

**BYLAWS OF THE
HONEY HILLS ESTATES
HOMEOWNERS' ASSOCIATION**

**ARTICLE I
MEMBERS**

SECTION 1. Eligibility: The original **Members** of the Honey Hills Estates Homeowners' Association ("**Association**") shall consist of the owners of the following lots:

HONEY HILLS ESTATES FIRST TO THE COUNTY OF MORTON,
NORTH DAKOTA LOT 1, BLOCK 2 SHAW SUBDIVISION ALL IN
SECTIONS 32 AND 33, TOWNSHIP 140 NORTH, RANGE 81 WEST
BLOCK 1- LOTS 1-6
BLOCK 2- LOTS 1-9
BLOCK 3- LOTS 1-7

HONEY HILLS ESTATES SECOND TO THE COUNTY OF MORTON,
NORTH DAKOTA, LOT 1, BLOCK 1 SHAW SUBDIVISION ALL IN
SECTIONS 32 AND 33, TOWNSHIP 140 NORTH, RANGE 81 WEST
BLOCK 1- LOTS 1-10
BLOCK 2- LOTS 1 AND 2
BLOCK 3- LOTS 1-12

(Hereinafter the "subject property").

Owners are defined as a person or entity holding title to a lot located in the subject property. The **Developer** of the subject property is **MBR Properties LLC**, a North Dakota limited liability company, with an address of PO Box 1272, Bismarck, ND 58502 (hereinafter referred to as the "Developer").

The Honey Hills Estates Homeowners' Association has been incorporated and formally registered with the North Dakota Secretary of State as "**Honey Hills Estates LLC**," a nonprofit limited liability company. Any reference herein to "Homeowners' Association" or "Association", shall also be a reference to Honey Hills Estates LLC, as the names all refer to one-and-the-same entity.

SECTION 2. Easements and Roads. Stormwater Easements are located within Lots 2, 3 and 7 of Block 3, Honey Hills Estates First as shown on the

recorded plat for Honey Hills Estates First. Stormwater Easements are located within Lots 5 and 6, Block 1, Lot 1, Block 2, and Lots 10 and 11, Block 3, as shown on the recorded plat for Honey Hills Estates Second. "Roads" shall mean Honey Lane, Honey Loop, Shaw Drive and Rhone Drive as shown on the recorded plats.

SECTION 3. Succession: The Membership of each owner shall terminate when the Member ceases to be an owner of a subject property lot. Upon the sale, transfer or other disposition of the owner's interests in the property, the owner's Membership interest in the Association shall automatically be transferred to the new owner of such lot, including, without limitation, those acquiring title by means of a Sheriff's Deed or a deed in lieu of foreclosure.

SECTION 4. Initial Meeting of Members. Until the first meeting of the Members, Developer shall exercise the power of the Board of Directors. Within 60 days after the date that all Lots described above at SECTION 1 have been sold or conveyed to third persons and/or parties, or at such earlier time as Developer may determine, the initial meeting of Members shall take place and control of the Association shall pass to the Members. The initial meeting of Members shall be called by Developer and all Members shall be notified thereof as provided herein. At such initial meeting of Members, the Board of Directors shall be elected by ballot of the Members in accordance with the requirements of these Bylaws. The Members may transact such other business at such meeting as may properly come before them.

SECTION 5. Meetings: Meetings of the Members of the Association shall be held within Bismarck/Mandan at least annually as may be specified in the notice of the meeting. Special meetings of the Members may be called by the President of the Association or by a majority of the directors or by Members having at least one-half of the votes entitled to be cast at such meeting. The notices of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting, except as stated in the notice, unless by consent of two-thirds of the Members present, either in person or by proxy.

SECTION 6. Notices: It shall be the duty of the Secretary to deliver in person, by electronic mail, or by registered mail, a notice of each annual or special meeting of the Members, stating the purpose thereof as well as the time and place where the meeting is to be held, to each Member at such Member's address as it appears on the records of the Association, or if no such address appears, at such Member's last known address, at least ten (10) days prior to the meeting.

SECTION 7. Voting: Each subject Lot shall have one (1) Association vote and, except as provided herein. Each Lot not owned by Developer shall be obligated to pay 1/46 of Association assessments. Developer is not required to pay Association assessments. If a lot is owned by more than one (1) owner, the voting rights of such lot shall not be divided, but instead shall be exercised as if the owner consisted of only one (1) person in accordance with the proxy or other designation made by the persons constituting such owner. If an owner's assessment fees are in arrears by more than ninety (90) days, the owner shall forfeit the right to vote until assessment fees are current. Developer may exercise the voting rights with respect to all lots while owned by Developer. Voting may be in person or by written proxy.

SECTION 8. Quorum: Members represented in person or by proxy and holding a majority of the votes entitled to be cast at such meeting shall represent a quorum.

SECTION 9. Adjournments: If any meeting of Members cannot convene due to lack of quorum, the Members who are present, either in person or by proxy, may adjourn the meeting to another time.

ARTICLE II BOARD OF DIRECTORS

SECTION 1. Number: Except as provided herein, the Board of Directors of the Association (the "Board") shall consist of three (3) persons. However, until such time as all subject Lots have been sold or conveyed to third persons or parties, Developer shall appoint the sole Board Director and sole officer of the Association. After such time as all subject property Lots have been sold or conveyed to third persons or parties, or at such earlier time as agreed to by Developer, three (3) Members shall be elected to the Board by the subject Lot owners at the next annual meeting of Members. The election of directors shall be conducted by ballot. With regard to the Board of Directors elected immediately after all Lots have been sold, as described immediately above, the term of office of the initial elected director receiving the most votes from Association Members shall be fixed at three (3) years, the term of office for the initial elected director receiving the second most votes from the Association Members shall be fixed at two (2) years, and the term of office for the initial elected director receiving the third most votes from the Association Members shall be fixed at one (1) year. Thereafter, the term of office for all directors shall be three (3) years. With regard to the first election of directors, in the event two (2) or more Members of the Board have the same vote total, then the Lot owners shall vote again until one

Member has the majority of votes. If a tie cannot be broken by the Members, the other directors will break the tie.

SECTION 2. Qualifications: Each director shall be a Lot owner, or if an owner is a corporation, partnership or trust, a director may be an officer, Member or partner of the owner, except for directors nominated or designated by Developer. If a director shall cease to meet such qualifications during such director's term, such director shall thereupon cease to be a director and such director's place on the Board shall be deemed vacant.

SECTION 3. Vacancies: Any vacancy occurring on the Board may be filled by the remaining directors of the Board.

SECTION 4. Annual Meetings: The first meeting of a newly elected Board shall either be held immediately following the annual meeting of the Members or within ten (10) days following said annual meeting. The purpose of the first meeting of the Board shall be:

- (a) To estimate the amount of the annual budget, and to provide the manner of assessing and collecting from the owners their respective shares of such estimated expenses, as hereinafter provided;
- (b) To exercise all rights, powers and duties granted to it by the Declaration;
- (c) Unless provided herein or in the Declaration, to comply with the instructions of a majority of owners as expressed in a resolution duly adopted at any annual or special meeting of the Members.

SECTION 5. Non-Delegation: Nothing in this Article or elsewhere in these Bylaws shall be construed to grant to the Board or to the officers of the Association any powers or duties which by law or by the Declaration have been delegated to the owners.

SECTION 6. Removal: After all Developer-owned Lots have been sold and the three (3) person Board has been elected, any director may be removed from the Board by an affirmative vote of owners having at least two-thirds of the Association's votes.

SECTION 7. Amendments: As long as Developer owns a subject Lot, Developer reserves the right to amend these Bylaws at any time without obtaining the prior consent of any other Lot owners. Once Developer no longer

owns a Lot, these Bylaws may be amended by an affirmative vote of owners having at least two-thirds of the Association's votes.

Article III, Section 2, relating to powers and duties of the Board over stormwater easements and roads, may not be amended by Developer or Board unless such amendment is approved by Morton County.

Article IV, Section 8, relating to dissolution of the Board or non-profit, may not be amended by Developer or Board unless such amendment is approved by Morton County.

ARTICLE III OFFICERS

SECTION 1. Designation: At each annual meeting, the Board shall elect the following officers of the Association:

- (a) A President who shall preside over the meetings of the Board and of the Members, and who shall be the chief executive officer of the Association;
- (b) A Vice-President who shall in the absence or disability of the President perform the duties and exercise the powers of the President;
- (c) A Secretary/Treasurer who shall keep the minutes of all meetings of the Board and of the Members and who shall in general perform all of the duties incident to the office of Secretary and who may be a representative of the managing agent; and who shall be responsible for financial records and books of account and the manner in which such records and books are kept and reported.

As provided above, until such time as all subject Lots have been sold or conveyed to third persons or parties, Developer shall appoint a person to serve as sole director and officer of the Association.

SECTION 2. Powers and Duties: The Board shall have the following powers and duties:

Stormwater Easements

- (a) To provide for the management, upkeep, maintenance, operation, and necessary repair or remediation of the Stormwater Easements and any other common areas as outlined in and as required by the provisions of the Honey Hill's Estates Stormwater Maintenance Agreement executed by

Developer, Honey Hills Estates LLC (the Homeowners' Association) and Morton County.

(b) To provide the manner for assessing and collecting from the Members, and to assess and collect from Members, of the Association, their respective shares of the expenses for the Stormwater Easements and any other real property subsequently conveyed to the Association by the Developer as common area.

Roads

(a) To provide for the management, upkeep, maintenance, operation, and necessary repair or remediation of roads within the subject property (to the extent not otherwise maintained by Morton County).

(b) To provide the manner for assessing and collecting from the Members, and to assess and collect from Members, of the Association, their respective shares of the expenses for the Roads, and any other real property subsequently conveyed to the Association by the Developer as common area.

The Board shall have general powers and authority to collect monies and perform necessary duties to improve and maintain the common areas described herein and to cover necessary expenses related to Stormwater Easements, Roads and other common areas.

SECTION 3. Term: Except as provided in Section 4, each officer shall hold office for the term of one (1) year. This notwithstanding, qualified officers shall hold office until their successors have taken over their position as officer.

SECTION 4. Vacancies: Vacancies in any office shall be filled by the Board at regular or special meetings. Any officer may be removed at any time by the Board at a regular or special meeting.

SECTION 5. Compensation: The Officers shall receive no compensation for their services.

ARTICLE IV ASSESSMENTS

SECTION 1. Annual Budget: The Board shall cause to be prepared an estimated annual budget for each fiscal year of the Association. Such budget shall take into account the estimated common expenses and cash requirements for the year, including salaries, wages, payroll taxes, legal and accounting fees,

supplies, materials, parts, services, maintenance, repairs, replacements, insurance and all other common expenses related to the upkeep, maintenance, mowing, snow removal and necessary repair or remediation of the stormwater area and any other real property subsequently conveyed to the Association by the Developer as common area.

SECTION 2. Assessments: The estimated annual budget for each fiscal year shall be approved by the Board, and copies thereof shall be furnished by the Board to each owner not later than ninety (90) days after the beginning of the year. The Board shall provide each owner with a summary of the proposed annual budget and the Board shall set the monthly assessments for each lot owner. The Board shall be authorized to fund, by way of assessments, a reserve or "rainy day" fund in an amount the Board, in its discretion, deems reasonable and appropriate. The Board shall be authorized to modify the assessments as time passes and events unfold. In the event that the Board shall not approve an estimated annual budget or shall fail to determine new assessments for any year or shall be delayed in doing so, each owner shall continue to pay each month the amount of such owner's respective assessment as last determined.

Unpaid assessments shall be deemed as a lien against the relevant lot(s) and as a personal obligation of the then Lot Owner(s).

SECTION 3. Supplemental Budget: In the event that during the course of any year it shall appear to the Board that the assessments determined in accordance with the estimated annual budget for such year are insufficient or inadequate to cover the estimated common expenses for the remainder of the year, then the Board shall prepare and approve a supplemental budget covering the estimated deficiency for the remainder of such year, copies of which supplemental budget shall be furnished to each owner and thereupon a supplemental assessment shall be made to each owner.

SECTION 4. Capital Expenditures: The Board shall not approve any capital expenditures in excess of \$250.00 per lot, unless required for emergency repair, maintenance or remediation of the common areas described herein, nor shall the Board enter into any contracts for more than one (1) year without first obtaining the approval or affirmative "vote" of a majority of the available Association votes.

SECTION 5. Lien: It shall be the duty of every owner to pay each owner's proportionate/allocated percentage of the common expenses. If any owner fails or refuses to make their required payment, when due, then the amount owing shall constitute a lien against the owner's lot, and any improvements thereon, and the Board, on behalf of the Association, in addition to any other rights and

remedies as provided for in any Declaration, Bylaw, or otherwise available at law or in equity for the collection of the unpaid assessments, shall be authorized to foreclose on said lien in the same fashion allowed under North Dakota Law for a secured creditor holding a mortgage lien against the owner's real property. No subject property lots shall be conveyed or transferred unless and until all outstanding assessments have been paid current.

SECTION 6. Effect of Non-Payment of Assessments — Remedies of the Association. Any assessment provided for herein, which is not paid when due, shall be delinquent. With respect to each assessment not paid within fifteen (15) days after its due date, the Association may, at its election, require the owner to pay a "late charge" in a sum to be determined by the Association, but not to exceed Thirty Dollars (\$30.00) per delinquent assessment. If any assessment is not paid within thirty (30) days after the delinquency date, the assessment shall bear interest from the date of delinquency at the then legal rate, and the Association may, at its option bring an action at law against the owner personally obligated to pay the same to foreclose the lien against the real estate, and there shall be added to the amount of such assessment the costs of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include said interest and reasonable attorney fees, together with the costs of action. Each owner vests in the Association or its assigns, the right and power to bring all actions at law or lien foreclosures against such owner or other owners for the collection of such delinquent assessments. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the stormwater areas or abandonment of his or her property.

SECTION 7. Records and Statement of Account: The Board shall cause to be kept detailed and accurate records in chronological order of the Association's receipts and expenditures, specifying and itemizing the common expenses incurred.

SECTION 8. Emergency Maintenance — Assessment by County. In the event that the Association either dissolves or ceases to exist, or should it otherwise fail to uphold its duties to provide for the management, upkeep, maintenance, operation, and necessary repair or remediation of Stormwater Easements and/or Roads, as outlined in Article III, Section 2, and Morton County must perform maintenance on either roads or stormwater facilities, the Members hereby waive their option to protest any special assessments levied on the subject property to pay for the performance of such maintenance. Members agree that it shall be the County's sole discretion to define what events or conditions constitute an emergency.

ARTICLE V
LIABILITY OF OFFICERS AND DIRECTORS

SECTION 1. Exculpation: No director or officer of the Association shall be liable for acts or defaults of any other officer or Member or for any loss sustained by the Association or any Member thereof, unless the same has resulted from willful misconduct or gross negligence.

SECTION 2. Indemnification: Every director and officer of the Association shall be fully indemnified by the Association against all reasonable costs, expenses and liabilities (including legal fees and costs) actually and necessarily incurred by or imposed upon them in connection with any claim, action, suit, proceeding, investigation or inquiry of whatever nature in which they may be involved as a party or otherwise by reason of their having been an Officer or Director of the Association whether or not they continue to be a Director or Officer of the Association at the time of the incurring or imposition of such costs, expense or liability, except in relation to matters as to which they shall be finally adjudged in such action, suit, proceeding, investigation or inquiry to be guilty of willful misconduct or gross negligence toward the Association in the performance of their duties, or in the absence of such final adjudication, any determination of such liability by the opinion of legal counsel selected by the Association. The foregoing right of indemnification shall be in addition to and not in limitation of all rights to which such persons may be entitled as a matter of law and shall inure to the benefit of the legal representative of such person.

IN WITNESS WHEREOF, Honey Hills Estates LLC, the Homeowners' Association, and MBR Properties, LLC, the Developer, have executed these Bylaws this ____ day of _____, 2024.

[SIGNATURE PAGES FOLLOW]

HOMEOWNERS' ASSOCIATION

Honey Hills Estates LLC, a North Dakota nonprofit limited liability company

Randy Rhone, Director, Board of Directors

STATE OF _____)
) SS.
COUNTY OF _____)

On this ____ day of _____, 2024, before me a notary public personally appeared Randy Rhone, who is known to me to be Director of the Board of Directors of the described limited liability company described in this document as Developer and who acknowledged to me that he executed the within and foregoing instrument.

Notary Public

DEVELOPER:
MBR Properties LLC

Brad Balerud, Member

STATE OF _____)
) SS.
COUNTY OF _____)

On this ____ day of _____, 2024, before me a notary public personally appeared Brad Balerud, who is known to me to be a Member of the described limited liability company described in this document as Developer and who acknowledged to me that he executed the within and foregoing instrument.

Notary Public

MBR Properties LLC

Randy Rhone, Member

STATE OF _____)
) SS.
COUNTY OF _____)

On this ____ day of _____, 2024, before me a notary public personally appeared Randy Rhone, who is known to me to be a Member of the described limited liability company described in this document as Developer and who acknowledged to me that he executed the within and foregoing instrument.

Notary Public

MBR Properties LLC

Steve Mariner, Member

STATE OF _____)
) SS.
COUNTY OF _____)

On this ____ day of _____, 2024, before me a notary public personally appeared Steve Mariner, who is known to me to be a Member of the described limited liability company described in this document as Developer and who acknowledged to me that he executed the within and foregoing instrument.

Notary Pub

MBR Properties LLC

Greg Mariner, Member

STATE OF _____)
) SS.
COUNTY OF _____)

On this ____ day of _____, 2024, before me a notary public personally appeared Greg Mariner, who is known to me to be a Member of the described limited liability company described in this document as Developer and who acknowledged to me that he executed the within and foregoing instrument.

Notary Public