

**BYLAWS
OF
SUMMIT POINT HOMEOWNERS ASSOCIATION**

**ARTICLE I.
Summit Point Homeowners Association**

Section 1. Legal Description of Affected Property: The property subject to these Bylaws is known as the Summit Point Subdivision (“**Project**”), which is subject to that certain Declaration of Restrictions on Real Estate (“**Declaration**”) and is legally described as follows:

- Block 1:** **Lots 1 and 2**
- Block 2:** **Lots 1 through 12**
- Block 3:** **Lots 1 through 10**
- Block 4:** **Lot 1**
- Block 5:** **Lots 1 through 18**
- Block 6:** **Lots 1 through 21**
- Block 7:** **Lots 1 through 6**
- Block 8:** **Lots 1 through 16**

**Summit Point 1st Subdivision
Burleigh County, North Dakota**

Section 2. Definitions

As used herein, the terms “**Lot**” or “**Lots**” shall refer to all lots within the Project except for the Community Center Lot, Green Lots, and Sanitary Sewer Treatment System Lot, as those terms are defined in the Declaration.

As used herein, the term “**Common Areas and Improvements**” shall have the meaning given to such term in the Declaration.

As used herein, the term “**Developer**” is defined to be SP Developers, LLC, a North Dakota limited liability company.

As used herein, the term “**Association**” is defined to be the Summit Point Subdivision Homeowners Association.

Any non-proper noun capitalized term used but not defined herein shall have the meaning given to such term in the Declaration.

Section 3. Applicability of Bylaws. The provisions of these Bylaws are applicable to all Lots in the Project, as described above, and to the use and occupancy thereof. The term “**Project**” as used herein shall include the land, the structures and buildings, presently constructed or to be constructed on Project land, and all other improvements thereon, all easements, rights and appurtenances belonging thereto and all other property intended to be submitted to the provisions of these Bylaws.

Section 4. Application. All present and future owners, mortgagees, lessees and occupants of Lots, and any other persons who may use the Project in any manner are subject to these Bylaws, the Declaration, and rules and regulations adopted by the Board of Directors pertaining to use and operation of the Project property. The acceptance of a deed or conveyance, or the entering into of a lease, or the act of occupancy of a Lot shall constitute an acceptance and the ratification of the provisions of these Bylaws and an agreement to comply therewith.

Section 5. Office. The office of the Association and of the Board of Directors shall be designated from time to time by the Association or the Board of Directors, and the initial office shall be located at 4207 Boulder Ridge Road, #220, Bismarck, ND 58503.

ARTICLE II Board of Directors

Section 1. Number and Qualification. The Developer shall appoint the directors and officers of the Association and have the sole power to remove any director or officer in the Developer's discretion at any time, until the Developer Class (as defined in the Declaration) ceases to exist pursuant to Article V of the Declaration. The affairs of the Project and of the Association shall be governed by the Board of Directors. The Board of Directors shall be composed of three (3) persons, all of whom shall be Owners or spouses of Owners of Lots, or, in the case of Owners who are entities or trusts, shall be partners, members or employees of such entity or trust, or in case of corporate owners or mortgagees, shall be officers, stockholders, or employees of such corporation or mortgagee. Notwithstanding the foregoing, the Board of Directors shall be appointed by the Developer, and the Developer can appoint any persons it so chooses, until the Developer Class ceases to exist pursuant to Article V of the Declaration.

Section 2. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Project and Association, except where such powers and duties by law or by the Declaration or by these Bylaws may not be delegated to the Board of Directors by the Lot Owners. The powers and duties to be exercised by the Board of Directors shall include, but shall not be limited to, the following:

- (a) Operation, care, upkeep and maintenance of the Common Areas and Improvements;
- (b) Determination of the amount of funds required for the operation, maintenance and other repairs of the Project, including operation, repair and maintenance of Common Areas and Improvements;
- (c) Determination of the amount of funds required to establish a capital account for the eventual repair or capital improvement of the Common Areas and Improvements;
- (d) Billing for and the collection of assessments and fees (including annual, initial and special assessments) from the Lot Owners;
- (e) Employment and dismissal of Association employees and independent contractors, as necessary for the efficient management, maintenance and operation of the Common Areas and Improvements;
- (f) Adoption and amendment of rules and regulations covering the details of the operation and use of Project Common Areas and Improvements;

- (g) Incurring indebtedness in the name of the Association and opening of bank accounts on behalf of the Association and designating the signatories required for the execution of any documents or instruments in connection therewith;
- (h) Purchasing Lots at foreclosure or other judicial sales in the name of the Association, or its designees, corporate, or otherwise, on behalf of all Lot Owners, to the extent such sales result from the foreclosure of Association liens, only;
- (i) Obtaining insurance for the Association and the Common Areas and Improvements, pursuant to the provision of Article V of these Bylaws;
- (j) Making repairs, additions and improvements to, or alterations of, the Project Common Areas and Improvements, and repairs to and restoration of such property in accordance with the other provisions of these Bylaws, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings;
- (k) The placement of a lien on any Lot for which assessments (including annual, initial, or special assessments) have not been paid; and
- (l) Retain and hire experts, professionals, agents, consultants, and contractors as required.

Section 3. Managing Agent. The Board of Directors may employ for the Project a managing agent at a compensation established by the Board of Directors, to perform such duties and services as the Board of Directors shall authorize. The Board of Directors may delegate to the managing agent, all of the powers granted to the Board of Directors by these Bylaws other than the powers set forth in subsections (e), (f), (g), (k) and (l) of Section 2 of this Article II.

Section 4. Selection and Term of Office. Following the date the Developer Class ceases to exist pursuant to Article V of the Declaration, the Lot Owners shall appoint the Board of Directors by majority vote, and one (1) board member shall be appointed for a term of one (1) year, one (1) board member appointed for a term of two (2) years, and one (1) board member shall be appointed for a term of three (3) years. Thereafter one (1) board member will be appointed or elected each year and the term of each board member shall be three (3) years.

Section 5. Removal of Members of the Board of Directors. Following the date the Developer Class ceases to exist pursuant to Article V of the Declaration, members of the Board of Directors can be removed at any regular or special meeting of the Lot Owners, with or without cause, by a 2/3rds majority of the Available Project Votes and a successor shall then or thereafter be elected to fill the vacancy thus created. Any member of the Board of Directors whose removal has been proposed by the Lot Owners shall be given an opportunity to be heard at the meeting considering such proposal.

Section 6. Vacancies. Following the date the Developer Class ceases to exist pursuant to Article V of the Declaration, vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the Lot Owners, shall be filled by vote of a majority of the remaining board members at a duly noticed special meeting of the Board of Directors held for that purpose promptly after the occurrence of any such vacancy, and each person so elected shall be a Director until a successor shall be elected at the next meeting of the Lot Owners.

Section 7. Organizational Meeting. The first meeting of the Board of Directors shall be held within ten (10) days following the appointment of the Directors by the Developer.

Section 8. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors, but at least one such meeting shall be held during each calendar year. Notice of regular meetings of the Board of Directors shall be given to each Director by mail, e-mail, or telephone at least three business days prior to the date specified for such meeting.

Section 9. Special Meetings. Special meetings of the Board of Directors may be called by the president on ten (10) business days' notice to each Director, given by mail, e-mail, or telephone, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the president or secretary in like manner and on like notice on the written request of at least one Director.

Section 10. Waiver of Notice. Any Director may, at any time, waive notice of any meeting of the Board of Directors in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board of Directors shall constitute a waiver of notice by such Director. If all the Directors are present at a meeting of the board, no notice shall be required and any business may be transacted at such meeting.

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

Section 12. Compensation. No Director shall receive any compensation from the Project or Association for acting as such but may be reimbursed for expenses incurred on behalf of the Project or Association.

Section 13. Liability of the Board of Directors. The Directors shall not be liable to the Lot Owners for any mistakes of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Lot Owners shall indemnify and hold harmless each Director against all contractual liability to others arising out of contracts of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or these Bylaws. It is intended that the Directors shall have no personal liability with respect to any contract made by them on behalf of the Project and Association. It is also intended that the liability of any Lot Owner arising out of the indemnity in favor of the Directors shall be limited to such proportion as such Lot Owner's Lot(s) bears to the interests of all Lot Owners in Project.

ARTICLE III.
Meetings - General Association Matters/Affairs

Section 1. Annual Meeting. Within sixty (60) days after the Developer Class ceases to exist pursuant to Article V of the Declaration, a first meeting of the Lot Owners shall be called by the Developer who shall provide notice to all Lot Owners as provided under Section 4 of this Article. Thereafter, the annual meetings of the Lot Owners shall not be later than June 1 of each succeeding year. At such meetings, the Board of Directors shall be elected by a vote of the Lot Owners in accordance with the requirements of section 4 of Article II of these Bylaws. The Lot Owners may transact such other business at such meetings as may properly come before them.

Section 2. Place of Meeting. Meetings of the Lot Owners shall be held at the principal office of the Project or at such other suitable place convenient to the owners as may be designated by the Board of Directors or the Developer in the case of the first meeting.

Section 3. Special Meetings. It shall be the duty of the president to call a special meeting of the Lot Owners if so directed by resolution of the Board of Directors or upon a petition signed and presented to the secretary by Lot Owners having at least 60% of the Available Association Votes. The notice of any special meeting shall state the time, place and purpose of the meeting. No business shall be transacted at a special meeting, except as stated in the notice.

Section 4. Notice of Meetings. Notice required or permitted to be given to any member of the Board of Directors or any Lot Owner shall be in writing and may be delivered to any member of the Board of Directors or such Lot Owner either personally, by mail addressed to such Board member or Lot Owner at such addresses as provided to the Board in writing, or by email addressed to the email address of such Board member or Lot Owner as provided to the Board in writing. Notice of each annual or special meeting of the Lot Owners must be given at least ten (10) but not more than thirty (30) days prior to such meeting, stating the purpose thereof as well as the time and place where the meeting is to be held.

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

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

- (a) Roll call;
- (b) Proof of notice of meeting;
- (c) Reading of minutes of preceding meeting;
- (d) Reports of officers;
- (e) Reports of Board of Directors;
- (f) Reports of committees, if any are established by the Lot Owners;
- (g) Election of members of the Board of Directors (when so required);
- (h) Unfinished business;
- (i) New business.

Section 7. Voting - Available Association Votes. The owner of each Lot, or some person designated by the owner or owners to act as proxy on his or her behalf and who need not be an

owner, shall be entitled to cast the votes appurtenant to such Lot at all meetings of Lot Owners. There shall be one (1) vote for each single family residential Lot within the Project (hereinafter referred to as “**Available Association Votes**”), regardless of the number of persons or entities who actually own a given Lot; provided, however, that until the date the Developer Class ceases to exist pursuant to Article V of the Declaration, Available Association Votes shall include the Developer Class pursuant to Article V of the Declaration. The Green Lots, Community Center Lot, and Sanitary Sewer Treatment System Lot shall have no votes. The designation of any such proxy shall be made in writing to the secretary and shall be revocable at any time by written notice to the secretary by the owner or owners so designated.

Section 8. Majority of Available Association Votes. As used in these Bylaws, the term Majority of Available Association Votes shall mean more than fifty percent (50%) of the total Available Association Votes of all Lot Owners present in person or by proxy and voting at any meeting of the Lot Owners.

Section 9. Quorum. The presence in person or by proxy of Lot Owners having at least fifty percent (50%) of the Available Association Votes of all Lot Owners shall constitute a quorum at all meetings of the Lot Owners.

Section 10. Majority Vote. The vote of a majority of the Available Association Votes present at a meeting at which a quorum shall be present shall be binding upon all Lot Owners for all purposes except where a higher percentage vote is required by law, by the Declaration, or by these Bylaws.

ARTICLE IV. Officers

Section 1. Designation. The principal officers of the Project and Association shall be the president, vice president, secretary and treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint such other officers as in its judgment may be necessary. The president must be a member of the Board of Directors.

Section 2. Election of Officers. Officers shall be elected each year by the Board of Directors at the annual meeting of each new Board of Directors following the annual meeting of the Lots Owners and shall hold office until a successor is elected.

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

Section 4. President. The President shall be the chief executive officer of the Association. The president shall preside at all meetings of the Lot Owners and of the Board of Directors. The President shall have all of the general powers and duties which are incident to the office of president of a corporation.

Section 5. Vice President. The Vice President shall take the place of the President and

perform his duties whenever the President shall be absent or unable to act. If neither the President of Vice President is able to act, the Board of Directors shall appoint some other member of the Board of Directors to act in the place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him or her by the Board of Directors or by the President.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Owners and of the Board of Directors; the Secretary shall maintain such books, records and papers of the Association as the Board of Directors may direct; and shall, in general, perform all duties incident to the office of the Secretary.

Section 7. Treasurer. The Treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate financial records and books of accounts showing all receipts and disbursements, and for the preparation of all required financial statements. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name of the Board of Directors, and such depositories as may from time to time be designated by the Board of Directors, and the Treasurer shall, in general, perform all duties incident to the office of Treasurer.

Section 8. Contracts. All contracts, deeds, leases, checks and other instruments issued on behalf of or for the benefit of the Project and Association shall be executed by two officers or by such other person or persons as may be designated in writing by a resolution of the Board of Directors; except that until such time as the control is assigned by the Developer to the Association, the Developer may execute all contracts, deeds, leases, checks and other instruments issued on behalf of or for the benefit of the Project and Association.

Section 9. Compensation of Officers. No officer shall receive compensation from the Association for acting as such, but may be reimbursed for expenses incurred on behalf of the Project or Association.

ARTICLE V. Insurance

Section 1. Insurance for Fire and Other Perils.

(a) The Association shall obtain and maintain, to the extent obtainable, a blanket policy of insurance with extended coverage, and malicious mischief endorsements, insuring the Association and Project Common Areas and Improvements. Such insurance shall be in an amount equal to 100% of the current replacement costs of the Common Areas and Improvements. If available, such policies must also provide that they may not be canceled or substantially modified, without at least ten days prior written notice to the Association. Such policy must be consistent with state and local insurance laws and at least equal to such coverage as is commonly required by prudent institutional mortgage investors in the area in which the Project is located.

(b) Each Lot Owner is herein and hereby notified that the Association will not obtain, retain or maintain any casualty, fire, or other peril insurance upon any Lot or improvement within the project, other than Common Areas and Improvements. Each Lot Owner shall be required to

obtain his or her own casualty insurance for any such perils or improvements.

Section 2. Public Liability Insurance.

(a) Association Public Liability Insurance. The Association shall be required to obtain and maintain, to the extent obtainable, comprehensive general liability insurance covering all of the Common Areas and Improvements. Coverage limits will be in amounts generally required by private institution mortgage investors for projects similar in construction, location and use. However, such coverage shall be for at least \$1,000,000 dollars for bodily injury, including deaths of persons, and \$250,000 for property damage, per occurrence. The cost of such insurance shall be paid by the Association and charged to the individual Lot Owners as an assessment or fee. Coverage under this policy shall include, without limitation, a legal liability of the insured for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance or use of the Common Areas and Improvements, and legal liability arising out of lawsuits related to employment contracts of the Association. Such policies must provide that the policy may be canceled or substantially modified, by any party, without at least thirty days prior written notice to the Association.

(b) Lot Owner Public Liability Insurance. Each Lot Owner is herein and hereby notified that the Association will not obtain, retain or maintain any liability insurance for any Lot or Lot Owner, other than liability insurance on the Common Areas and Improvements. Each Lot Owner shall be required to obtain his or her own liability insurance.

Section 3. Fidelity Bonds. Unless required by a two-thirds (2/3rds) majority vote of all Available Association Votes, blanket fidelity bonds shall not be required to be maintained by the Association for officers, directors, and employees of the Association and all other persons handling or responsible for funds of or administered by the Association.

ARTICLE VI
Condemnation

Section 1. Condemnation. The Association shall represent the Lot Owners in any condemnation proceeding or negotiations, settlement and agreements with the condemning authority for acquisition of the Common Areas and Improvements, or part hereof. In the event of taking or acquisition of part or all of the Common Areas and Improvements by a condemning authority, the award of proceeds of settlement shall be payable to the Association. In the event of a taking in condemnation or by eminent domain of part or all of the Common Areas and Improvements, the Board of Directors shall arrange for the repair and restoration of the Common Areas and Improvements, to the extent practicable, and the Board of Directors shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. Any expense over condemnation proceeds may be assessed as common expense by the Board. Any surplus shall be distributed to the Lot Owners in proportion to their interests in the Project, subject to unpaid liens upon any Lot. The Board of Directors may appoint a trustee to and on behalf of the Lot Owners, in carrying out the above functions, in lieu of the Association.

ARTICLE VII

Records

Section 1. Records and Audits. The Board of Directors or the managing agent shall keep detailed records of the actions of the Board of Directors and the managing agent, minutes of the meeting of the Lot Owners, and financial records and books of account of the Project and Association, including a chronological listing of receipts and expenditures, as well as a separate account of each Lot which, among other things, shall contain the amount of each assessment of common charges against such Lot, and the date when due. Audited financial statements shall be provided only upon a 67% majority vote of all Available Association Votes.

ARTICLE VIII Amendment to Bylaws

Section 1. Owner Amendment. A two-thirds (2/3rds) majority vote of all Available Association Votes shall be required to amend any provisions of these Bylaws; provided, however, that so long as the Developer owns or holds a mortgage on any part or portion of the Property, the Developer's consent to any amendment to this Declaration must be obtained in writing.

Section 2. Developer Amendments. Notwithstanding the immediately foregoing Section 1 (i) Developer shall have the exclusive right, privilege and option, from time to time, at any time, to amend these Bylaws for the purpose of adding to the jurisdiction of the Association any real property annexed to the Project pursuant to the Declaration, and (ii) Developer shall have the right, in the Developer's sole discretion, to amend these Bylaws so long as the Developer owns or holds a mortgage on any Lot (excluding Green Lots) in the Property.

Section 3. Form of Amendment. All amendments hereto shall be in writing and signed by the Developer as long as Developer owns any Lot, and thereafter signed and attested to by the Secretary upon adequate documentation (such as meeting minutes or a written voting record) that the required majority was obtained therefor and such documentation shall be kept as a record of the Association.

ARTICLE IX Architectural Review Committee

Section 1. Committee. An Architectural Review Committee is hereby formed and shall initially consist of the Developer. At such time as the Developer transfers control of the Association to the Board of Directors, the Board of Directors shall constitute the Architectural Review Committee. An Architectural Review Committee may also consist of individuals who are appointed by the Developer or the Association (as applicable). All plans for improvement to a Lot including modification or additions to such improvements shall first be presented to the Architectural Review Committee for approval. The phrase "**improvement to the premises**" shall specifically include, without limitation, the composition and color of all exterior building surfaces, including windows, siding, trim, and roofing materials, all detached outbuildings (if allowed by the Declaration), and all landscaping and tree/shrub plantings. The committee shall have discretion and authority to approve a planned improvement to a Lot without hearing. If necessary or appropriate, the committee shall grant unto each applicant a hearing upon any plan submitted. The committee shall have the exclusive power, discretion and jurisdiction to approve, modify, or

amend plans so as to be in conformity with the general building design and compatible architectural design. The Architectural Review Committee shall have all the powers and obligations as set forth in the Declaration, and if any provision of these bylaws conflicts with the powers and obligations of the Architectural Review Committee as set forth in the Declaration, the Declaration shall control.

ARTICLE X Rights of Action

Section 1. Association and Lot Owners. The Association and any aggrieved Lot Owner shall be granted a right of action against a Lot Owner(s) for failure to comply with the provisions of the Declaration, these Bylaws, and with decisions of the Association which are made pursuant to authority granted the Association in such documents. Lot Owners shall have similar rights of action against the Association.

ARTICLE XI Conflicts

Section 1. Conflicts. These Bylaws are set forth to comply with the requirements of the laws of the state of North Dakota. In case any provision(s) of these Bylaws conflict with the provisions of any applicable statute or the Declaration, the provisions of such statute or the Declaration, as the case may be, shall control.

ARTICLE XIII Miscellaneous

Section 1. Notices. All notices to any Lot Owner shall be sent in accordance with the Declaration. All notices to mortgagees of Lots shall be sent by certified mail to their respective addresses as designated by them from time to time, in writing, to the Board of Directors. All notices of change of address shall be deemed to have been given when received. In the event a Lot is owned by multiple persons or entities, notice to one owner shall be deemed as notice to all owners of such Lot.

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

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

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

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

Section 6. Payment of Assessments. No Lot Owner shall convey, mortgage, sell or lease a Lot unless and until he or she shall have paid in full, to the Association, all unpaid common charges theretofore assessed by the Board of Directors against such Owners' Lot.

Section 7. Taxes. All taxes, assessments and charges which may become liens prior to the first mortgage under local law shall relate only to the individual Lot and not to the Project as a whole.

Section 8. Priority. No provision in these Bylaws shall give a Lot Owner or any other party, priority over any rights of the mortgagees of Lots pursuant to their mortgages in the case of a distribution to Lot Owners of insurance proceeds or condemnation awards for losses or a taking of Lots and/or the Common Areas and Improvements.

Section 9. Documents and Financial Statements. The Association shall be required to make available to Lot Owners and lenders or insurers, current copies of the Declaration and Bylaws and all amendments thereto, any rules concerning the Project promulgated by the Association, and the books, records and financial statements of the Association. These documents and records shall be available for inspection, upon request, during normal business hours or under other reasonable circumstances. Any document financial statement requested by the parties listed above shall be furnished by the Association within a reasonable time following such request.

[Remainder of page intentionally left blank; signature page follows.]

IN WITNESS WHEREOF, the Developer hereto has set its hand the day, month and year listed below.

Dated this ____ day of _____ 202__.

SP DEVELOPERS, LLC

By: _____
Cameron Knutson, President

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