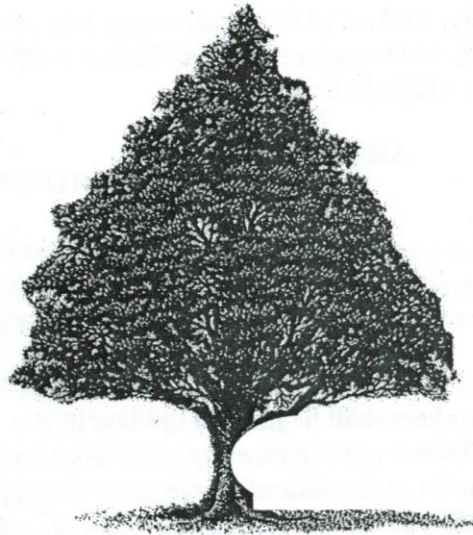


Cherry Street Townhouses, Inc. By-Laws



Ratified April 21, 2015

TABLE OF CONTENTS

TABLE OF CONTENTS	2
Article I. DEFINITIONS--GENERAL	6
Article II. OFFICES	7
Article III. MEMBERSHIP AND VOTING RIGHTS.....	7
Section 3.01 Membership and Voting.....	7
Section 3.02 Suspension.....	7
Section 3.03 Mailing Address & Voting Certificate.....	7
Article IV. MEETINGS OF MEMBERS	8
Section 4.01 Place of Meetings.	8
Section 4.02 Biannual Member Meetings.	8
Section 4.03 Special Member Meetings.	8
Section 4.04 Minutes.....	8
Section 4.05 Voting Lists.....	8
Section 4.06 Attendees.	9
Section 4.07 Quorum.	9
Section 4.08 Proxies.	9
Section 4.09 Voting.	9
Section 4.10 Informal Action.	9
Section 4.11 Presiding Officer.....	9
Section 4.12 Order of Business.....	9
Article V. BOARD/OFFICERS.....	10
Section 5.01 Number, Term and Qualification.	10
Section 5.02 Nomination.	10
Section 5.03 Election of Directors.	10
Section 5.04 Removal.	11
Section 5.05 Vacancies.....	11
Section 5.06 Compensation.	11
Article VI. MEETINGS OF DIRECTORS/OFFICERS	11
Section 6.01 Association Business.....	11
Section 6.02 Directors/Officers Regular Meetings.	11
Section 6.03 Directors/Officers Special Meetings.....	11
Section 6.04 Directors/Officers Agenda and Notice.....	12
Section 6.05 Quorum.	12
Section 6.06 Manner of Acting.	12
Section 6.07 Presumption of Assent.....	12

Section 6.08	Committee of the Directors/Officers.....	12
Section 6.09	Minutes.....	13
Article VII.	POWERS/DUTIES OF THE BOARD	13
Section 7.01	In General.....	13
Section 7.02	Powers.	13
Section 7.03	Duties.	13
Article VIII.	OFFICERS	14
Section 8.01	Officers.....	14
Section 8.02	President.	15
Section 8.03	President Elect (Vice-President).....	15
Section 8.04	Secretary.....	16
Section 8.05	Treasurer.....	16
Section 8.06	Member at Large.	17
Article IX.	COMMITTEES.....	17
Section 9.01	General Purpose.	17
Section 9.02	Nominating Committee.	17
Section 9.03	Architectural Control Committee (ACC).	17
Section 9.04	Building/Grounds and Maintenance Committee.....	19
Section 9.05	Bylaws Committee.....	20
Section 9.06	Financial/Audit Committee.....	20
Section 9.07	Legal Committee.	20
Article X.	PROPERTY MANAGER.....	21
Section 10.01	General.	21
Section 10.02	Authority	21
Section 10.03	Scope of Services.....	21
Section 10.04	Requirements;.....	23
Article XI.	GENERAL PROVISIONS	24
Section 11.01	Books & Records.....	24
Section 11.02	Seal.	24
Section 11.03	Waiver of Notice.	24
Section 11.04	Funds and Fiscal Year.....	24
Section 11.05	Operational Budget.....	25
Article XII.	MAINTENANCE, REPAIRS AND APPEARANCE OF ALL BUILDING EXTERIORS AND COMMON GROUNDS.	26
Section 12.01	Responsibility.	26
Section 12.02	Capital Improvements.....	26
Section 12.03	Materials and Design.....	27

Section 12.04	Discussion.....	27
Section 12.05	Appeal of Board Action.....	28
Section 12.06	Notification.....	28
Section 12.07	Sporting and Other Equipment.....	28
Section 12.08	Satellite Dishes.....	28
Section 12.09	Garbage, Temporary Structures, Television or Radio Antennas, Clothes Lines, Through Wall or Window Air Conditioners.....	28
Section 12.10	Improvement Inventory.....	28
Section 12.11	Responsibility and Authority for Maintenance.....	30
Article XIII.	DOMESTICATED ANIMALS.....	33
Article XIV.	CODE OF CONDUCT.....	33
Section 14.01	Coexistence.....	34
Section 14.02	Sports.....	34
Section 14.03	Quiet Hours.....	34
Section 14.04	Noise.....	34
Section 14.05	Use of Common Areas.....	34
Section 14.06	Occupancy Numbers.....	34
Section 14.07	Threatening or Endangering Actions.....	34
Section 14.08	Illegal Activity.....	35
Section 14.09	Residential Use.....	35
Section 14.10	Residents, Tenants & Guests.....	35
Section 14.11	Parties.....	35
Section 14.12	Signs/Notices.....	35
Section 14.13	Additional Violation Remedies.....	36
Article XV.	CONTRACTS.....	36
Article XVI.	RENTAL OF UNITS.....	37
Section 16.01	Rental Units Owned Prior to July 2015.....	37
Article XVII.	POWER TO EVICT TENANT(S).....	38
Section 17.01	Power to Evict.....	38
Section 17.02	Notice.....	38
Article XVIII.	INSURANCE.....	39
Section 18.01	Insurance Policy.....	39
Section 18.02	Damage or Destruction.....	40
Section 18.03	Personal Property Insurance.....	40
Section 18.04	Review of Policy.....	40
Section 18.05	Flood Insurance.....	40
Section 18.06	Reporting Losses and Damage.....	40

Article XIX. RECORD KEEPING	40
Article XX. MEMBER/OWNER DISPUTES	41
Section 20.01 Resolution Between Parties.....	41
Section 20.02 Resolution Involving Board.	41
Section 20.03 Violations of Law.	41
Section 20.04 Alternative Dispute Resolution Required.	41
Article XXI. ASSESSMENTS/FEEES/VIOLATION SCHEDULE	42
Section 21.01 Services and Assessments.....	42
Section 21.02 Filing of Property Liens and Foreclosure Action.....	42
Section 21.03 Fees as Assessments	43
Section 21.04 Increasing Fees	43
Section 21.05 Retention of Rights	43
Article XXII. PARKING POLICY	43
Section 22.01 Designation of Parking Spaces & Authority to Regulate	43
Section 22.02 Rules Pertaining to Parking on Property.	44
Section 22.03 Enforcement, Reporting, Penalties and Fines.	46
Section 22.04 Summary of Towing and Impound Actions.....	48
Article XXIII. AMENDMENT	48
Section 23.01 Amending Bylaws.	48
Article XXIV. CONTROLLING DOCUMENT	49
Section 24.01 Conflict.	49
Article XXV. ADOPTION	49

ATTACHMENT #1: Copy of the Declaration of Covenants, Conditions and Restrictions of the Cherry Street Townhouses, Inc. by Fritz Building Company, dated the 11th day of April, 1977, and recorded on the 12th day of April, 1977, in Book 128 of Misc, page 428, as Document No. 356753 in the Office of the Register of Deeds, County of Grand Forks, State of North Dakota.

ATTACHMENT #2: ACC / Member Request Form for Project Review.

ATTACHMENT #3: Cherry Street Townhouses, Inc. Parking Site Plan

ATTACHMENT #4: Building Members Project Approval Form

Article I.

DEFINITIONS—GENERAL

Capitalized words and phrases used in these Bylaws have the following meanings:

"Association" means the Cherry Street Townhouses, Inc., its successors and/or assigns.

"Association Mail Center" means the small building housing the Unit's mailboxes on Clearview Drive.

"Board" means the duly elected Directors, as a group, of the Cherry Street Townhouses, Inc.

"Bylaws" means the current published Bylaws of the Association, along with any subsequent Member approved amendment(s) to the Bylaws (Article XXVII of these Bylaws), irrespective of their omission in the published Bylaws.

"Common Area" means all real property and amenities, if any, owned by the Association for the common use of the Owners.

"Declaration" means the Declaration of Covenants, Conditions and Restrictions of the Cherry Street Townhouses, Inc. by Fritz Building Company, dated the 11th day of April, 1977, and recorded on the 12th day of April, 1977, in Book 128 of Misc, page 428, as Document No. 356753 in the Office of the Register of Deeds, County of Grand Forks, State of North Dakota.

"Director" means any Member duly elected by the Members of the Cherry Street Townhouses, Inc. to serve on the Board of the Association.

"Lot" means any plot of land containing a single town home site shown upon any recorded subdivision map of the Property. Lot may be used interchangeably with "Unit" in these Bylaws where the intended meaning is obvious.

"Member(s)" shall refer to an individual or entity who qualifies as a Member of the Association as outlined in Article III, Section 1 of the Declaration.

"Owner(s)" means the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

"Property" means certain real property described in the Declaration being within the Association's jurisdiction, and such additions brought within the jurisdiction of the Association.

"Resident" means any person who lawfully resides on the property. Residents may or may not be Owners or Members.

“Unit” means any interior part/space of a Lot. Unit may be used interchangeably with “Lot” in these Bylaws where the intended meaning is obvious.

Other Definitions as defined herein shall have authority.

Definitions not defined herein shall first have meaning as set forth in the Declaration, and then as defined in North Dakota Century Code.

Article II.

OFFICES

The principal office of this non-profit corporation in the State of North Dakota shall be located in the City of Grand Forks, County of Grand Forks, but the corporation may have other offices, either within or outside of the State of North Dakota, as the Board may designate or as the business of the corporation may require from time to time.

Article III.

MEMBERSHIP AND VOTING RIGHTS

Section 3.01 Membership and Voting.

Membership and voting rights in the Association shall be as defined in Article III of the Declaration. As evidence of each Owner's membership, the Association may require each Owner to furnish a photocopy of the page(s) of their deed(s) which contains the name of the Member(s) and the Lot(s) owned by such Member(s).

Section 3.02 Suspension.

The Board may suspend a Member's voting rights and/or his rights (including the rights of his/her family, tenants, guests, etc.) to use the Common Areas during any period in which such Member shall be late in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days, for infractions of the Declarations, Bylaws and Rules; provided, however, that if said infraction is continued in nature, said suspension may be enforced until such infraction is cured.

Section 3.03 Mailing Address

Member(s) are responsible to furnish the Secretary of the Association, in writing, current mailing information which the Association shall then use for mailing all written communications from the Association to said Member(s).

Article IV.

MEETINGS OF MEMBERS

Section 4.01 Place of Meetings.

Meetings of Members shall be held at the principal office of the Association or at such a place as the Board might designate in writing to each of the registered Members.

Section 4.02 Biannual Member Meetings.

Biannual meetings of the Members shall be held in the spring, in March or April, and again in the fall, in October or November, each and every year. The Association shall provide written notice to each registered Member, at the address as the same shall appear on the records of the Association, listing the time and place of such meetings, no less than ten (10) nor more than fifty (50) days prior to the date of such meeting. For the Spring and Fall Biannual meetings said notice shall include an agenda for the meeting. Insurance, lawn care, and snow removal bids will be sent out every three years, or as deemed appropriate by the Board or as requested by a majority of the attendees at a Biannual Meeting. Property management and capital improvement bids will be sent out as needed. The Board may postpone any Biannual meeting for a period of not longer than sixty (60) days from the date set herein for the Biannual meeting.

Section 4.03 Special Member Meetings.

A special meeting of the Members may be called by the President at any time and shall be called by the President and/or Secretary upon the receipt of a written request of at least fifteen (15) registered Members. Written notice of the time, place, and purpose of such meeting, along with all supporting documentation to be presented and discussed at said meeting, will be mailed to each registered Member at the address as the same shall appear on the records of the Association, no less than ten (10) nor more than thirty (30) days prior to such meeting.

Section 4.04 Minutes.

Within ten (10) business days from the adjournment of a biannual or special meeting, the Association shall publish and make available to each Member the recorded minutes of said meeting. This publication must be agreed to and contain the signatures of all Directors.

Section 4.05 Voting Lists.

At least ten (10) days before each meeting of the Members, the Secretary of the Association shall prepare an alphabetical list of all Members, to include their Unit address, that are entitled to vote at any such meetings as defined in the Declaration. This list shall be subject to inspection by any Member(s) upon said Member(s) written request. Additionally, this list shall be produced and kept open at the time and place of the meeting and shall be subject to inspection by any Member(s) during the duration of said meeting.

Section 4.06 Attendees.

Only Members, Member designees, or Board-approved guests may be in attendance during a biannual or special meeting of the Members.

Section 4.07 Quorum.

A quorum for the conduct of business at any meeting of the Members shall consist of at least twelve (12) Members or their respective proxies entitled to cast a vote.

Section 4.08 Proxies.

Votes may be voted either in person or by one or more agents authorized by a duly recognized written proxy executed by the Member or by his duly authorized attorney in fact. No Member shall be entitled to vote more than one proxy at any one meeting. A proxy is not valid after the expiration of eleven months from the date of its execution, unless the person executing it specifies therein the length of time for which it is to continue in force, or limits its use to a particular meeting. No proxy shall be valid after ten years from the date of execution.

Section 4.09 Voting.

The vote, either through roll call or written ballot, of a majority of the votes on any matter present at a meeting of the Members at which a quorum is present shall be the act of the Members on that matter, unless the vote of a greater number is required by law, by the Declaration, or by the Bylaws of the Association.

Section 4.10 Informal Action.

Any action which may be taken at a meeting of the Members may be taken without a meeting if consent in writing setting forth the action so taken is signed by a majority of the quorum of the Members who would be entitled to vote upon such action at a meeting. All signatures contained on said document(s) must be duly notarized by a notary public of the State of North Dakota to be valid. Said document(s) shall be filed with the Secretary of the Association to be kept as a part of the Association Records.

Section 4.11 Presiding Officer.

The President of the Association, or in the absence of the President, the Vice President, shall preside at all meetings of the Members. Either the Secretary of the current Management Company hired by the Association or the Secretary of the Association shall act as the Secretary thereof at such meeting. In the absence of either the Secretary or the Property Management Company Secretary, the President shall designate some other person to act as the Secretary of the meeting. In the absence of both the President and the Vice President, the Members present at the meeting shall elect a Presiding Officer for such meeting.

Section 4.12 Order of Business.

The order of business at the biannual meeting and at any special meeting of the Members shall be as follows:

1. The calling of the meeting to order.
2. The calling of the roll.
3. The reading by the Presiding Officer and the approval by the attending Members of the agenda for the meeting.

4. The approval of the minutes of any former meeting of the Members, the Minutes of which have not been previously approved.
5. The presentation of and action, if required, upon reports of officers and committees.
6. Unfinished business.
7. New business, including the election of Board for the forthcoming year if the published agenda has so stipulated.
8. Adjournment.

Article V.

BOARD/OFFICERS

Section 5.01 Number, Term and Qualification.

The number of directors constituting the Board, who succinctly shall serve as the Officers of the Association, shall be five (5) persons elected by the Members at the Spring biannual meeting. The Directors/Officers of the Association shall consist of a Past President, President, President Elect (Vice-President), Secretary, and Treasurer. Any directorships not filled by the Members at the biannual meeting shall be treated as vacancies to be filled by and at the discretion of the Board at the first Board meeting following the Spring biannual meeting.

Each director shall hold office until their death, resignation, removal, disqualification, or their successor shall have been elected and qualified. Directors must be Members but are not required to reside within the Association to serve on the Board. Board members may be re-elected at the conclusion of their term.

Section 5.02 Nomination.

At the Fall Biannual Member meeting the President of the Board shall appoint a Nominating Committee as prescribed in Article IX of these Bylaws whose purpose shall be to present to the Board, within sixty (60) days of their appointment, a slate of names of Members who are qualified and willing to be nominated to serve as Directors/Officers of the Association. From this slate, the Board shall make as many nominations for election as a Director/Officer as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. These names must be provided to the Members in the notice of biannual meeting outlined in Article 4, Section 2. Nomination to serve on the Board may also be made from the floor at a Members meeting. Any ballot for the election of Directors/Officers must include adequate space for write-in votes.

Section 5.03 Election of Directors.

Except in the event of Removal or Vacancy as provided in this Article 5, the Directors shall be elected at the Spring biannual meeting of the Members; and those persons who receive the highest number of votes shall be deemed to have been elected. Election of Directors shall be by written ballot with said ballot retained by the Secretary in the Association Records for a period of three years.

Section 5.04 **Removal.**

Any Director may be removed at any time with or without cause by a vote of the Members holding a majority of the outstanding votes entitled to vote at an election of the Directors. If any Director(s) are so removed, new Director(s) may be elected at the same time to complete the term of the removed Director(s). If removal occurs at a biannual meeting, notice of the intended removal action, and election of a new Director(s)/Officer(s) to serve out the remaining terms of the removed Director(s)/Officer(s), must conform to the rules outlined in the Biannual Member Meetings section of these Bylaws. If removal occurs outside of a biannual meeting, then, notice of the intended removal action, and election of a new Director(s)/Officer(s), must conform to the rules outlined in the Special Member Meetings section of these Bylaws.

Section 5.05 **Vacancies.**

If a vacancy occurs on the Board due to death, resignation, or disqualification said vacancy may be filled by the affirmative vote of a majority of the remaining Directors even though less than a quorum, or by the sole remaining Director. The names of Members to be considered by the Board, to fill a vacancy on the Board due to death, resignation, or disqualification shall be provided in advance to the Board by the Nominating Committee. The Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

Section 5.06 **Compensation.**

The Board shall serve without pay or compensation, unless voted on by the members to pay a pre-determined stipend.

Article VI.

MEETINGS OF DIRECTORS/OFFICERS

Section 6.01 **Association Business.**

Association business conducted by the Directors/Officers must be done at published meetings open to all Members.

Section 6.02 **Directors/Officers Regular Meetings.**

The Board shall hold one scheduled meeting in each of the following quarters: Winter and Summer. Additionally, a regular meeting of the Directors/Officers shall be held immediately after, and at the same place as, any Members meeting. The purpose of this meeting is to execute all required business to facilitate the transfer of Directors/Officers responsibilities, if so changed, and to acquaint the new Directors/Officers with pending business of the Association.

Section 6.03 **Directors/Officers Special Meetings.**

Special meetings of the Directors/Officers may be called by or at the request of the President or any two (2) Directors. Director/Officers Special meetings are subject to Notice requirements as outlined in these Bylaws.

Section 6.04 **Directors/Officers Agenda and Notice.**

The President shall restrict all business conducted at a regular or special meeting to a pre-published and posted agenda. This is to assure that Members are notified, in advance, of all business to be conducted at a regular or special meeting. Any business conducted, and or discussed, at a regular or special meeting, not pre-published on the meeting agenda, is in violation of meeting rules and shall be null and void. The President and/or Secretary shall assure that a notice of, and agenda for, any regular or special meeting of the Directors/Officers be visibly posted, on the North and South sides of the Association Mail Center, at least seven (7) calendar days prior to the meeting. The meeting agenda must contain the date, time, and location of the meeting along with the signature of the person posting the notice and their contact information. Copies of said agenda shall also be made available for pickup at the Association Mail Center no later than seven (7) calendar days prior to the meeting. Members may forward a written request to the Secretary requesting advance copies of all agendas be mailed to them, via U.S. postal service or e-mail, for delivery within the United States. Said mailings will be post marked six (6) calendar days prior to the meeting to which the agenda applies. Member(s) requesting mailed agendas shall be subject to a nominal fee, as determined by the Officers/Directors, to cover the costs of said mailings.

Section 6.05 **Quorum.**

A majority of the number of Directors/Officers fixed by these Bylaws shall constitute a quorum for the transaction of business at any meeting of the Directors/Officers. Business may not be conducted at any Directors/Officers meeting where a quorum is not present.

Section 6.06 **Manner of Acting.**

Except as otherwise provided in these Bylaws, the act approved by the majority of the Directors/Officers present at a meeting at which a quorum is present shall be the act of the Board. No individual Director/Officer shall otherwise act on behalf of the Board unless expressly granted such authority in these Bylaws.

Section 6.07 **Presumption of Assent.**

A director who is present at a meeting of the Directors/Officers at which action on any Association matter is taken shall be presumed to have assented to the action taken unless his/her contrary vote is recorded or his/her dissent is otherwise entered in the minutes or unless he(s)he shall file his/her written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Association immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director/Officer who voted in favor of such action.

Section 6.08 **Committee of the Directors/Officers.**

The Directors/Officers, by resolution adopted by a majority of the number of Directors/Officers fixed by these Bylaws, shall have the power to appoint interim and standing committees. The designation of any committee and delegation thereto of authority shall not operate to relieve the Directors/Officers of any responsibility or liability imposed upon it or him/her by law, these Bylaws or the Declaration of the Association.

Section 6.09 **Minutes.**

Upon adjournment of a regular or special meeting the President and Secretary of the Association shall cause to be published, for pickup at the Mail Center, the recorded minutes of said meeting within ten (10) business days from the adjournment of the meeting. Members may forward a written request to the Secretary for mailed copies of said minutes. The Directors/Officers shall charge an assessed fee, to be determined by the Directors/Officers, to the Member(s) requesting mailed copies of the minutes.

Article VII.

POWERS/DUTIES OF THE BOARD

Section 7.01 **In General.**

The affairs of the Association and the direction and administration of the property shall be vested in the Association's Board.

Section 7.02 **Powers.**

The Board shall have power to:

1. Adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the Members and their tenants and guests thereon, and to establish penalties for the infraction thereof;
2. Suspend a Member's voting rights and right to use of the Common Area as provided in the Declaration;
3. Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws or the Declaration of the Association.
4. Declare the office of a member of the Board to be vacant in the event such a member shall be absent for more than two (2) consecutive regular meetings of the Board or upon the death, resignation or disqualification of a Director;
5. Employ a manager, an independent contractor, an accountant, an attorney, or such other parties as they deem necessary and to prescribe their duties; and
6. Perform other duties and tasks as allowed by the Declaration and these Bylaws.

Section 7.03 **Duties.**

It shall be the duty of the Board to:

1. **Records.** Cause to be kept a complete record of all its acts and Association affairs and to present a statement thereof to the Members at the biannual meetings of the Members, or at any special meeting of the Members where such a statement is requested in writing by one-fourth of the Members entitled to vote;
2. **Supervise.** Supervise all officers, agents, and employees of this Association, and to see that their duties are properly performed;

3. **Comply with the duties provided in the Declaration, including:**

- a. **Annual Assessment.** Fix the amount of the annual assessment against each Member, as approved by vote of the Membership, at least thirty (30) days prior to May 10. Send written notice of said assessment to Members at least fifteen (15) days in advance of May 10.
 - b. **Special Assessment.** Fix the amount of any special assessment against each, or individual, Member(s) at least sixty (60) days prior to any such assessment being due. Send written notice of any special assessment to Member(s) at least forty-five (45) days prior to said assessment being due.
 - c. **Liens.** File liens, as permitted by section 47-04.1-11 of the North Dakota Century Code when an Owner is delinquent on payment of his/her assessments by at least thirty (30) days, or, bring an action of law against the Owner/Lot personally obligated to pay the same as outlined in the Filing of Property Liens and Foreclosure Section of these Bylaws.
4. **Certificates of Assessment.** Issue, or to cause an appropriate officer or agent to issue, upon demand by any authorized person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
 5. **Insurance.** Procure and maintain, on behalf of the Association, a policy of insurance to cover the Buildings owned by the Association, and any improvements located upon each lot, under a "special peril" policy form, or its equivalent consistent with the Declaration, and the Insurance Article of these Bylaws;
 6. **Taxes.** Pay for taxes and public assessments levied against Association Common Area;
 7. **Bonds.** Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
 8. **Common Area Maintenance.** Cause the Common Area and the improvements to the Common Area to be maintained;
 9. **Exterior Building Maintenance.** Cause the exterior of all buildings located within the Association to be maintained; and
 10. **Direct the Affairs.** Direct and supervise the affairs of the Association and require the Association to fulfill all of its obligations and duties set forth in the Declaration, and the Bylaws of the Association.

Article VIII.

OFFICERS

Section 8.01 Officers.

The Directors/Officers of the Association shall consist of a President, President Elect (Vice-President), Secretary, Treasurer, and a Member at Large. Each officer is granted one vote to cast during voting on Association business.

Section 8.02 **President.**

The President shall be the principal executive officer of the Association and, subject to the control of the Board, shall in general supervise and control all of the business and affairs of the Association. This shall include the following:

1. When present, preside at all meetings of the Board and/or Members;
2. See that all orders and resolutions of the Board are carried into effect;
3. Call meetings;
4. Appoint committees and monitor assigned responsibilities;
5. Have signature authority with another Board Member for Association fiscal accounts;
6. Sign and deliver, in the name of the Association, deeds, mortgages, bonds, contracts, liens, or other instruments pertaining to the business of the Association;
7. Work with the Treasurer on fiscal and tax matters with the assistance of outside firms;
8. Responsibility, with the full Board, for monthly review of the Association fiscal reports.
9. Act as recipient of Member insurance matters, present matters to the Board, facilitate claim filing and handling with insurer when deemed appropriate by the Board;
10. Oversee the planning and execution, with direction from the Board, of the Biannual Member Meetings;
11. Responsibility for oversight of all Association Records and their maintenance, and, whenever necessary, certifying all proceedings of the Board and the Members;
12. Chair the Building/Grounds and Maintenance Committee, and
13. Perform other duties as prescribed by the Board.

The President shall serve for a one-year (1) term.

Section 8.03 **President Elect (Vice-President).**

In the absence of the President or in the event of his/her death, resignation, disqualification, removal or refusal to act, the President Elect shall perform the duties of the President, subject to the control of the Board. These duties shall include:

1. Attend all Board meetings;
2. In the absence or disability of the President, perform the duties and exercise the powers of the President;
3. Have signature authority, with another Board Member, for the Associations fiscal accounts;

4. Assist the President in the planning and execution of the Biannual Member Meetings;
5. Chair the Association Architectural Control Committee;
6. Responsible, with the full Board, for monthly review of the Association's fiscal reports.

The President Elect is elected to serve for a one-year (1) term. Upon the expiration of his/her term as President Elect, this person shall automatically serve the following year as the Association President.

Section 8.04 **Secretary.**

The Secretary shall:

1. Attend all meetings of the Board, all meetings of the Members and, when required, all meetings of standing committees;
2. Record all proceedings of the meetings;
3. Maintain the current register of Members, voting certificates and roll call at all meetings;
4. Bring to both the Board and Biannual Members Meetings the minute book, copy of Bylaws, Declaration, covenants and register of Members;
5. Give, or cause to be given, notice of all meetings of the Members and meetings of the Board, and the minutes of said meetings, as called for in the Association covenants and Bylaws;
6. Be responsible, with the full Board, for monthly review of the Association fiscal reports;
7. Preserve all records for the Association on an annual basis as directed by the President.
8. Work with the full Board in the planning and execution of the Biannual Member Meetings.
9. Chair the Bylaws Committee.

The Secretary is elected to serve a one-year (1) term.

Section 8.05 **Treasurer.**

The Treasurer shall:

1. Be responsible, with the full Board, for the monthly review of the Association fiscal reports;
2. Keep accurate financial records for the Association with the assistance of outside firms;
3. Deposit all money, drafts, and checks in the name of and to the credit of the Association in the banks and depositories designated by the Board;
4. Endorse for deposit all notes, checks, and drafts received by the Association as ordered by the Board, making proper vouchers.

5. Disburse Association funds and issue checks and drafts in the name of the Association as ordered by the Board.
6. Have signature authority with the President and President Elect for Association fiscal accounts;
7. Give to the President and the Board, when requested, an account of all fiscal transactions of the Association;
8. Act as initial contact person for Member questions on fiscal matters, forward to full Board as appropriate;
9. Work with the full Board in the planning and execution of the Biannual Member Meeting.

The Treasurer is elected to serve a one-year (1) term.

Section 8.06 Member at Large.

The Member at Large shall assist the other Officers with duties as needed.

Article IX.

COMMITTEES

Section 9.01 General Purpose.

Pursuant to the Meetings of Directors/Officers Article VI. of these Bylaws the Board shall appoint the following standing committees. Said committees are "advisory only" to the Board and do not alter or relieve the Board from executing their responsibilities under law or as outlined in the Association's Declaration or Bylaws.

Section 9.02 Nominating Committee.

At the Biannual Fall Member meeting the President of the Board shall appoint a Nominating Committee, comprised of three (3) Members. The term of service shall be 12 months. The purpose of the committee shall be to present the Board, within sixty (60) days of their appointment, a slate of qualified Members who have consented to be nominated to a ballot for election of Directors. Additionally, the Nominating Committee shall provide the Board names of Members for consideration to fill a vacancy on the Board due to death, resignation, or disqualification of a Director.

Section 9.03 Architectural Control Committee (ACC).

The Architectural Control Committee (ACC) is formed to provide oversight, direction and recommendations to the Board regarding the Association's Governing Documents relating to the architectural standards outlined under Article IX of the Declaration and these Bylaws. The ACC shall be chaired by the Board President Elect and consist of no less than three (3) additional Members, or non-members, appointed by the Board. Committee Members term of service shall be one (1) year with no limitation on the number of terms a Member may serve. The ACC's approval is required for any change in the exterior of a property; no building, fence, wall, or other improvement or structures shall be commenced, directed, placed, moved, altered, or maintained upon any property or Lot within the Association without such approval. The ACC will not consider any

project until the proposed projects final plans and specifications showing the location, nature, shape, height, material, color, type of construction, and any other proposed form of change (including without limitation, any other information specified by the ACC) have been properly submitted to the ACC in writing. Written request forms from applicant (See Attachment # 2 of these Bylaws), must accompany the above outlined plans and specifications when submitting any project to the ACC for consideration. The ACC must act upon all requests. Within 60-days from the receipt of a "complete" application, the ACC shall evaluate each submission as to the safety, compliance of external design, color and location in relation to surrounding structure/topography and conformity with the design concept for the Association. The ACC shall then issue their written recommendation to the Board regarding the project. Upon receipt of the ACC's written recommendation, the Board must act upon the application at their next scheduled Board meeting. A written notification of the Board's decision will be mailed to the applicant. If approved by the Board, a copy of such plans and specifications shall be placed in the ACC's permanent records. Project approval shall be received from the Board prior to application for any related City of Grand Forks Permits.

1. **Limitations.** Construction or alteration in accordance with plans and specifications approved by the Board shall be completed within six (6) months following the date of commencement, or within such other period as the Committee/Board shall specify in its approval. There shall be no deviation from the plans and specifications contained in an approved project without the prior written consent of the Committee and Board. Approval of any particular plans and specifications or design shall not be construed as a waiver of the right of the Committee/Board to disapprove such plans and specifications, or any elements or features thereof, in the event such plans and specifications are subsequently submitted for use in any other instance. Any construction or alteration completed without the approval of the Committee/Board shall not constitute a precedent for subsequent approvals.
2. **Rules and Regulations.** The Architectural Control Committee, with the approval of the Board, may from time to time adopt and promulgate such rules and regulations regarding the form for and content of plans and specifications to be submitted for approval. It may publish and record such statements of policy, standards and guidelines and establish such criteria relative to architectural styles or details, fences, colors, set-backs, materials or other matters relative to architectural control and the protection of the environment, as it may consider necessary or appropriate so long as they comply with the provisions of these Bylaws.
3. **Appeals.** Decisions of the ACC and Board shall be final except that any Member who is aggrieved by any action or by any policy, standards or guidelines established by the ACC may appeal to the Board within a period of fifteen (15) days after the receipt of a written decision from the Committee and/or Board.
4. **Enforcement.** The ACC has the authority to recommend, and the Board has the power to issue, written directives and levy fines until such time as a violation(s) of the provisions of these Bylaws have been corrected or abated. If at any point after the initial Notice to remove or abate a violation, the ACC deems that the removal or abatement is urgent, it may, upon written resolution, request the Board to intercede. Any such action of the ACC may be appealed to the Board. The pre-sale inspection shall be the means by which the ACC shall ensure

conformity with community standards and the Declarations and Bylaws. A pre-sale inspection shall be conducted by the ACC prior to issuance of an Association Assessment Settlement Statement and Certificate of Insurance for closing. The Board, upon ACC recommendation may withhold the issuance of an Association Assessment Settlement Statement and Certificate of Insurance, or take any other action deemed necessary to protect the Associations interest, until such time as violations noted in the ACC's pre-sale inspection are remedied.

5. **Additions.** For any addition which alters the original building footprint, the ACC, upon receipt of all final project documents, and prior to giving its consent, must:
 - a. **General Membership Approval.** Present to the Board, for approval at a Member Meeting said project and all documents.
 - b. **Building Member Approval.** Request from, and receive, in writing, approval from all Members of the same building in which the addition is planned. Said written approval (Attachment #4) must accompany the documents presented to both the Board and Members prior to their individual votes.
 - c. **Additional Approval Period.** The ACC and Board approval time periods previously stated in this Article, do not apply to additions: the Association, ACC and Board are allowed any and all time they may so deem necessary to comply with all requirements contained in the Declarations and these Bylaws.

Section 9.04 **Building/Grounds and Maintenance Committee.**

This committee shall be chaired by the Board President, and consist of no less than two (2) additional Members, or non-members, appointed by the Board. Committee Members term of service shall be one (1) year with no limitation on the number of terms a Member may serve. The committee shall advise the Board on all Association matters pertaining to:

1. Oversight of the maintenance, repair and improvement of all Common Areas.
2. Oversight of the maintenance, repair and improvement of all building exteriors.
3. Prepare and maintain a "Current Association Improvement Inventory" as outlined in Improvement Inventory Article of these Bylaws.
4. At the direction of the Board obtain estimates,, bids, and contracts for review as it relates to items 1, 2, and 3 in this Section.
5. At the direction of the Board schedule and oversee all projects relating to items 1, 2, and 3 in this Section
6. Assist the Finance/Audit Committee and Board as it relates to preparation and discussion of budget items relating to items 1, 2, and 3 in this Section.

All of the above shall be presented to the Board for approval and direction before committee action is authorized.

Section 9.05 **Bylaws Committee.**

The Bylaws committee shall be chaired by the Secretary and at least three (3) other Member, or non-Members, appointed by the Board. Director and Member term of service shall be one (1) year with no limitation on the number of terms a Member may serve. The committee is advisory only and shall provide the following:

1. Be a resource to the Board and Members regarding past and present Bylaws and Rules.
2. Maintain a constant, and thorough, understanding of the Associations written Declarations, Bylaws, and Rules.
3. Maintain the written history regarding the present day Bylaws and Rules.
4. Provide study and non-legal written opinions on issues, current and foreseen, before the Association relating to the Declarations, Bylaws, and Rules.
5. Provide forward-looking recommendations regarding changes to the Bylaws and Rules.

Section 9.06 **Financial/Audit Committee.**

The Financial/Audit Committee shall be chaired by the Association Treasurer, and consist of two (2) additional Members, or non-members, appointed by the Board. Committee Members term of service shall be one (1) year with no limitation on the number of terms a Member may serve. The committee shall review the preparation of, and then approve in writing, the Associations monthly financial statements and annual audit of the Association's books. Further, the committee shall review the preparation of, and then approve in writing, the annual budget and statement of income/expenditures to be presented to the Members at the Spring Biannual meeting as provided in the Biannual Meetings Section of these Bylaws. Finally, the committee shall review and issue a signed written report/opinion, to the Board and Members, on all proposed Capital Improvement Projects, the proposed financing options for said project(s), and the immediate and long-term financial impacts of any proposed project on both the Association and its Members. These reports must be provided to all Members as outlined in Article XII. the Capital Improvements Section 2 and the Meetings of Members Article IV. of these Bylaws.

Article 9.07 **Legal Committee.**

The Legal Committee shall be chaired by the Past President and at least one (1) other Member, or non-Member(s), appointed by the Board. Committee Members term of service shall be one (1) year with no limitation on the number of terms a Member may serve. The committee is advisory only, limiting their focus to matters involving the Associations legal counsel and collection agency. The committee shall report, in writing, their findings and any recommendation(s) directly to the Board.

Article X.

PROPERTY MANAGER

Section 10.01 **General.**

The Board may elect to engage the services of a Property Manager to assist the Board in execution of some of their duties. In so doing, the Board maintains the sole responsibility, and liability, for the operation of all Association affairs and actions of their agents. Listed below, are the approved services a Property Manager may be engaged to perform on behalf of the Board.

Section 10.02 **Authority**

The Property Manager obtains only the authority expressly granted to it under the contract with the Association or by resolution of the Board. The duties of the Directors/Officers and Committees of the Association prescribed in these Bylaws shall remain in full force and effect.

Section 10.03 **Scope of Services.**

The Board is herein authorized to employ a Property Manager, should they so elect, to provide part or all of the following services:

1. Planning Services:

- a. Perform a comprehensive inspection of all personal property.
- b. Develop a management plan for the operation of the Association which will include preventive and seasonal maintenance, financial planning, and other on-going responsibilities.

2. Annual Membership Meeting:

- a. Assist the Board in the planning and execution of the biannual Membership Meeting.
- b. Prepare and mail notices, voting certificates, proxies, ballots, financial statements, proposed budget and agendas in accordance with the requirements of the Declaration and Bylaws.
- c. Take minutes and distribute copies of said minutes to all Members.
- d. Assist the Board in presentation of the management plan to the Members.

3. Board Meetings:

- a. Post agenda for all meetings at the Mail Center no later than ten (10) business days prior to the meeting.
- b. Provide necessary reference material at Board meetings, including past Association minutes, Rules and Regulations, past agendas, past financial statements, etc.
- c. Provide to each Board Member, five (5) business days in advance of the meeting, the following reports:
 - i. Financial statement showing current month and year to-date expenditures and variances from Budget.

- ii. Accounts in arrears with notes regarding action being taken for recovery.
 - iii. Estimate of outstanding liabilities.
 - iv. Disbursement summary for current month.
 - v. Copies of proposed contracts needing Board approval.
- d. Attend Board meetings and record, type, and distribute the minutes.

4. Operations:

- a. Contract for and oversee the performance of all maintenance work.
- b. Obtain bids when repairs are above the agreed limit set by the Board.
- c. In case of emergency, proceed with repairs immediately.
- d. Inspect all repairs to be sure they are satisfactory before disbursing Association funds.
- e. Maintain a current inventory of Association property.
- f. Perform frequent inspections of the Association to determine potential problems and take necessary corrective action.
- g. Assist the Board in negotiating contracts for necessary services.
- h. Develop and implement preventive, corrective, and seasonal maintenance.
- i. Supervise all on-site personnel.

5. General Office Services:

- a. Prepare and mail all Association correspondence.
- b. Maintain the following files:
 - i. Copies of correspondence to and from Unit Owners, contractors, etc.
 - ii. Original of all meeting agendas and minutes.
 - iii. All Rules.
 - iv. Contracts executed on behalf of the Association.
 - v. All financial records of the Association.
 - vi. Other files as necessary.
- c. Research and maintain all data related to transfers of ownership and voting rights.

6. Financial Services:

- a. Establish and maintain books of accounts as directed by the Board.
- b. Establish bank accounts at financial institutions in a manner to indicate the custodial nature thereof as directed by the Board.
- c. Make timely deposits of Association funds and pay all Board authorized expenditures. Have signatory authority, as voted upon and granted in writing by the Board, for Association fiscal accounts.

- d. Establish individual accounts receivables for the posting of assessed fees received from Owners.
- e. Assist in performance of Financial Reviews in consonance with Accountants appointed by the Board.
- f. Prepare and file all local, state, and Federal Tax Returns in coordination with the Association's accountant.
- g. Pursue the collection of delinquent fees according to the policies and procedures established by the Board.
- h. Prepare monthly computerized financial reports for the Board. The format will be determined by the needs and wishes of the Board.
- i. As required, maintain accurate payroll time sheets; prepare payroll checks, prepare and submit the required reports to governmental agencies.

7. Legal Services:

- a. Maintain a liaison with a law firm in order to ensure prompt filing of liens and suits as directed by the Board. Recommend competent counsel when additional legal services are needed, and assist in pursuing all required legal actions.
- b. If the Property Manager employs an Attorney licensed to practice law in the State of North Dakota, advise the Board when legal advice is needed and perform legal services as necessary, the Association will be billed by the Attorney for such services.

8. Insurance Services:

- a. Prepare insurance bid specifications; solicit bids; evaluate bids for Board review and decision.
- b. Execute insurance contracts as directed by the Board.
- c. Review, screen, and process all insurance claims.

Section 10.04 Requirements:

Any Property Manager engaged by the Board must purchase, maintain and provide documentation for the following:

1. Valid Proof of Required Operating Licensure.
2. Valid Proof of Insurance with:
 - a. Liability Coverage (to include Auto operations) of \$2,000,000
 - b. Medical Coverage of \$5,000
 - c. Products and Completed Operations Coverage of \$2,000,000
 - d. State Workers Compensation Coverage
 - e. State Unemployment Coverage
 - f. Any other required coverage so stipulated by law, the agreement, or in these Bylaws, and
3. Their Federal Taxpayer Identification Number.

Article XI.

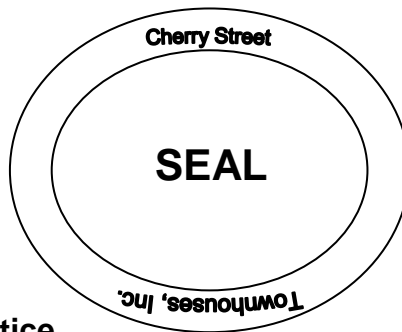
GENERAL PROVISIONS

Section 11.01 Books & Records.

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member, his/her agent or attorney, for a proper purpose, with a seventy-two (72)-hour written notice. The Declaration and Bylaws of the Association and the financial statements for the Association for the immediate preceding fiscal year and prior month, current and past years budget, shall be available for inspection by any Member and any first mortgage holders, their insurers or guarantors, at the principal office of the Association, or at the office of their agent, within seventy-two (72) business hours after receipt of written document request, where copies may be purchased at a reasonable cost established by the Board.

Section 11.02 Seal.

The seal of the Association shall consist of two concentric circles between which is the name of the Association and in the center of which is inscribed "SEAL"; and such seal, as printed below, is hereby adopted as the Association seal.



Section 11.03 Waiver of Notice.

Whenever any notice is required to be given to any Member or Director by law, the Declaration or by these Bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice whether before or after the time stated therein, shall be equivalent to the giving of such notice.

Section 11.04 Funds and Fiscal Year.

All funds of the Association shall be deposited in an FDIC insured account and/or accounts as designated by a majority of the Members. The Members of the Association may vote, and the Board therefore be directed, to have assessed collected funds designated for specific usage, or proceeds received from insurance claim settlement(s), deposited in separate FDIC insured account(s) to accommodate that said funds are controlled/used for their intended purpose. The fiscal period of the Association shall be from the 1st day of April to the 31st day of March. The Board shall, at all times, maintain a minimum cash reserve of \$20,000, to be held in an FDIC insured account in the name of the Association. The purpose of said reserve is to cover unexpected expenses, unexpected declining receivables, or expenses which are the result of a potential or actual natural disaster. Said funds cannot be used without prior notification of the membership and unanimous approval, in writing, of all current Board. Should the Board and the General Membership vote to disburse the reserve funds for use in a capital

improvement expense, it will require written approval from a majority of Members eligible to vote. Any dollars withdrawn from the reserve fund that lower the reserve fund to less than a cash reserve of \$20,000 must be replaced, through Member assessment, within six (6) months from the date said funds are withdrawn.

Section 11.05 Operational Budget.

The Association shall fiscally operate, by resolution, using a Member approved budget, voted on at each Spring biannual Members Meeting. Said budget shall be voted on per line item and listed so as to reflect each month's budgeted expense. The Treasurer shall make available, monthly, to the Board and Members the Association's month and year-to-date expenses-to-budget report. The Board can transfer funds between budget line items, as long as the total budget is not changed by more than \$1000 in any one fiscal year, without first receiving majority Member approval, by written vote, at a Member meeting.

Article XII.

MAINTENANCE, REPAIRS AND APPEARANCE OF ALL BUILDING EXTERIORS AND COMMON GROUNDS.

Section 12.01 Responsibility.

As outlined in the Association's Declaration, Article X, Section 1 (Exterior Maintenance), and Article V, Section 1 (Common Areas) the Association shall be responsible for the maintenance and repair, as they so deem necessary, to the exterior surfaces of all buildings, and common areas, within the Association. The Owner/Member shall be assessed the cost of the maintenance and repairs performed on his/her Lot by the Association, as outlined under Article X, Section 3 (Assessment of Cost) of the Association's Declaration and the Duties section of the Powers/Duties of the Board Article of these Bylaws.

To assist Members in the determination of responsibility, the "Responsibility and Authority for Maintenance" section of this Article contains a detailed schedule of maintenance responsibilities.

Maintenance, repair, or replacement, which is the responsibility of the Association, may not be postponed when it poses a Liability or Health Risk to the Association, its Member(s) or improvements located within the Association.

Section 12.02 Capital Improvements.

From time to time the Association must commence with Capital Improvement Projects, minor and major, in order to maintain/replace existing Association improvement(s), add improvements required by new law(s), or for the safety and continued viability of the Association.

- 1. Minor Capital Improvement Projects.** For the purpose of these Bylaws, the definition of a Minor Capital Improvement Project shall be any Association project, other than an insurance claim, of a financial scope less than \$10,000 and which takes less than one fiscal calendar year to complete. Minor Capital Improvement Projects shall be presented to, and voted on by the Members at any Members Meeting as outlined in the Meetings of Members Article of these Bylaws. The Assessment for any approved Minor Capital Improvement Project shall be collected as outlined in Article VI of the Declaration and the Duties Section of the Powers/Duties of the Board Article of these Bylaws.
- 2. Major Capital Improvement Projects.** For the purpose of these Bylaws, the definition of a Major Capital Improvement Project shall be any Association project, other than an insurance claim, of a financial scope greater than \$10,000 or which takes more than one fiscal calendar to complete. Major Capital Improvement Projects shall be presented to, and voted on, by the Members at any Members meeting as outlined in the Meetings of Members Article of these Bylaws, with the exception that approval for any Major Capital Improvement Project requires the vote, in

the affirmative, of eighty (80) percent of all Members entitled to cast a vote, or, following the Member meeting in which the Major Capital Improvement Project was presented, eighty (80) percent of all Owners entitled to cast a vote, as certified by the Secretary of the Association, sign (their signature(s) being duly notarized) in the affirmative to proceed with said Major Capital Improvement Project as described in the document to which they have attached their signature. The Assessment for any approved Major Capital Improvement Project shall be collected as outlined in Article VI of the Declaration and the Duties Section of the Powers/Duties of the Board Article of these Bylaws, or by any method not disallowed under the Association's Declaration and Bylaws and voted on, in the affirmative, by eighty (80) percent of all Members entitled to cast a vote.

Section 12.03 Materials and Design.

The exterior appearance of all buildings within the Association, and upkeep of the same, affects the property value of all Lots. Owners of Lots within the Association reasonably assume that an investment made in property within the Association will not be negatively impacted by the neglect of, or future changes to, the exterior appearance of buildings and common areas within the Association. The appearance of buildings, the matching of materials, the consistency of colors, the consistency of design, and the quality of workmanship are crucial in creating a harmonious appearance and retaining property values.

For this reason, any maintenance, repair, or additions to the exterior of buildings, or the construction of new structures, must be performed using materials of the same composition, size, color, and appearance as those used in the Cherry Street Townhouse, Inc. in its entirety. Any variation(s) to the approved material(s) and design must be first approved for use, before installation, by:

1. The Architectural Control Committee, and
2. The current Board, and
3. The written vote, in the affirmative, of 80% Members, at a Biannual Membership Meeting.

The existence within the Association of installed materials, structures, or workmanship, not properly approved prior to installation, shall be subject to immediate removal and replacement by the Association. The Owner/Member shall be responsible for reimbursing the Association for all costs associated with said removal and replacement on his/her Unit as outlined under Article X, Section 3 (Assessment of Cost) of the Association's Declaration and the Duties Section of the Powers/Duties of the Board Article of these Bylaws. Discussion, Appeal and Notification of any intended removal and replacement shall be handled as outlined in this Article.

Section 12.04 Discussion.

Sixty (60) days prior to the Association initiating any maintenance, repair, removal or replacement as outlined in this Article, the Board must conduct an open review of the proposed project, as an agenda item, at a published Board Meeting as outlined in the Meetings of Directors/Officers Article of these Bylaws. Further, the Owner of any Lot for

which maintenance, repair, removal or replacement will be discussed as an agenda item shall receive a minimum ten (10) days written notification of said meeting, and proposed agenda item, mailed to the address contained in the Association records as outlined in the Mailing Address and Voting Certificate Section of the Membership and Voting Rights Article of these Bylaws. Said agenda and notification shall contain all supporting documentation to be presented and discussed at said meeting by the Board. Following the Board's discussion of said agenda item, and the opportunity of the Owner to address the Board regarding said agenda item, the Board must vote at said meeting to either approve, reject, or table said agenda item for discussion at a later Board meeting.

Section 12.05 Appeal of Board Action.

Following the Board's vote, the Owner shall have ten (10) days to appeal, in writing, the Board's proposed action. Said appeal shall be in writing, mailed to the President of the Association, and must outline the Owner's objection to the Board's action, along with a detailed course of action the Owner requests the Board to take regarding the proposed maintenance, repair, removal or replacement and/or repair. The Board shall then have thirty (30) days to review the Owner's appeal at which time the Board shall notify the Owner of the Board's decision regarding the Owner's appeal and the status of any pending action.

Section 12.06 Notification.

Forty-five (45) days prior to the Association initiating any maintenance, repair, removal or replacement as outlined in this Article the Association shall notify the Lot Owner, in writing, mailed to the address contained in the records of the Association, as outlined in the Mailing Address and Voting Certificate Article of these Bylaws, the proposed Lot maintenance, repair, removal or replacement along with the anticipated cost, anticipated commencement date, duration of said project, and the Owner's assessment payment due date. Said notification shall comply with Article X, Section 3 (Assessment of Cost) of the Association's Declaration and the Duties Section of the Powers/Duties of the Board Article of these Bylaws.

Section 12.07 Sporting and Other Equipment.

All sporting equipment (including basketball hoops and stands), toys, outdoor cooking equipment (except permanent installations) and any other equipment shall be screened from view when not in use, subject to Article XII, Section 10 of the Declaration.

Section 12.08 Satellite Dishes.

Owners shall be permitted to install satellite dishes on their individual Units so long as the satellite dish does not exceed eighteen (18) inches in diameter and is installed in a safe and prudent manner. Any damage to the interior or exterior unit and/or neighboring units in which the dish is adhered due to poor installation methods, the unit owner would be responsible for any damage due to this poor installation.

Section 12.09 Garbage, Temporary Structures, Television or Radio Antennas, Clothes Lines, Through Wall or Window Air Conditioners.

Refer to Article XII of the Declarations, Sections 7, 8, and 9

Section 12.10 **Improvement Inventory.**

The Board shall maintain, with the assistance of the Building/Grounds Maintenance Committee, and have present for review at all Board and Member meetings, a "Current Association Improvement Inventory" to include, but not limited to, the condition of all Association improvements, landscaping, and the exterior of all Units for which the Association is responsible. The inventory shall include the current condition, anticipated repairs and/or replacement, estimated date for said repairs and/or replacement, along with an accurate estimate for the cost of said repairs and/or replacement. Additionally, the Board shall include in this inventory any "New Improvements" proposed for the Association along with the estimated date of construction and cost. Any Member may review the above information at any Board or Member meeting. The Board shall include, and the Members shall pass, annual operating budgets that provide sufficient funds to accomplish the maintenance, repair, replacement or new construction detailed on the "Current Association Improvement Inventory" within 48 months from the time any item is included on the "Current Association Improvement Inventory."

Section 12.11 **Responsibility and Authority for Maintenance**

To assist Members and the Association in the determination of responsibility and authority of building maintenance, the following summary, with reference to the controlling authority, has been created.

An “(A)” means that the Association has the right to perform the listed actions upon the identified structure. **The primary responsibility for the listed actions remains with the Owner** and the costs to complete the action will be assessed against the Owner should the Association or their agent perform the listed action. Owners are encouraged to engage their own contractors to perform work on their Units. Prior to performing any work on a structure with Association Authority, the Owner shall review these Bylaws and the Declaration and comply with all conditions, notices, and processes therein.

An “(O)” means that the full responsibility for the actions listed lies with the Owner and the Association does not have control over the subject structure unless otherwise provided in these Bylaws, the Declaration, or federal, state, and local laws.

(Note: This schedule relates to responsibilities and authority. Refer to the Insurance Article of these Bylaws for questions relating to insurance coverage.)

1. Exterior Siding & Trim.

(A) Repair, replace, paint, recondition, caulk. (Article X, Section 1 of the Declaration)

2. Gutters & Downspouts.

(A) Repair, replace, paint, recondition, caulk, clean. (Article X, Section 1 of the Declaration)

3. Roofs, Roof Flashing & Roof Decking.

(A) Repair, replace, paint, recondition. (Article X, Section 1 of the Declaration)

4. Perimeter Wall Studs.

(A) Repair, replace.

5. Perimeter Wall Insulation.

(O) Repair, replace. (Article X, Section 2 of the Declaration)

6. Perimeter Wall Interior Sheet Rock.

(O) Repair, replace.

7. Party Wall Studs.

(O) Repair, replace. (in proportion to each Owner's use of the wall, unless the result of negligent or willful acts or omissions, then to the party causing the damage) (Article VIII of the Declaration)

8. Party Wall Sheet Rock & Insulation.

(O) Repair, replace. (in proportion to each Owner's use of the wall, unless the result of negligent or willful acts or omissions, then to the party causing the damage) (Article VIII of the Declaration)

9. Building Ceiling & Floor Joists.

(A) Repair, replace.

10. Unit Interior Wall Sheetrock & Finish. (Non-Party Wall)

(O) Repair, replace. (Article X, Section 2 of the Declaration)

11. Unit Interior Ceilings & Floors

(O) Finish, sheetrock, insulation, subfloor. (Article X, Section 2 of the Declaration)

12. Unit Fixtures & Finishes.

(O) Appliances, cabinets, plumbing fixtures, floor coverings, window treatments. (Article X, Section 2 of the Declaration)

13. Overhead Garage Door, Front Entry Door, Front Storm Door (excluding locks).

(A) Repair, Replace, Maintenance.

14. Interior Doors and Locks.

(O) Repair, replace and maintain.

15. Windows & Screens

(A) Repair, replace, maintain.

16. Electrical

(A) Wiring from meters to Unit breakers, electrical fixtures at front of garages and in replacement of bulbs in those fixtures. (Article X, Section 2 of the Declaration)

(O) Unit electrical wiring, switches, breakers, fixtures, etc.

17. Plumbing

(A) Shut-off valves. Supply and drain lines to each Lot, from the building outward, so long as any obstruction was not caused by the Unit Owner, tenant or guest, water. (Article X, Section 2 of the Declaration)

(O) All fixtures when connected to interior plumbing, including all hose bibs, Unit hot water heater.

18. Decks & Patios

(A) Repair, replace, paint and maintain. (Article X, Section 1 of the Declaration)

(O) Remove moss, leaves, dirt, debris that could cause wood rot and other damage to common elements.

19. Exterior Sidewalks, Steps, Stairs, and Hand Rails

(A) Repair, replace, paint.

20. Fences and Partitions

(A) Repair, replace, refinish. (Article X, Section 1 of the Declaration)

21. Insect & Pest Control

(A) Unit exteriors: wood boring or stinging insects; wild animals. (Article X, Section 1 of the Declaration)

(O) Unit interiors. (In proportion to infestation) (Article X, Section 2 of the Declaration)

22. Water & Smoke Damage

(A) Damage to Unit interior from common area source

(O) Damage to Unit interior from Unit or neighbor source not covered under the Association Master Insurance Policy.

23. Fireplace & Chimney

(A) Replace chimney cap, exterior repairs, repair roof penetration problems. (Article X, Section 1 of Declaration)

(O) Clean, make interior repairs. (Article X, Section 2 of the Declaration)

24. Skylights and Solar Tubes

(A) Clean, make repairs, repair roof penetration problems. (Article X, Section 1 of Declaration)

25. Common Area Trees, Flowers, Plants, Shrubs.

(A) Maintenance, repair, removal. (Article X, Section 1 of the Declaration)

26. Common Area Driveways, Roadways, Parking Areas, Signage and Lighting.

(A) Repair, replace, maintain. (Article X, Section 1 of the Declaration)

27. Sump Pumps

(O) Maintain, repair, replace. (Article X, Section 2 of the Declaration)

Article XIII.

DOMESTICATED ANIMALS

No more than one (1) dog or two (2) cats is allowed per Unit. Members shall comply with the laws and codes of the City of Grand Forks concerning said animal(s). (See City of Grand Forks Municipal Code) Domestic animals must be leashed at all times and feces cleaned up immediately or the owner can face a fine of up to \$1000.00 per violation. (See City of Grand Forks Municipal Code) Noncompliance will be referred by the Association to the City of Grand Forks Police Department and City of Grand Forks Health Department.

In addition to any remedies stipulated above for the violation of this Article, the Board, at their discretion, may proceed with, but are not limited to, the following:

1. Suspension of Member Rights as outlined in the Membership and Voting Rights Article of these Bylaws.
2. Power to Evict Tenant(s) as outlined in these Bylaws.
3. Suspension of Parking Rights as outlined in the Parking Policy Article of these Bylaws.

Finally, in addition to any monetary fines assessed by the City, the Board must assess a fine against any affiliated Member found in violation of this Article. Said fine shall be equal to all costs related to the violation, and its remedy, incurred by the Association.

Article XIV.

CODE OF CONDUCT

The Association, through its Board and/or their assigned agents, and as provided in the Declaration, Bylaws and any federal/state/local laws, shall use their powers so granted to maintain a peaceful living environment within the boundaries of the Association. To that end, and in support of Article XII, Section 5, of the Declaration,

the following are herein adopted:

Section 14.01 Coexistence.

Consideration must be given at all times, by Members, Residents, tenants and guests to limit their conduct to a manner that does not disrupt the peaceful coexistence within the Association.

Section 14.02 Sports.

Organized sports games, such as baseball, soccer, basketball, are prohibited in the Common Area parking lots.

Section 14.03 Quiet Hours.

Conduct within the Association, between the hours of 10:00 p.m. to 7:00 a.m. shall not disturb others.

Section 14.04 Noise.

Noisy parties, or noise which disrupts other Members, particularly after 10:00 p.m. is prohibited. Such activity should be immediately reported to the Grand Forks City Police Department. Upon the Grand Forks City Police Department confirmed second (2) response within a 12-month period to any Lot within the Association for excessive noise, the affiliated Owner, whether the offending party or not, shall be assessed by the Association a fine in the amount of \$250.00 per occurrence.

Section 14.05 Use of Common Areas.

Common areas belong to the Members and their use shall be limited to Members, their tenants and their guests. Any group use of common areas requires written permission of the Board, or its agent, prior to use. Members are responsible for all clean-up from their tenants and guests use of the common area, leaving the area presentable for future use. Violation of this Section shall result in a \$100.00 per occurrence fine assessed against each Member, an assessment for the actual cost of clean-up, and loss of Member rights outlined in the Additional Violation Remedies Section of this Article.

Section 14.06 Occupancy Numbers.

Occupancy within any Unit will be limited to two (2) persons per bedroom. A bedroom is defined as an interior room, other than a dining room, kitchen, laundry room, living room, garage or attic space that contains a built-in closet of a dimension no less than 2-feet by 2-feet. Additional restrictions as adopted in the Grand Forks Municipal Code will apply.

Section 14.07 Threatening or Endangering Actions.

Threatening or endangering actions are prohibited within the Association. Any such action within the Association must be reported to the Board. The Board shall pursue all means provided by the Declaration, these Bylaws, and federal/state/local laws to assure said action does not re-occur within the Association. The Board shall pursue reimbursement for all expenses related to an offense of this Section, from the offending party and associated Member.

Section 14.08 **Illegal Activity.**

Illegal activity is prohibited within the Association. Any such action within the Association must be reported to the Board. The Board will pursue all means provided by the Declaration, these Bylaws, and federal/state/local laws to assure said action does not re-occur within the Association. The Board shall pursue reimbursement for all expenses related to an offense of this Section, from the offending party and associated Member.

Section 14.09 **Residential Use.**

Lots within the Association are restricted to Residential Use Only. With the exception of a work from home business, whereby all work activity is remotely conducted within the interior of the Unit and no customers or vendors visit the lot, business operations within a Lot are strictly forbidden and carry a fine of \$100.00 per day of operation, along with loss of Member rights outlined in the Additional Violation Remedies Section of this Article.

Section 14.10 **Residents, Tenants & Guests.**

Residents, tenants and guests within the Association shall conduct themselves in accordance with the Declarations and Bylaws of the Association. The Member to which the Resident, tenant and or guest is affiliated is responsible for informing said individual(s) of the Associations Declarations, Bylaws and Rules. While within the Association, the Member to which the Resident, tenant and or guest is affiliated shall be responsible for the Resident, tenant, or guests' conduct.

Section 14.11 **Parties.**

Parties impacting the Common Area of the Association must be first approved, in writing, by the Board or their agents and are subject to the Association's Declarations, Bylaws and Rules.

Section 14.12 **Signs/Notices.**

No sign of any kind shall be displayed to public view on any lot, any improvement on any lot, or Common Areas except for the following:

1. **"Property for Sale Signs."** For sale signs may be displayed upon the Lot of the property for sale, or on the Common Area near the property for sale, provided the sign is in such a form and placed in such a location as approved by the Board.
2. **"Mail Center."** Posting of signs or notices on the Mail Center is prohibited without approval from the Board and/or its agent.
3. **"Political Signs."** Political signs may be displayed within 60 days of any primary, general, or special election, provided that sign remains on the Lot only (not on Common Area) and is of a reasonable size to not cause distraction.

Any and all Members/Owners violating any part of this Section shall forfeit said sign/notice. Subsequent postings of the same sign/notice after warning by the Board shall result in forfeiture of the sign/notice and a \$50.00 per occurrence fine assessed against the Member/Owner.

Section 14.13 **Additional Violation Remedies.**

In addition to any remedies stipulated above for the violation of this Article, the Board, at their discretion, may proceed with, but are not limited to, the following remedies:

1. Suspension of Member Rights as outlined in the Membership and Voting Rights Article of these Bylaws.
2. Power to Evict Tenant(s) as outlined in the Power to Evict Tenant(s) Article of these Bylaws.
3. Suspension of Parking Rights as outlined in Parking Policy Article of these Bylaws.

Finally, in addition to any monetary fines listed in this Article, the Board must assess an additional fine against any affiliated Member found in violation of this Article, equal to all costs related to the violation, and its remedy, incurred by the Association.

Article XV.

CONTRACTS

All Service and/or Work, compensated or non-compensated, that is engaged by the Association through its Board or an agent of the Board, shall be stipulated and executed in writing (" the Agreement") prior to commencement of said work or service. Any "Agreement" shall at a minimum detail the relationship, duration, full obligation and compensation between all parties. Any "Agreement" with compensation greater than \$1,000 dollars must be presented to the Members, at a Members Meeting, for Member vote/approval prior to execution. All "Agreement(s)" with compensation greater than \$ 2,000 dollars are subject to a Board directed (published) open bid process, annually. The Board shall have the Association's Legal Counsel review and approve all "Agreements(s)" prior to execution. All Service or Work providers, prior to the execution of any service or work Agreement, must furnish the following written documentation to the Association:

1. Valid Proof of Required Operating Licensure.
2. Valid Proof of Insurance with:
 - a. Liability Coverage (to include Auto operations) of \$2,000,000
 - b. Medical Coverage of \$5,000
 - c. Products and Completed Operations Coverage of \$2,000,000
 - d. State Workers Compensation Coverage
 - e. State Unemployment Coverage
 - f. Any other required coverage so stipulated by law, the agreement, or in these Bylaws, and
3. Their Federal Taxpayer Identification Number.

Failure to provide said documentation prohibits the Association from executing any agreement. Failure by the Service or Work provider to maintain any of the above items furnished in the documentation, during the term of an "Agreement," requires the immediate termination of said "Agreement."

Article XVI.

RENTAL OF UNITS

It is the policy of the Association that each unit shall be owner occupied. This provision shall be binding on all purchases after July 1, 2015. This provision shall become effective on the remaining rental units upon the resale of said units. The term "owner occupied" will allow for purchase of units by a family member for the sole use of another family member.

The existing rentals are fully the responsibility of the owner, deeming them liable for all actions of their tenants. Any required clean-up or supervision of the property by members of the Association shall be assessed to the owner on a monthly basis. It is the responsibility of the owner to ensure their tenants are aware of these Rules and Regulations and that they provide a copy of the same. (Amended April 2015).

Section 16.01 Rental Units Owned Prior to July 2015

1. The Owner shall provide the Property Manager /Board with the name, address and telephone numbers of any and all non-member (Tenants) residing in their Unit.
2. The Owner shall inform the non-member (Tenant) prior to the non-member (Tenant) taking occupancy to follow all of the same applicable conditions, restrictions and regulations set forth in these Bylaws and in the Declaration. The Owner is responsible for ensuring Tenant remains in compliance with said conditions, restrictions and regulations.
3. The Owner shall not lease (rent) their Unit in such a manner that the Owner violates any federal, state, or local laws and/or regulations or the Declaration and Bylaws
4. The Owner shall not knowingly lease (rent) their Unit to any persons whose occupancy of the Unit would violate any federal, state, or local laws and/or regulations or the Declaration and Bylaws.
5. The Owner shall purchase and maintain a "Rental Condominium Unit Owners Insurance Policy" during the term of any lease. Said policy shall include a written endorsement that the Cherry Street Townhouses, Inc. shall be notified in writing, within ten (10) business days, should said policy

cancel. Said policy shall carry a minimum liability limit of \$250,000.

6. The non-member (Tenant) shall purchase and maintain a "Tenants Insurance Policy" during the term of any lease.

Article XVII.

POWER TO EVICT TENANT(S)

Section 17.01 Power to Evict

The Board is hereby authorized, at its discretion, to commence eviction proceedings under Chapter 33-06 of the North Dakota Century Code against individuals who are renting and/or leasing a Unit from an Owner for any one or combination of the following reasons:

1. The non-member (Tenant) acts in a manner which unreasonably disturbs other occupants of other Units peaceful enjoyment of the premises.
2. The non-member (Tenant) threatens, menaces, harasses, or physically harms another occupant of another Unit while within the Association.
3. The non-member (Tenant) physically harms or damages the property of the Association or the personal property of another occupant.
4. The non-member (Tenant) acts in a manner which creates a substantial risk to the health, safety, and well-being of other occupants of the Association.
5. The Board receives credible evidence that law enforcement responded to a report of a loud party and/or excessive noise coming from a Unit occupied by a non-member (Tenant) not less than two (2) times over a twelve (12) month period.
6. The non-member (Tenant) remains in possession of the premises after the Association has taken ownership of the Lot/Unit by way of a foreclosure action against the Owner.

Section 17.02 Notice

At least thirty (30) days prior to initiating an eviction action against a non-member (Tenant), the Board shall send written notice of its intention to the Owner of the Lot/Unit notifying his/her of its decision. In the event that the non-member (Tenant) has not vacated the Lot/Unit by the end of that time period, the Board, at its discretion, is authorized to proceed with the eviction. The Board is authorized to assess any court costs, attorney fees, management fees and direct costs associated with evicting and Owner's non-member (Tenant) against the Owner and Lot.

Article XVIII.

INSURANCE

Section 18.01 Insurance Policy

1. The association shall secure a master policy of property insurance covering Special Causes of Loss in an amount at the minimum to cover the entire replacement cost of the improvements located on the common areas in the name of the Association. In addition to such insurance on the common areas, the Board of Directors of the Association shall obtain and continue in effect, on behalf of all owners, a master policy of property insurance covering Special Causes of Loss in an amount at the minimum to cover the entire replacement cost, without deduction for depreciation or coinsurance, of the improvements located on every lot, and said insurance shall be issued in the name of the Association as insurance trustee for all owners, and shall provide that losses shall be payable to the trustee and the mortgagee and/or mortgagees of record of the lots, if any. Such insurance shall extend to and include all unfinished interior surfaces of the perimeter, interior partition and common walls contained with each and every building. The paint, tile wallpaper or other coverings on the interior walls, carpet or other floor coverings on the floors, and any other coverings on the interior side of the unit shall be the responsibility of the lot owner to insure, repair, maintain and/or replace.
2. The Association shall purchase liability insurance, for a minimum of \$1,000,000 for all bodily injury and property damage in any one occurrence, to cover the public liability exposure for the common areas in the name of the Association.
3. Directors and Officers liability insurance in the minimum amounts of \$1,000,000 per claim and \$1,000,000 annual aggregate shall be purchased to provide personal liability protection to members of the Board of Directors for their acts or omission as Directors.
4. Employee dishonesty coverage in a minimum amount of \$10,000 shall be purchased. The coverage form shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees" or similar terms or expressions.
5. In addition, the Association may obtain insurance against such other risks of a similar or dissimilar nature as it shall deem appropriate, to the extent that such coverage is reasonably available.
6. Insurance coverage on furnishings, including carpet and other floor coverings, draperies and other window treatments, wallpaper, improvements and betterments, cabinets, interior doors, air conditioning units, furnaces, hot water heaters, plumbing fixtures, ovens, dishwashers, ranges, refrigerators, and other items of personal property belonging to an owner, and liability coverage within each unit and appurtenant common elements, shall be the sole and direct responsibility of the owners(s) thereof, and the Association, its Board and/or the managing agent of the Association

shall have no responsibility therefore.

7. All policies of physical damage insurance shall contain Waivers of Subrogation and waivers of any defense based upon co-insurance or of invalidity arising from any act and/or acts of the insured, and/or any lot owner and/or member and it shall be provided that such policy and/or policies may not be cancelled or substantially modified without at least ten (10) days prior written notice to all of the insureds, all lot owners and/or members, and all mortgagees of record of any lot.
8. Such insurance costs for the Master Policy "common area" insurance shall be prorated on the basis of 1/120th of the cost thereof to each lot, and the cost of the insurance on the improvements on the lots shall also be prorated on the basis of 1/120th of the cost thereof to each lot.

Section 18.02 Damage or Destruction

In the event of damage to or destruction of any part of the common area improvements, the Association shall repair or replace the same from the insurance proceeds available. If such insurance proceeds are insufficient to cover the costs of repair or replacement of the property damaged or destroyed, the Association may make a reconstruction assessment against all lot owners to cover the additional, cost of repair or replacement not covered by the insurance proceeds, in addition to any other assessments against such lot.

Section 18.03 Flood Insurance

It shall be the responsibility of each Unit Owner, not the Association, to purchase "Flood Insurance" for their individual Unit and personal contents. The Association will not purchase or maintain Flood Insurance.

Section 18.04 Reporting Losses and Damage

Owners shall immediately report any loss or damage to the improvements on their Lot directly to the Board. The Board retains sole authority to file a claim for said loss against the Association's Master Insurance Policy.

Article XIX.

RECORD KEEPING

The Board shall cause to be kept a complete record of all its acts and affairs on behalf of the Cherry Street Townhouses, Inc. and to present a statement thereof to the Members at each Board or Semi-Annual Members Meeting, or at any Special Meeting of the Members where such statement is requested in writing pursuant to the Special Member Meetings Section of the Meetings of Members Article of these Bylaws. All records shall be retained pursuant to the requirements outlined in the North Dakota Century Code, federal and local laws, and as defined in the Association's Declaration and these Bylaws.

Article XX.

MEMBER/OWNER DISPUTES

Members are encouraged to enjoy the many benefits of Association living and form lasting relationships with their neighbors and fellow Members. While the benefits are many, Members acknowledge that by choosing to live in an Association they surrender some rights for the good of the common. As a condition of ownership, Members promise to abide by the Declaration and these Bylaws, pledging to not interfere with another's peaceful enjoyment of their property. Unfortunately disputes do arise amongst Members and this Article outlines the process which Members shall take to resolve the disputes.

Section 20.01 Resolution Between Parties.

These Bylaws have been adopted by the Association to assist Members in identifying and enforcing their rights as a Member. Members are encouraged to resolve disputes between one another prior to involving the Board or other authorities. However, in doing so, no Member is permitted to make threats of physical harm against another, cause another's property to become damaged, or otherwise violate any provision of the Declaration, these Bylaws, or any federal, state, or local law.

Section 20.02 Resolution Involving Board.

Members may and should report known violations of the Declaration and these Bylaws to the Board for enforcement and assessment when applicable. However, the Board is not in a position to serve as an intermediary in resolving disputes between Members, unless expressly directed to do so in these Bylaws. Disputes between Members which have no remedy under the Declaration or these Bylaws must be handled privately, without the Boards' involvement, unless one party believes that the resolution of such dispute would have an effect on the Association as a whole, in which case the Board must be informed of the dispute and updated on the resolution process periodically. Any costs incurred by the Association in resolving disputes shall be assessed to the parties involved.

Section 20.03 Violations of Law.

Violations of federal, state, and local laws should be reported directly to the proper authorities and then to the Board for their information.

Section 20.04 Alternative Dispute Resolution Required.

Prior to filing suit against another Member or the Association, all Members agree that they will first seek out Alternative Dispute Resolution ("ADR") as authorized by the North Dakota Rules of Court Rule 8.8.

Article XXI.

ASSESSMENTS/FEES/VIOLATION SCHEDULE

Section 21.01 **Services and Assessments.**

In addition to owning common areas, the Association provides the following services to its Members:

1. Sewer and Water Service.
2. Basic Trash Removal.
3. Grounds Maintenance.
4. Exterior Building Maintenance.
5. Snow Removal.
6. Central Mail Center.
7. Master Condominium Association Insurance Policy.
8. Association Management.

The above services are provided through Member "assessment," as defined by Article VI of the Declaration. Pursuant to Article VI of the Declaration, and the Powers/Duties of the Board Article of these Bylaws, the Members shall from time to time vote to increase the Associations Member Assessment as is necessary to cover operational obligations of the Association. A Members monthly assessment is *due and payable on the 1st day of each month and becomes delinquent at 12:01 a.m. on the 11th day each month.* Members *can pay their Monthly Assessment(s)* by mailing a payment to the Association, or drop-off their payment at the Mail Center located in the center of the Association on Clearview Drive. There is a \$25.00 Late Fee, per month, for each monthly assessment past due, that must be included with any delinquent payment. Interest at 18% per annum is charged against all outstanding assessments and late fees. The Association may also assess a special assessment against individual Members as provided in the Powers/Duties of the Board Article of these Bylaws. The Association shall handle all past due "delinquent payments" as outlined in the Powers/Duties of the Board Article and the Filing of Property Liens and Foreclosure Action section of this Article.

Section 21.02 **Filing of Property Liens and Foreclosure Action.**

Pursuant to Article VI, Section 11, of the Declaration, the Board, or their agent, is herein directed to initiate the above title action(s), or any action granted by law and authorized by the Board, against any Owner/Lot which has an assessment in arrears in excess of \$225.00. The Board is herein directed to place a lien(s) against a Lot(s), as permitted under Section 47-04.1-11 of the North Dakota Century Code, when an Owner is delinquent of payment of his/her assessments by at least thirty (30) days. Upon Board approval, the President, or an agent so authorized by the Board, shall sign and execute the lien, or any legal action, on behalf of the Association, against the Owner/property in arrears. The Owner shall further be liable for reimbursing the Association for any fees associated with the filing and/or releasing of said lien, and any other legally recoverable fees so incurred by the Association during any/all attempts to recover outstanding assessment(s), late fees, and interest owed.

Section 21.03 **Fees as Assessments**

All Association Fees shall be considered an "assessment" as defined by Article VI of the Declaration.

Section 21.04 **Increasing Fees**

Pursuant to Article VI of the Declaration the Board shall, from time to time, vote to increase Association Fees/Assessments as is necessary to cover operational costs associated with maintaining the Association's obligations. However, the Board cannot violate the Operational Budget Section of these By-laws in so doing.

Section 21.05 **Retention of Rights**

The Association retains the right to charge Owner's any and all assessments as outlined in the Declaration and these Bylaws.

Article XXII.

PARKING POLICY

Section 22.01 **Designation of Parking Spaces and Authority to Regulate**

1. All parking within the Property shall be assigned and controlled, by the Association through its Board as provided in Section 4 of Article V of the Declaration.
2. Parking spaces shall be assigned as one of the following: (1) "Garage" space, (2) "Protected" space, (3) "Assigned" space, and (4) "Open" space.
3. Owners are provided the following spaces for parking:
 - a. One (1) space in the Unit's garage, herein after referred to as "Garage" parking space.
 - b. One (1) space directly behind their Unit overhead garage door extending out no more than twenty (20) feet from their Unit garage door and no wider than the width of their Unit garage door, herein after referred to as their "Protected" parking space. A Protected space shall be a space assigned to a specific Lot for use by the Resident of that Lot.
 - c. One (1) "Assigned" space on the Common Area. An Assigned space shall be a space assigned to a specific Lot for use by the Resident of that Lot. An Owner shall refer to the Cherry Street Townhouses, Inc. Parking Site Plan to determine their Assigned space (see attached "Parking Site Plan").
4. It is a violation of this policy for any person other than the Resident of the Lot to make use of a Protected or an Assigned parking space without consent of the Owner of the Lot to which the space is assigned.
5. Assigned and Open spaces exist in the Common Area. Nothing stated in this Section conveys ownership or other rights in Association property or Common Area to an Owner, Resident, Member, or other party.

6. The Board, acting as a whole, shall have the sole authority to assign parking within the Property. The Board herein retains the right to reject, without cause, any and all requests for assignment of Assigned parking spaces.
7. The assignment of parking spaces to Owners shall be made without regard to the number of motor vehicles owned by, registered to, or in the possession of the occupants of a dwelling Unit.
8. No Owner or Resident of any Unit shall be the holder or assignee of more than one (1) "Protected" and one (1) "Assigned" parking space, per Lot, assigned by the Board.
9. No parking space may be sold, offered or exchanged for anything of value except that assignment of spaces may be exchanged on a one for one basis by mutual agreement of the Members and approval by the Board.
10. Upon the legal conveyance of the subject Lot from one Owner to another, the "Protected" and "Assigned" parking space assigned to said Lot shall be conveyed to the new Owner so long as all other provisions of this Article are met.
11. All unassigned parking spaces shall be designated as "Open" spaces and shall be labeled and designated on the established Parking Site Plan.
12. Open spaces are intended for use by service technicians, emergency responders, visitors and overnight guests of Owners and Residents of the Association. Open spaces cannot be used by Residents of the Association.
13. Use of Open spaces by a vehicle or individual shall be restricted to not more than fourteen (14) consecutive days and not more than twenty-four (24) total days in any calendar year without the advance written approval from the Board. Open spaces are on a first come basis.
14. All parking spaces designated on the Common Area in accordance with the provisions of this Section shall be classified as either an Assigned space or an Open space.

Section 22.02 Rules Pertaining to Parking on Property.

1. An Owner of a Lot, or the Owner's Residents, tenant(s), guest(s), or visitor(s) may use the Protected, Assigned, and Open parking associated with the Lot. In so doing, the Owner accepts full financial and legal responsibility for their actions, and, the actions of said Resident(s), tenant(s), guest(s) or visitor(s).
2. It is unlawful to store or abandon a vehicle on any Open, Assigned, or Protected space. A vehicle shall be considered abandoned and or stored if it is determined that the vehicle has not been moved, under its own power, from the parking space for a period of thirty (30) consecutive days, or, if a vehicle has not been removed from a Open space for more than fourteen (14) consecutive days. Vehicles determined to be abandoned or stored may be towed and impounded at the vehicle owner's sole risk and expense.

3. Motor vehicles shall be parked only in designated parking spaces in accordance with provisions of this Article and the Parking Site Plan.
4. Parking of any vehicle in any location other than those specified in this Article and the Parking Site Plan, including non-paved common grounds, fire lanes, ingress and egress travel lanes, is expressly forbidden. Vehicle(s) found in violation of this subsection may be immediately towed and impounded, without owner notification, as outlined in this Article, and at the sole risk and expense of the vehicle owner.
5. This policy does not pertain to parking along the public streets of Cherry Street, Clearview Drive and 40th Avenue South. Please refer to the City of Grand Forks Municipal Code for rules, regulations and restrictions pertaining to parking on these public streets and for enforcement policies.
6. Visitors and overnight guests of Residents of the Association are encouraged to first park in either the Protected or Assigned space of the Unit they are visiting when available. They may also park in any available Open parking space, provided that no portion of this Article is violated.
7. Motorcycles or other two-wheeled motorized vehicles can be parked in Protected or Assigned spaces parallel to but not on the grass, so as to allow an automobile to simultaneously use the space.
8. No recreational vehicle, boat, trailer, camper, snowmobile, four-wheeler, house trailer or motor home may be parked in any location within the Property, including paved and unpaved Common Areas, paved private driveways, and unpaved private property. Any of these items found located within the Property will be towed and impounded, following forty-eight (48) hours from first discovery, without owner notification, and at the owner's sole risk and expense.
9. No motorized vehicle repairs lasting longer than one day shall be conducted upon any Protected, Assigned, or Open space, or on any other Association Common Area.
10. No motor vehicle shall be suspended off the ground, on blocks or supports of any kind, for either maintenance or storage, other than in the Unit garage.
11. No motorized vehicle shall be driven or placed on unpaved Common Area. Owners shall be liable for the replacement of Association improvements and the reseeded of grass resulting from vehicle(s) operation(s) on unpaved Common Area.
12. No motorized vehicle shall be parked anywhere within the Association boundaries which does not display current license plates and tags.
13. A non-operable vehicle may not be parked anywhere within Association boundaries. A non-operable vehicle is any vehicle which, upon request and inspection from the Board or their agent, cannot be immediately shown to mechanically move under its own power, and, be operated legally upon public roadways.

14. Any motorized vehicle which poses a hazard cannot be located within the Association boundaries.
15. No items (such as firewood, construction materials, trash, debris, or any other objects) may be stored on a Protected, Assigned, or Open space or on any Common Area of the Association.
16. Owners, Residents, guests or visitors shall not park their vehicles in the Valley Christian Church Parking lot, located directly south of and adjacent to the Property, unless said action is for Valley Christian Church's related activities, or, prior written consent has been issued for said parking by the Valley Christian Church. Violation of this subsection shall have the same fines and penalties as provided for in this Article.
17. No person shall, through custom or alleged past practice, establish a right to any space. The only manner by which an Owner may obtain permission to control access to a specific parking space is outlined in the Designation of Parking Spaces and Authority to Regulate section of this Article.

Section 22.03 Enforcement, Reporting, Penalties and Fines.

1. The Association, through its Board, and or agent, is the only entity authorized to direct enforcement of parking.
2. The Board retains the right to designate a committee, contractor, or any individual, the authority to administer or enforce any provision of this Article.
3. Owners are responsible for informing all Residents, contractors, guests or other invitees of the specifics of this policy and to ensure their compliance. Owners shall be held liable for any and all damages and Association assessed fees which may result from violations of the policy by such persons.
4. Owners and Residents should immediately report any parking violations within the Property directly to the Board, or its assigned agent.
5. Owners, Residents, and guests are encouraged not to engage, in any form, any individual that is parked in violation of this Article. Rather, said violations should be immediately reported to the Board, or its assigned agent.
6. Upon the consent and request of the disputants, the Board will act to fairly adjudicate or arbitrate disputes which may arise between Owners or Residents relating to the administration and enforcement of this Article.
7. Unauthorized parking may result in the assessment of fines, the towing and impound of the violating vehicle, and loss of Member rights.
8. Any Owner, Resident, or their guest(s) found to be utilizing unauthorized parking shall be immediately subject to an Assessment penalty of \$100.00 per occurrence. Additionally, all rights of the Owner and Resident to Assigned and Open parking shall be revoked until the \$100.00 penalty is paid in full to the Association.

9. Vehicle owners, and the affiliated Lot Owner, shall be liable for all costs incurred by the Association for the cleanup of oil/antifreeze stains, repair of Common Area, and replacement of affected parking areas resulting from damage sustained due to the operation/parking of any vehicle, authorized or unauthorized, for which they are liable.
10. The owner, if readily identifiable, of any vehicle located within the Association boundaries, found in violation of this Article shall be notified in writing by the Board or its agent to remove such vehicle from said location within a period not to exceed twenty-four (24) hours. In the event that the owner of such vehicle cannot be readily identified, or contacted, the Board or its agent shall post notification of the intent to remove and impound the vehicle upon said vehicle.
 - a. All notices to be given under the provision of this policy shall, as a minimum, include the following information:
 - i. The date and time of the notification of the violation;
 - ii. The nature of the violation; and
 - iii. The rule which said vehicle is found to be in violation of and statement that the vehicle may be subject to removal by towing and impound if the violation is not remedied by the specifically listed 24-hour date/time.
 - b. The requirements of this subsection shall not apply in the following cases.
 - i. Vehicle(s) parked in clearly marked fire lanes;
 - ii. Vehicle(s) parked so as to obstruct the free ingress and egress to any portion of the Association property, parking spaces, or Owner's(s') Unit(s) garages;
 - iii. Vehicle(s) which have previously received one (1) written notification, from the Board, of unauthorized parking.

In the aforementioned cases, the offending vehicle(s) shall be subject to immediate removal without notice, provided however, that a reasonable effort shall be made to identify the owner of such vehicle(s) and request immediate compliance with the policies found in this Article. A reasonable effort to identify a-vehicle owner shall be considered complete if the Board, or its agent, have attempted to contact Residents in at least three (3) Units in the vicinity of the location of the vehicle(s) in violation.

11. Any individual owning a vehicle towed and impounded, along with the Lot Owner to which said vehicle is associated, shall bear full and complete responsibility for the actions taken by the Association to enforce this Article. The vehicle owner and/or affiliated Lot Owner shall indemnify and hold harmless the Association, its Members, its Board, and its agents from all legal liability in the enforcement of this Article, along with reimbursing the same parties for all costs and fees incurred, to include fees in excess of the fee schedule for towing and impound

specified in the City of Grand Forks Municipal Code.

12. The Board reserves the right to withdraw the assignment of an Assigned or Open parking space from any Lot whose Owner or Residents, through a pattern of violating this Article or abusing the rights of fellow Owners and Residents, demonstrates that the right to an Assigned or Open parking space is not justified. An administrative fee of \$50.00 will be added to the Owner's Assessment account should it become necessary to revoke parking privileges.
13. Assigned and Open Parking spaces will be revoked for those Owners who are \$225.00 or more in arrears in Association dues and assessments. The Assigned and Open Parking spaces will be restored within thirty (30) days after an account is brought current. An administrative fee of \$50.00 will be added to the Owner's Assessment account should it become necessary to revoke parking privileges.

Section 22.04 Summary of Towing and Impound Actions.

A vehicle may be towed and impounded by the Association under any of the following circumstances:

1. A vehicle parked in a Fire Lane.
2. A vehicle is found to be inoperable as defined in this Article.
3. A vehicle does not display valid license plates and current tags as defined in this Article.
4. A vehicle is determined to be abandoned or stored as defined in this Article.
5. A vehicle is parked in such a manner as to inhibit proper parking in an adjacent space.

Article XXIII.

AMENDMENT

Section 23.01 Amending Bylaws.

A two-thirds (2/3) vote of those Members who are present and entitled to vote, including any proxy votes received, may amend these Bylaws at any biannual or special meeting of the registered Members.

Article XXIV.

CONTROLLING DOCUMENT

Section 24.01 Conflict.

In the case where a conflict exists between the State of North Dakota Century Code and the Declaration of the Association the State of North Dakota Century Code shall control; in the case where a conflict exists between the Declaration and the Bylaws of the Association the Declaration shall control.

Article XXV.

ADOPTION

These Bylaws, dated _____, _____, supersede all prior Bylaws, Rules, Regulations, written or otherwise, and any motions approved at any prior Association meetings.

Adopted this _____ day of _____, _____ by the undersigned Directors of the CHERRY STREET TOWNHOUSES, INC.

Director

Title

Director

Title

Director

Title

Director

Title

Director

Title

Date of Original Adoption:

January 12th, 2012

Dates of Amendment:

October 31, 2012 (to correct numbering error only)

Amended April 21, 2015

Amended March 27, 2018

State of North Dakota)

County of Grand Forks)

On January 28th, 2013, _____
_____ appeared and signed before me the
above document.

Signature of notarial officer

My commission expires: _____

State of North Dakota)

County of Grand Forks)

On _____, 2013, _____
_____ appeared and signed before me the
above document.

Signature of notarial officer

My commission expires: _____