amendment shall have been approved in writing by all mortgagees who are the holders of mortgages constituting first liens on one or more units. 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 had never been included herein.

16. Waiver. 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 has signed this 14th day of May, 1979.

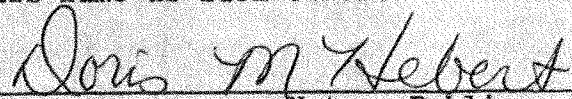
THE OWNER


W. K. CANDOR

STATE OF NORTH DAKOTA }
COUNTY OF CASS } ss

On this 14th day of May, 1979, before me, the undersigned, a notary public, personally appeared W. K. CANDOR, who acknowledged himself to be the owner of THE TOWERS CONDOMINIUMS; and that he, as such owner, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing his name as such owner.




Notary Public
Cass County, North Dakota
My Commission Expires: _____

DORIS M. HEBERT
Notary Public, CASS COUNTY, N. DAK.
My Commission Expires FEB. 3, 1982

CONSENT

First Bank of North Dakota (N. A.) - Fargo; Dakota National Bank and Trust Company; Fargo National Bank and Trust Company; Northwestern Federal Savings and Loan Association; First Federal Savings and Loan Association of Fargo; Metropolitan Federal Savings and Loan Association; and Gate City Savings and Loan Association
as holder of the first mortgage lien upon the described premises,
consents to this Declaration of Condominium Ownership, together
with its attachments, for purposes of perfecting the establishment
of such condominium.

Dated this 15th day of May, 1979.

FIRST BANK OF NORTH DAKOTA (N. A.) -
FARGO

By: John A. Brumfield
Its COMMERCIAL LOAN &
REAL ESTATE OFFICER

By: Edw. O. O'Brien
Its VP

DAKOTA NATIONAL BANK AND TRUST COMPANY

By: T. Schumacher
Its Vice President

By: [Signature]
Its Asst. VP

FARGO NATIONAL BANK AND TRUST COMPANY

By: [Signature]
Its V. Pres

By: Robert M. West
Its Asst. V.P.

NORTHWESTERN FEDERAL SAVINGS AND
LOAN ASSOCIATION

By: John M. Groe
Its Pres.

By: Charles J. Wickham
Its V. P.

FIRST FEDERAL SAVINGS AND LOAN
ASSOCIATION OF FARGO

By: John W. Williams
Its President

By: Alvin E. Gage
Its V. P.

METROPOLITAN FEDERAL SAVINGS AND LOAN
ASSOCIATION

By: Betty Shry
Its Asst. Vice President

By: Wanda Trammell
Its Asst. Secretary

GATE CITY SAVINGS AND LOAN ASSOCIATION

By: John A. Loefer
Its Pres.

By: Bob Smith
Its V. P.

STATE OF NORTH DAKOTA)
) ss
COUNTY OF CASS)

On this 15th day of May, 1979,
before me, a notary public in and for said county and state,
personally appeared John A. Bridgeford and
Ed. W. Chalus to me known to be the
Commercial Loan & Real Estate
Officer and Assistant Vice President
of the corporation that is described in and that executed the
foregoing instrument, and acknowledged to me that such corporation
executed the same.

(SEAL)

Lois D. Ivers

Notary Public

Cass County, North Dakota

My Commission Expires

LOIS D. IVERS

Notary Public, CASS COUNTY, N. DAK.
My Commission Expires APRIL 5, 1980

* * * * *

STATE OF NORTH DAKOTA)
) ss
COUNTY OF CASS)

On this 15th day of May, 1979,
before me, a notary public in and for said county and state,
personally appeared T. G. Schmallen and
S. A. Turing to me known to be the
Vice President and Sr. Vice President
of the corporation that is described in and that executed the
foregoing instrument, and acknowledged to me that such corporation
executed the same.

(SEAL)

Lois D. Ivers

Notary public

Cass County, North Dakota

My Commission Expires

LOIS D. IVERS

Notary Public, CASS COUNTY, N. DAK.
My Commission Expires APRIL 5, 1980

STATE OF NORTH DAKOTA)
COUNTY OF CASS) ss

On this 15th day of May, 1979,
before me, a notary public in and for said county and state,
personally appeared R. J. Horn and
Henry N. Ness to me known to be the
Vice President and Sr. Vice President
of the corporation that is described in and that executed the
foregoing instrument, and acknowledged to me that such corporation
executed the same.

(SEAL)

Lois D. Ivers
Notary Public

Cass County, North Dakota

My Commission Expires LOIS D. IVERS
Notary Public, CASS COUNTY, N. DAK.
My Commission Expires APRIL 5, 1980

* * * * *

STATE OF NORTH DAKOTA)
COUNTY OF CASS) ss

On this 15th day of May, 1979,
before me, a notary public in and for said county and state,
personally appeared John M. Grove and
Donald T. Nicklawsky to me known to be the
President and Vice President & Secretary
of the corporation that is described in and that executed the
foregoing instrument, and acknowledged to me that such corporation
executed the same.

(SEAL)

Lois D. Ivers
Notary Public

Cass County, North Dakota

My Commission Expires: LOIS D. IVERS
Notary Public, CASS COUNTY, N. DAK.
My Commission Expires APRIL 5, 1980

STATE OF NORTH DAKOTA)
) ss
COUNTY OF CASS)

On this 15th day of May, 1979,
before me, a notary public in and for said county and state,
personally appeared Petty Ihry and
Warren Trangsud to me known to be the
Ass't Vice Pres. and Ass't Secretary
of the corporation that is described in and that executed the
foregoing instrument, and acknowledged to me that such corporation
executed the same.

(SEAL)

Lois D. Ivers

Notary Public

Cass County, North Dakota

My Commission Expires: LOIS D. IVERS
Notary Public, CASS COUNTY, N. DAK.
My Commission Expires APRIL 5, 1980

* * * * *

STATE OF NORTH DAKOTA)
) ss
COUNTY OF CASS)

On this 15th day of May, 1979,
before me, a notary public in and for said county and state,
personally appeared John W. Williams and
Albert Sipe, Jr. to me known to be the
President and Vice President
of the corporation that is described in and that executed the
foregoing instrument, and acknowledged to me that such corporation
executed the same.

(SEAL)

Lois D. Ivers

Notary Public

Cass County, North Dakota

My Commission Expires: LOIS D. IVERS
Notary Public, CASS COUNTY, N. DAK.
My Commission Expires APRIL 5, 1980

STATE OF North Dakota)

COUNTY OF Cass)

On this 15th day of May, 1979,
before me, a notary public in and for said county and state,
personally appeared John Dabill and
Dennis D. Unruh to me known to be the
Vice President/Secretary and Vice President
of the corporation that is described in and that executed the
foregoing instrument, and acknowledged to me that such corporation
executed the same.

Vee Ann Backes
Notary Public

(SEAL)

My Commission Expires: _____

VEE ANN BACKES
Notary Public, CASS COUNTY, N. DAK.
My Commission Expires JUNE 24, 1983

NOTE: REPAIR ALL
FALLOUTS & REPORT TO
THE BUREAU OF AERONAUTICS
BY THE FOLLOWING
DATE TO PREVENT
ANY LOSS -

THIRD NORTH AVENUE

院在試驗中獲得了重要結果，使我們敢於在下列一些問題上作出結論：

[illegible]

姓名: 王德胜 性别: 男 年龄: 45 民族: 汉族
 籍贯: 山东省潍坊市 职业: 教师

EXHIBIT A-A
SITE PLAN

SECRET

BOOK E-8 PAGE 599

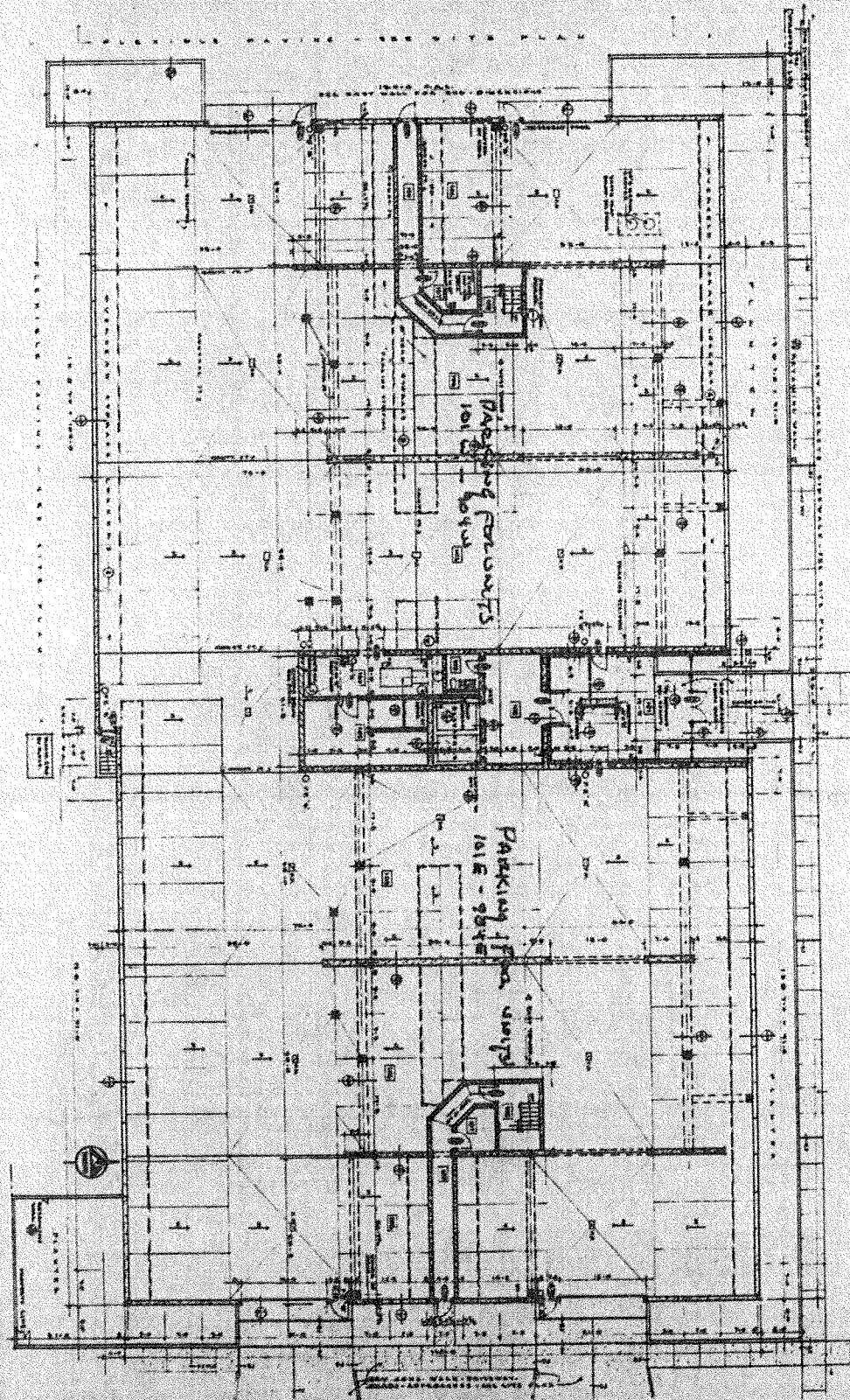


EXHIBIT C

<u>Unit Number</u>	<u>Location</u>	<u>Rooms</u>	<u>Interest</u>
101W	1st floor West Tower NE corner	Except as otherwise indicated, all units have: 2 bedrooms, living room, dining area, kitchen, foyer and assigned garage and storage space	1/72nd
102W	1st floor West Tower SE corner	"	1/72nd
103W	1st floor West Tower NW corner	"	1/72nd
104W	1st floor West Tower SW corner	"	1/72nd
101E	1st floor East Tower SW corner	"	1/72nd
102E	1st floor East Tower NW corner	"	1/72nd
103E	1st floor East Tower SE corner	"	1/72nd
104E	1st floor East Tower NE corner	"	1/72nd
201W	2nd floor West Tower NE corner	"	1/72nd
202W	2nd floor West Tower SE corner	"	1/72nd
203W	2nd floor West Tower NW corner	"	1/72nd

204W	2nd floor West Tower SW corner	"	1/72nd
201E	2nd floor East Tower SW corner	"	1/72nd
202E	2nd floor East Tower NW corner	"	1/72nd
203E	2nd floor East Tower SE corner	"	1/72nd
204E	2nd floor East Tower NE corner	"	1/72nd
301W	3rd floor West Tower NE corner	"	1/72nd
302W	3rd floor West Tower SE corner	"	1/72nd
303W	3rd floor West Tower NW corner	"	1/72nd
304W	3rd floor West Tower SW corner	"	1/72nd
301E	3rd floor East Tower SW corner	"	1/72nd
302E	3rd floor East Tower NW corner	"	1/72nd
303E	3rd floor East Tower SE corner	"	1/72nd
304E	3rd floor East Tower NE corner	"	1/72nd

401W	4th floor West Tower NE corner	"	1/72nd
402W	4th floor West Tower SE corner	"	1/72nd
403W	4th floor West Tower NW corner	"	1/72nd
404W	4th floor West Tower SW corner	"	1/72nd
401E	4th floor East Tower SW corner	"	1/72nd
402E	4th floor East Tower NW corner	"	1/72nd
403E	4th floor East Tower SE corner	"	1/72nd
404E	4th floor East Tower NE corner	"	1/72nd
501W	5th floor West Tower NE corner	"	1/72nd
502W	5th floor West Tower SE corner	"	1/72nd
503W	5th floor West Tower NW corner	"	1/72nd
504W	5th floor West Tower SW corner	"	1/72nd
501E	5th floor East Tower SW corner	"	1/72nd
502E	5th floor East Tower NW corner	"	1/72nd

503E	5th floor East Tower SE corner	"	1/72nd
504E	5th floor East Tower NE corner	"	1/72nd
601W	6th floor West Tower NE corner	"	1/72nd
602W	6th floor West Tower SE corner	"	1/72nd
603W	6th floor West Tower NW corner	"	1/72nd
604W	6th floor West Tower SW corner	"	1/72nd
601E	6th floor East Tower SW corner	"	1/72nd
602E	6th floor East Tower NW corner	"	1/72nd
603E	6th floor East Tower SE corner	"	1/72nd
604E	6th floor East Tower NE corner	"	1/72nd
701W	7th floor West Tower NE corner	"	1/72nd
702W	7th floor West Tower SE corner	"	1/72nd
703W	7th floor West Tower NW corner	"	1/72nd
704W	7th floor West Tower SW corner	"	1/72nd

701E	7th floor East Tower SW corner	"	1/72nd
702E	7th floor East Tower NW corner	"	1/72nd
703E	7th floor East Tower SE corner	"	1/72nd
704E	7th floor East Tower NE corner	"	1/72nd
801W	8th floor West Tower NE corner	"	1/72nd
802W	8th floor West Tower SE corner	"	1/72nd
803W	8th floor West Tower NW corner	"	1/72nd
804W	8th floor West Tower SW corner	"	1/72nd
801E	8th floor East Tower SW corner	"	1/72nd
802E	8th floor East Tower NW corner	"	1/72nd
803E	8th floor East Tower SE corner	"	1/72nd
804E	8th floor East Tower NE corner	"	1/72nd
901W	9th floor West Tower NE corner	"	1/72nd
902W	9th floor West Tower SE corner	"	1/72nd

903W	9th floor West Tower NW corner	"	1/72nd
904W	9th floor West Tower SW corner	"	1/72nd
901E	9th floor East Tower SW corner	"	1/72nd
902E	9th floor East Tower NW corner	"	1/72nd
903E	9th floor East Tower SE corner	"	1/72nd
904E	9th floor East Tower NE corner	"	1/72nd

BY-LAWS OF THE TOWERS CONDOMINIUM
(EXHIBIT "D")

ARTICLE I.

Plan of Apartment Unit Ownership

Section 1. Apartment Unit Ownership. This property located at 1110 North Third Avenue, Fargo, North Dakota (hereinafter called the "Condominium") has been submitted under the laws of the State of North Dakota, Chapter 47-04.1 of the North Dakota Century Code to condominium ownership simultaneously herewith.

Section 2. Applicability of By-Laws. The provisions of these by-laws 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, personal or mixed, intended for use in connection therewith, all of which are intended to be submitted to the provisions of the laws of the State of North Dakota.

Section 3. Application. All present and future owners, mortgagees, leasees, and occupants of apartment units and their employees, and any other persons who may use the facilities of the condominium in any manner are subject to these by-laws, 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 an apartment 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 Fargo Investment Company, Ten Roberts Street, Fargo, North Dakota, until the units are sold and the board of managers elected, at which time the office shall be located at 1110 Third Avenue North, Fargo, North Dakota.

ARTICLE II.

BOARD OF MANAGERS

Section 1. Number and Qualification. The affairs of the condominium shall be governed by a board of managers. Until apartment units representing 75% in common interest shall have been sold by Wayne K. Candor, hereinafter called the "Sponsor", and shall have been paid for, and thereafter until his successor shall have been elected by the unit owners, the board of managers shall consist of the Sponsor, or a person selected by him. Thereafter, the board of managers shall be composed of five 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 corporation, or in the case of fiduciary owners or mortgagees shall be the fiduciaries or officers or employees of such fiduciaries.

Section 2. Powers and Duties. 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 by-laws 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, maintenance, appearance and repair of the common elements and limited common areas and assignment of parking and storage areas;

(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 signatures 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, units offered for sale or lease or surrendered by their owners to the board of managers;

(h) Purchasing apartment 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 units acquired by, and subleasing 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 apartment units on behalf of all unit owners;

(k) Leasing professional offices, garage, maids' rooms, and laundry rooms, and granting licenses for vending machines;

(l) Obtaining insurance for the condominium property, including the units, pursuant to the provisions of Article V, Section 2 hereof;

(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 by-laws, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings; and,

(o) Promulgating rules and regulations concerning the limitations of use of common areas.

Section 3. Managing Agent and Manager. The board of managers may employ for the condominium a managing agent and a manager 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), (m) and (o) of Section 2 of this Article II. The board of managers may delegate to the manager or managing agent, all of the powers granted to the board of managers by these by-laws 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 all the members of

the board of managers shall be fixed at three (3) years. The initial terms of the members of the board of managers first elected by the unit owners shall be a term of one (1) year, two (2) terms of two (2) years and two (2) terms of three (3) years from date of their election. 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 managers 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. Vacancies. 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 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 to constitute such meeting legally, providing a majority of the whole board of managers shall be present.

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 telegraph, 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 telegraph, 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. Waiver of Notice. 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 of the time and place thereof. If all 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. Compensation. No member of the board of managers shall receive any compensation from the condominium for acting as such.

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 by-laws. 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. Every agreement made by the board of managers or by the managing agent or by the manager on behalf of the condominium shall provide that the members of the board of managers, or the managing agent or the manager, as the case may be, are acting only as agents for the unit owners and shall have no personal liability thereunder (except as unit owners), and that each unit owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the common elements bears to the interests of all unit owners in the common elements.

ARTICLE III.

Section 1. Annual Meetings. Promptly after units representing 75% or more in common interest shall have been sold by the Sponsor and paid for, the Sponsor shall notify all unit owners thereof, and the first annual meeting of the unit owners shall be held within thirty (30) days thereafter on a call issued by the Sponsor. At such meeting, the Sponsor, or its designees, shall resign as members of the board of managers, and all the unit owners, including the Sponsor, shall elect a new board of managers pursuant to the terms as hereinafter set forth in this paragraph. Thereafter, the annual meetings of the unit owners shall be held on the 1st day of June of each succeeding year, unless such date shall fall on a Saturday or Sunday, in which event the meeting shall be held on the succeeding Monday. At such meeting, 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 by-laws. Notwithstanding the foregoing language, so long as the Sponsor shall own five (5) or more 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 owning a total of at least 75% 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 designated 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 not 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) Report 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. Title to Condominium Units. Title to units may be taken in the name of an individual or corporation or in the names of two or more persons, as tenants in common or as joint tenants, or in the name of a fiduciary.

Section 8. Voting. The owner of each 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 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. The total number of votes of

all unit owners shall be seventy-two (72), including the Sponsor.

Section 9. Majority of Unit Owners. As used in these by-laws, the term "majority of unit owners" shall mean those unit owners having more than 50% of the total authorized votes of all unit owners present in person or by proxy and voting at any meeting of the unit owners, as determined in accordance with the provisions of Section 8 of this Article III.

Section 10. Quorum. Except as otherwise provided in these by-laws, the presence in person or by proxy of unit owners having one-half of the total authorized votes of all unit owners shall constitute a quorum at all meetings of the unit owners.

Section 11. 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 by-laws.

ARTICLE IV.

OFFICERS

Section 1. Designation. 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 and vice-president must be members of the board of managers.

Section 2. Election of Officers. Officers shall be elected by the board of managers at the organization 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 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 he 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 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. Compensation of Officers. No officer shall receive compensation from the condominium for acting as such.

ARTICLE V.

OPERATION OF THE PROPERTY

Section 1. Determination of Common Expenses and Common Charges. 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 all 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 V. The 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 unit whose owner has elected to sell or lease such unit or of any 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 and to their mortgagees.

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

(a) Fire insurance with extended coverage, vandalism and malicious mischief endorsements, insuring the buildings and garages (including all the 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 interests may appear, in an amount equal to the 90% co-insurance of replacement value of the building. Each policy shall contain a North Dakota standard mortgagee clause in favor of each mortgagee of a 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.

All such policies shall provide that adjustment of loss be made by the board of managers and that the net proceeds thereof shall be payable to the board of managers.

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 \$ 2,100,000.00. .

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 the insured, including all mortgagees of units. Duplicate originals of the 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 at least ten (10) days prior to expiration of the then current policies. 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 the units and all 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 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 \$ 1,000,000.00.

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 that all or a substantial and material portion of the project has been destroyed and 50% or more of the unit owners do not duly and promptly resolve to proceed with repair or restoration, the board of managers shall arrange for the prompt repair and restoration of the buildings (including any damaged units and any kitchen or bathroom fixtures initially installed 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 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.

In the event all or a substantial and material portion of the project has been destroyed or substantially damaged, and that condo-

minium owners holding in aggregate more than 50% interest in the common areas are opposed to repair or restoration of the project, the board of managers shall not commence repair or reconstruction and the condominium property shall be subject to an action for partition at the suit of any 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 there shall have been a repair or restoration pursuant to the first paragraph of this Section 3) and the amount of insurance proceeds shall have exceeded the cost of such repair or restoration, then the excess of such insurance proceeds shall be divided by the board of managers among all the unit owners in proportion to their respective common interest, after first paying out of the share of each unit owner the amount of any unpaid liens on his unit, in the order of the priority of such liens.

Section 4. Payment of Common Expenses and Common Charges.

All unit owners shall be obligated to pay the common expenses and charges as assessed by the board of managers pursuant to the provisions of Section 1 of this Article V on a monthly installment or such other installments as the board of managers shall determine. No unit owner shall be liable for the payment of any part of the common expenses and charges assessed against his 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 by-laws). A unit owner may, subject to the conditions specified in these by-laws, and provided that his unit is free and clear of liens and encumbrances other than a permissible first mortgage and lien for unpaid common expenses and charges, convey his unit to the board of managers or its designee, corporate or otherwise, on behalf of all other unit owners,

and in such case be exempt from common expenses and charges thereafter assessed. A purchaser of a unit shall be liable for the payment of common expenses and charges due 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 of each unit shall not be liable for and such unit shall not be subject to a lien for the payment of common expenses and charges due assessed prior to the foreclosure sale.

Section 5. Collection of Assessments. The board of managers shall assess common expenses and 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 expenses and charges due which remain unpaid by him for more than thirty (30) days from the due date for its payment.

Section 6. 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.

Section 7. Liens for Unpaid Common Expenses and Charges. The board of managers shall record in the office of the register of deeds for the County of Cass the assessment of common expenses and charges against the unit owners as provided in Article V, Section 5,

creating a lien. The notice of assessment shall state the amount of such assessment and other charges and the name and record owner thereof, and shall be signed by the secretary of the board of managers and upon payment of said assessment or other satisfaction, shall record notice of satisfaction and release of lien. In any action to foreclose a lien on a unit because of unpaid common charges, the unit owner shall be required to pay a reasonable rental for the use of the 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 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 foreclosing or waiving the lien securing the same. The lien for common charges is inferior to any mortgage deed given and recorded prior to any liens for common charges that are attached to the property and arising from the failure to pay common charges.

Section 8. Statement of Common Charges. The board of managers shall promptly provide any unit owner or mortgagee who makes a request in writing with a written statement of his unpaid common expenses and charges.

Section 9. Abatement and Enjoining of Violations. The violation of any rule or regulation adopted by the board of managers, or the breach of any by-law contained herein, or the breach of any provisions of the declaration, shall give the board of managers the right, in addition to any other rights set forth in these by-laws: (a) to enter the 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 10. Maintenance and Repair.

(a) All maintenance of and repairs to any units, structural or nonstructural, ordinary or extraordinary, (other than maintenance of and repairs to any common elements contained therein not necessitated by the negligence, misuse or neglect of the owner of such unit) shall be made by the owner of such unit. Each unit owner shall be responsible for all damages to any other 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 the 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.

Section 11. Additions, Alterations or Improvements by Unit Owners. No unit owner shall make any structural addition, alteration or improvement in or to his unit without the prior written consent of the board of managers and the mortgagee. 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 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 an addition, alteration or improvement in or to any unit shall be executed by the board of managers. The board of managers shall not be liable to any contractor, subcontractor or material man or to any person sustaining personal injury or property damage for any claim arising in connection with such addition, alteration or improvement. The board of managers shall not authorize structural addition, alteration or improvement in excess of \$10,000 without the approval of a majority of the unit owners and mortgagee. The provisions of this Section 11 shall not apply to units owned by the Sponsor until such units shall have been initially sold by the Sponsor and paid for.

Section 12. Right of Access. A unit owner shall grant a right of access to his unit to the manager, the managing agent and any other person authorized by the board of managers, the manager or the managing agent, to make inspections; to correct any condition originating in his unit and threatening another unit or a common element; to install, alter or repair mechanical or electrical services or other elements in his unit or elsewhere in the building; and to correct any condition which violates the provisions of any mortgage covering another 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 13. Water and Garbage Charges and Sewer Rents. Water shall be supplied to all units and the common elements through one building meter, and the board of managers shall pay as a common expense

all charges for water consumed on the condominium property, together with all related garbage and sewer charges arising therefrom promptly after the bills therefor are rendered.

Section 14. Electricity and Gas. Electricity and gas 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. Electricity and gas serving the common elements shall be metered separately and the board of managers shall pay all bills for electricity and gas consumed in such portion of the common elements as a common expense.

ARTICLE VI.

Section 1. Mortgage of Units. A unit owner may mortgage his 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. Any such mortgage shall be substantially the form customarily used in this area, except for such changes or additions as may be legally necessary in order to permit the particular institutional lender to make the mortgage loan, or to the extent permitted in writing by an officer of the board of managers. 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 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 unit,

shall promptly report any then unpaid common charges or other default by the owner of the mortgaged 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 unit whose name and address has theretofore been furnished to the board of managers.

Section 5. Examination of Books. Each unit owner and each mortgagee of a 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 unit or any interest therein except by complying with the provisions of this section. A unit owner's sale of his 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 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".

Section 2. No Severance of Ownership. No unit owner shall execute any deed, mortgage or other instrument conveying or mortgaging title to his unit without including therein the appurtenant interests, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage or other instrument purporting to

affect 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 unit may be sold, transferred, or otherwise disposed of, except as part of a sale, transfer or other disposition of the unit to which such interests are appurtenant interests of all units.

Section 3. Financing of Purchase of Units by Board of Managers.

Acquisition of 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 6 and 7 of Article V. Alternatively the board of managers may borrow money to finance the acquisition of such unit, provided, however, that no financing may be secured by an encumbrance or hypothecation of any property other than the unit so to be acquired by the board of managers.

Section 4. Gifts and Devises, etc. Any unit owner shall be free to convey or transfer his unit by gifts, or to devise unit by will, or to pass the same by intestacy, without restriction.

Section 5. Waiver of Right of Partition with Respect to Units Acquired by Board of Managers. In the event a unit shall be acquired by the board of managers, or its designee, on behalf of all unit owners as tenants in common, all such unit owners shall be deemed to have waived all rights of partition with respect to such unit.

Section 6. Payment of Assessments. No unit owner shall be permitted to convey, mortgage, pledge, hypothecate, sell or lease his unit unless and until he shall have satisfied all unpaid liens against such unit, except permitted mortgages.

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. If 50% or more of the unit owners duly and promptly approve the repair and restoration of such common elements, 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. In the event the project is obsolete and uneconomical and 50% or more of the unit owners do not duly and promptly approve the repair and restoration of such common elements, the board of managers shall disburse the net proceeds where there is no repair or restoration of the damage, as provided in Section 3 of Article V of these by-laws.

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 expendi-

tures, as well as a separate account of each unit which, among other things, shall contain the amount of each assessment of common charges against such 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 semiannually. 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 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 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 shall be deemed to have been given when received.

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

Section 3. Captions. 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 by-laws, or the intent of any provisions thereof.

Section 4. Gender. The use of the masculine gender in these by-laws 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. Waiver. No restriction, condition, obligation or provision in these by-laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

ARTICLE XI.

AMENDMENTS TO THE BY-LAWS

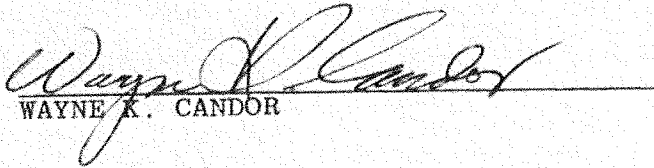
Section 1. Amendments to the By-Laws. Except as hereinafter provided otherwise, these by-laws may be modified or amended by the vote of 75% in number and in common interest of all unit owners at a meeting of unit owners duly held for such purposes, but only with the written approval of those mortgagees holding mortgages constituting the first liens upon one or more units. Section 1 of Article III, insofar as it provides that the sponsor, so long as he is the owner of one or more units, may vote the vote appurtenant thereto, Section 14 of Article V, insofar as it provides that the sponsor shall be exempt from the provisions of Section 1 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 units.

ARTICLE XII.

CONFLICTS

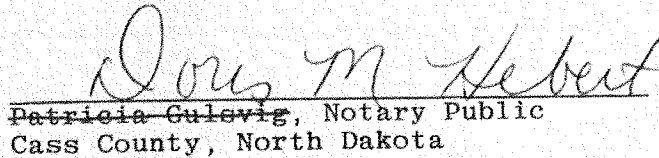
Section 1. Conflicts. These by-laws are set forth to comply with the requirements of the laws of the State of North Dakota. In case any of these by-laws conflict with the provisions of such statute or of the declaration, the provisions of such statute or of the declaration, as the case may be, shall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

The above by-laws are hereby adopted and approved by the undersigned as sole owner of the premises and the units as described in the Declaration this 14th day of May, 1979.


WAYNE K. CANDOR

STATE OF NORTH DAKOTA)
) ss
COUNTY OF CASS)

On this 14th day of May, 1979, before me, a notary public within and for said county and state, personally appeared WAYNE K. CANDOR, known to me to be the person who is described in and who executed the within instrument and acknowledged to me that he executed the same.


~~Patricia Gulevig~~, Notary Public
Cass County, North Dakota

My Commission Expires: May 1, 1983

DORIS M. HEBERT
Notary Public, CASS COUNTY, N. DAK
My Commission Expires FEB. 3, 1982

EXHIBIT E

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 immoral, improper, 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 thereof 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.

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DOCUMENT NO. 553349

FEES, Recording *10.00*

STATE OF NORTH DAKOTA }
COUNTY OF CASS }
REGISTER'S OFFICE

I hereby certify that the above instrument was filed in this office for record

on the *19* day of *May*

A. D. 19 *79*, at *11:53* o'clock *P.* M.

and was duly recorded in Book *E-8*

of *M. M. M. M.*, Page *586*

Deanna J. Hendrick

REGISTER OF DEEDS

W. H. M. M. M. Deputy

BOOK *E-8* PAGE *637*

Chg. CCAC
Return CCAC then to 40