

DECLARATION
of
COVENANTS, CONDITIONS AND RESTRICTIONS
for
LAKE SHORE ESTATES

THIS DECLARATION, Made this _____ day of _____ 1986, by Lake Shore Estates, Inc. , a North Dakota corporation, of Beulah, North Dakota, (hereinafter called the "Developer")

WITNESSETH:

WHEREAS, the Developer is the owner of the real property described in Article II of this Declaration, and desires to create or has created thereon a residential community, with some lots being designated for other purposes, and

WHEREAS, the Developer has caused to be incorporated, Lake Shore Estates Lot Owners Association, Inc. , under the Laws of the State of North Dakota, as a nonprofit corporation, to which shall be assigned the powers and duties of maintaining and administering any common areas and facilities, and administering and enforcing the covenants and restrictions, and collection and disbursing the assessments and charges herein created. This non-profit corporation shall be referred to as the "Association".

NOW, THEREFORE, the Developer hereby declares that the real property described in Article II is and shall be held, transferred, sold, conveyed, and occupied, subject to the covenants, restrictions, easements, charges and liens hereinafter set forth.

ARTICLE-I

DEFINITIONS

Section 1.- The following words, when used in this Declaration, or any supplemental Declaration (unless the context shall prohibit) shall have the following meanings:

- a. "Association" shall refer to Lake Shore Estates Lot Owners Association, Inc.
- b. "lot" shall refer to any lot numbered from 1 thru 39, both inclusive, in Block 1, Lake Shore Subdivision, part of Sections Eight (8) and Nine (9), Township One Hundred Forty-Six (146) North, Range Eighty-Seven (87) West of the Fifth Principal Meridian, Mercer County, North Dakota, as more particularly shown on the plat thereto described in Article II hereof, together with any improvements thereon, and any additional lots, developed by the developed by the Developer pursuant to Article II, Section 2, hereof. Each lot shall constitute one lot or lot unit and shall include the lot and
the correspondent rights and duties associated with the common areas as set out herein.
- c. "Owner" shall refer to the holder of the fee simple absolute, a contract vendee, life tenant, or lessee under a lease having a term of more than three (3) years.
- d. "Member" shall refer to a member of the Association as provided in Section 1 of Article II hereof.
- e. "Developer" shall refer to Lake Shore Estates, Inc., its successors and assigns.

- f. "Mortgage" shall mean and refer to any mortgage of record or other security instrument by which a lot or any part thereof is encumbered.
- g. "Mortgagee" shall mean and refer to any person names as a mortgagee under any such mortgage or any successors with an interest of such person under such mortgage.
- h. "Common areas" shall refer to the following as more particularly shown on the plat described in Article II hereof:
 - 1. All areas platted for road easement for which primary responsibility has not been accepted. by any
 - 2. That portion of lot 39 more particularly described as the North 50 feet thereof.
 - 3. Maintenance responsibility and nonexclusive right to use the public areas belonging to the U. S. Army Corps of Engineer, and leased to the Park District of the City of Beulah, North Dakota.

This area may be more particularly described as follows, to-wit:

Those U.S. Government lands lying above elevation line 1854 m.s.l. located within that portion of the N 1/2 of Section 8, Twp. 146 N, R. 87 W, and West 700 foot portion of the N 1/2 of Section 9, Twp. 146 N, R. 87 W, that lie adjacent to the North shoreline of a large bay located in Sections 8 and 9 of Twp. 146 N, R. 87 W, Mercer County, North Dakota. These two tracts contain 25.51 acres, more or less.

- 4. Any other areas so designated and accepted from time to time by the Association.
- J. "Recreational vehicle" shall refer to vacation trailer or other vehicle or portable unit which is either self propelled or towed or is carried by a motor vehicle which is intended for human occupancy and is designed for vacation or recreational purposes, but not for residential use.

"Mobile home dwelling" shall refer to a structure, transportable in one or more sections which is twelve body feet or more in width and is 48 body feet or more in length and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes its plumbing, heating, air conditioning and electrical systems as applicable. All mobile home dwellings are titled by the motor vehicle division of the State Highway Department.

ARTICLE II

PROPERTY SUBJECT TO DECLARATION

Section 1,

The real property (each "lot" or "lot unit"), which is and shall be held, transferred, sold, conveyed and occupied subject to this declaration is located in the County of Mercer, State of North Dakota, and more particularly described as follows, to-wit:

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21 , 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, and 39, Block 1, Lake Shore Subdivision, a part of Sections 8 and 9, Township 146 North, Range 87 West of the Fifth Principal Meridian, Mercer County, North Dakota

and subject to all of the dedications, restrictions, and agreements of the subdivision plat thereof on file in the Office of the Register of Deeds, in and for the County of Mercer, State of North Dakota (a partial copy of said Plat being attached hereto and made a part hereof as Schedule A), and further subject to all of the covenants, conditions, and restrictions in this Declaration and its attached By-Laws. Each lot or lot unit shall consist of the said lot plus the rights and obligations associated with the common areas as set out herein.

Section 2

The developer hereby reserves the right and option to develop other lots and subdivisions within the following described real property, to-wit:

The Northeast Quarter (NE 1/4) of Section Eight (8), and the Northwest Quarter (NW 1/4) of Section Nine (9), Township One Hundred Forty-Six (146), Range Eighty-Seven (87) West, less portions acquired by the United States of America, and all located in Mercer County, North Dakota.

Any additional property developed by the Developer, may, at the option of the Developer, have access to all common areas, including but not limited to roads and water facilities, covered by this declaration. If the Developer elects to add additional developed property, then the Developer shall be responsible, at its own cost, for expansion of the common areas sufficiently to handle the additional properties to be served by them. Further, any new properties added by the Developer shall share in the expense of the upkeep of the common areas in the same proportion as the original property owners. That proportion shall be on an equal basis with each lot having one vote and a share of the benefits and responsibilities in equal proportion as set out herein. Any new common areas, which are similar in character to those set out herein, and are a reasonable result of the expanded development under this section, shall upon completion, be transferred to the Association and become the Association's responsibility so far as ownership and maintenance is concerned.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. MEMBERS

The qualifications of members and the manner of their admission into the Association as a member shall be as follows:

- a. An owner shall by virtue of such interest be a member of the Association.
- b. When one or more persons is an owner of a lot, all of such persons shall be members.
- c. It shall be the duty of each owner to register his name and the nature of his interest with the Secretary of the Association. If the owner does not register his name and the nature of his interest, the Association shall be under no duty to recognize his ownership.
- d. When a corporation or partner is the owner of a lot, the Secretary of the corporation shall register the name of the corporation and the nature of its interest with the Secretary of the Association, and designate the person and/or persons who shall be entitled to cast the vote of such owner, and one of the general partners of a partnership shall register the name of the partnership, the nature of its interest, and

designate the person and/or persons entitled to cast the vote of such owner, with the Secretary of the Association.

Section 2. VOTING RIGHTS

- a. The owners of each lot shall be collectively entitled to one vote.
- b. When there is more than one owner of a lot, the vote shall be cast by the person named in a certificate signed by all owners of the lot and filed with the Secretary of the Association. If the owner is a corporation or partnership, the vote shall be cast by the person named in a certificate duly executed by said corporation or partnership. Each such certificate shall be valid until revoked by a subsequent certificate filed with the Secretary of the Association.
- c. Until twenty (20) of the lots have been sold and paid for, the Developer shall be and is empowered to cast all votes for all owners, and upon the sale of the twentieth (20th) lot the Developer shall cause to be called a special meeting of the owners and members of the Association for the purpose of electing directors of the Association and the transaction of any other business, all as provided by the Articles of Incorporation and the By-laws of the Association. However, should the Developer exercise its option under Article II, Section 2, to develop additional lots or subdivisions, then upon the filing of the plat for said additional lots or subdivisions, the President of the Association shall call a special meeting and there shall be added to the Board of Directors sufficient additional Directors to give the members of the Developer corporation a majority of the Board of Directors, and these additional Directors shall hold office until such time as the Developer shall have sold and been paid for one more than half of the additional lots developed. When one more than half of the additional lots developed shall have been sold and paid for, the additional Directors added pursuant to this section shall be required to resign and the Board of Directors shall revert to its original number and composition. This section shall be effective upon each new addition of lots or subdivision added pursuant to Article II, Section 2, hereof.

Section 3. FUNDS

The share of an owner in the funds and assets of the Association cannot be assigned, pledged, encumbered or transferred in any manner, except as an appurtenance to the lot of which he is an owner.

ARTICLE IV

PROPERTY RIGHTS IN COMMON AREA

Section 1. MEMBERS ENJOYMENT

Every member shall have the following non-exclusive appurtenant easements in the common areas:

- a. Ingress and egress
- b. A utility easement, an easement for water, sewer and other utilities, as provided on the plat.
- c. Right and easement of enjoyment.

all subject to any dedications, restrictions, or agreements contained in the Plat described in Article II hereof, and as specified in this Declaration of Covenants, Conditions and Restrictions.

Section 2. TITLE and IMPROVEMENTS

- a. The Developer shall convey and record marketable record title, subject to the dedications, restrictions or agreements contained within the Plat described in Article II hereof, to the Association, prior to the conveyance of a fee title to any lot. The acceptance by the Association of such conveyance shall

constitute an assumption by the Association of all obligations and duties of the Developer arising out of the Plat described in Article II hereof, as to such conveyed property.

- b. The Developer covenants and agrees with the Association that it will make and pay for all improvements to the roads, including grading and graveling and installation of the common water systems (to include mainline and supply system) until the Developer has completed this work, the Developer shall have the right to enter upon the common areas and such other areas as are reasonably necessary, for the purpose of completing such work. After the roads have been developed and the water system installed, maintenance shall be the responsibility of the Association.

Section 1. EXTENT OF EASEMENT

The right and easements of enjoyment created hereby and the title of the Association to the common areas shall be subject to the following:

- a. The right of the Association, in accordance with its Articles of incorporation and By-laws, to borrow money for capital improvements on the common areas, and in aid thereof to mortgage the common areas and the rights of such mortgagee in the mortgaged common areas shall be subordinate to the rights of enjoyment of the members hereunder. No indebtedness authorized by the paragraph shall exceed twice the sum of the annual assessments levied or permitted to be levied against all lots.
- b. The right of the Association to take such steps as are reasonably necessary to protect the common areas against foreclosure.
- c. The right of Association, as provided by the Articles of Incorporation and By-laws, to suspend the right of enjoyment of any member for any period during which any assessment remains unpaid, and to suspend the said right of enjoyment for any period not exceeding sixty (60) days and to impose a fine of not to exceed \$5.00 for each infraction of its published rules and regulation; provided, however, that nothing contained in this paragraph shall be deemed to deny an owner an easement for ingress and egress, or utility purposes.
- d. The right of the Association to charge a reasonable admission or other fees for the right to use common areas.

Section 4. DELEGATION OF USE

Any owner may delegate, in accordance with the By-laws, his right of enjoyment to the common areas and facilities to his tenants, who reside on the property, and to members of his family and guests.

Section 5. TAXES AND SPECIAL ASSESSMENTS

The Association shall have the right, power and authority to collect the real estate taxes and special assessments on the common areas as part of the annual assessment, if such taxes and special assessments are not collected by the governmental body from the owners or paid by the owners to the governmental body when the same are due and payable. The share of each lot shall be one/thirty-ninth (1/39) of such real estate taxes and special assessments on the common areas, unless the area shall be expanded in accordance with the provisions of Article 2, in which case each share shall be a fraction equal to one part of the total number of lots.

Section 6. USE OF COMMON AREAS

The common areas shall be used strictly in accordance with the easements granted thereon and the dedications contained in the Plat as described in Article II hereof. Except as herein provided, no owner shall obstruct or interfere in any manner whatsoever with the rights and privileges of the other owners in the common areas and nothing shall be planted, altered, constructed upon or removed by an owner from the common areas,

except by prior written consent of the Association. If the owner shall violate this section, the Association shall have the right to restore the common area to its prior condition and assess the cost thereof against the owner who violates this section, and such cost shall become a lien upon the lot of such owner, from the, date of such assessment and shall become due and payable upon demand.

The Association shall have the same right and powers to collect the cost of such restoration as is provided in Article VI for the collection of delinquent annual assessments.

If an owner interferes with the rights and privileges of another owner in the use of the common areas, except as herein provided, the Association or owner may commence an action to enjoin such interference and the prevailing party shall be entitled to recover such reasonable attorney's fees as the court may allow, together with all necessary Costs and disbursements incurred in connection therewith.

ARTICLE V

RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

Section 1. COMMON AREA

The Association, subject to the rights of the owners set forth in this Declaration, shall be responsible for the exclusive management and control of the common areas and all improvements thereon and shall keep the same in good, clean, attractive, and sanitary condition, order and repair.

The Association shall be responsible for the maintenance of the common water system and common road, including the access road on the north side of the lots and any other access roads located between the individual lots, however, the maintenance of the private water line from the main water line to the individual lot dwelling shall be the maintenance responsibility of the individual lot owner. The Association shall have maintenance responsibility for the water main line and well and pumping facilities only.

The Association, its agents and employees, shall have the right to enter upon any lot for purpose of maintaining the above.

Section 2. SERVICES

The Association may obtain and pay for the services of any person or entity to manage its affairs, or any part thereof, to the extent that it deems advisable, as well as such other personnel as the Association shall determine to be necessary or desirable for the proper operation of the real property described in Article II hereof for the purposes as set forth in this Declaration, whether such personnel are furnished or employed directly by the Association or by any person or entity with whom or which it contracts.

The Association may obtain and pay for legal and accounting services as are necessary or deemed desirable in connection with the operation of the said real property or the enforcement of any of the terms, conditions, and/or provisions of this Declaration.

The Association may arrange with others to furnish water, trash collection, sewer service, and other common services to each lot, and the cost thereof shall be charged to each lot on the basis of one/thirty-ninth (1/39) of such cost unless the area shall be expanded in accordance with the provisions of Article II, in which case each share shall be a fraction equal to one part of the total number of lots.

Section 3. PERSONAL PROPERTY

The Association may acquire and hold for the use of all of the members any tangible and/or intangible personal property and dispose of the same by sale or otherwise, as it shall be deemed desirable. Each member may

use such property in accordance with the purpose for which it is intended, without hindering or encroaching upon the lawful rights of other members to a like use thereof.

The beneficial interest in such personal property shall be vested in the owners of the lots, but shall not be transferable separate from a transfer of ownership of the lot, and the transfer of the ownership of any lot shall transfer to the transferee ownership of the transferor's beneficial interest in such personal property without reference thereto.

The transfer of ownership of a lot pursuant to foreclosure shall entitle the purchaser at the foreclosure sale to the beneficial interest attached to the ownership of such lot.

Section 4. RULES AND REGULATIONS

The Association may make reasonable rules and regulations governing the use of lots and the common areas, which rules and regulations shall be consistent with the right and duties established by this Declaration.

ARTICLE VI

ASSESSMENTS

The Association by a majority vote of the Board of Directors may levy assessments against the owners and/or members, and said assessments shall be paid by said owners and/or members in accordance with the following provisions:

Section 1.

Any assessment for the benefit of all lots and the common areas shall be at a uniform rate for all lots, and may be made annually or periodically, as the Board of Directors shall determine.

Section 2.

Any assessment for alterations or additions to improvements of the common areas, involving an expenditure of \$5000-00 or more, shall be first approved by a two-thirds (2/3) vote of the members. This two-thirds (2/3) vote shall include all members added pursuant to any exercise of the Developer's option under Article II, Section 2 hereof.

Section 3.

Each owner/or member shall be liable for his share of any assessment for the benefit of all lots and the common areas, and any surplus shall be allocated proportionately to each lot.

Section 4.

Any special assessment for the benefit of any lot and/or lots, to the exclusion of any lot and/or lots, shall be on the basis of the benefit to any lot and/or lots, as determined by the Board of Directors, and shall be payable as determined by the Board of Directors at the time of making such special assessment.

Section 5.

There shall be an annual assessment against all lots for one/thirty-ninth (1/39) of the annual real estate taxes and installments of special assessments (if any) against the common areas, and certified to the County Treasurer for collection. Any owner of a lot may pay one/thirty-ninth (1/39) of the unpaid special assessments which have not been certified to the County Treasurer for collection, and the annual assessment against such lot by the Board of Directors, shall not include the one/thirty-ninth (1/39) of such special assessments, so paid. This assessment may be expanded to include additional lots if the Developer, at his option, increases the property subject to the Declaration pursuant to the provisions of Article II hereof.

Section 6.

Any assessment shall be a lien upon the lot and/or lots from the date of assessment thereof by the Board of Directors, notwithstanding the manner of payment may be periodic.

Section 7.

Assessments shall be only for the purpose of carrying out the rights, obligations and duties of the Association as contained in this Declaration, or some amendment thereto, and shall be against all lots set forth in the assessment thereof, and set forth upon a roll of the lots in the office of the Secretary of the Association, which -said roll shall be available for inspection at all times by members or their duly authorized representative. Such roll shall indicate for each lot the name and address of the members, the assessments for all purposes and the amounts of all assessments paid and unpaid. A certificate by the Secretary of the Association as to the status of a member's assessment account shall limit the liability of any person for whom such certificate is made, to the amount shown unpaid in said certificate, for all previously assessed assessments. The Association shall issue such certificate to such persons as a member may authorize in writing.

Section 8.

Assessments and installments thereof paid on or before ten (10) days after the date when due shall not bear interest, but all sums not paid on or before ten (10) days after the date when due shall bear interest at the rate of ten percent (10%) per annum from the date when due until paid. All payments on account shall be applied first to interest and then to the assessment payment first due. All interest collected shall be credited to the common expense account.

Section 9.

No member may exempt himself or itself from liability for his or its contribution and/or assessment towards the common expenses by waiver of the use or enjoyment or any of the common services or common areas provided for in this Declaration, or by abandonment of the lot.

Section 10.

All sums assessed by the Board of Directors shall constitute a lien on each lot against which the assessment was made on the dates hereinbefore specified, and said lien shall be prior to all other liens, excepting only:

- a. Real estate tax liens and liens for special improvement in favor of any taxing and assessing unit, and
- b. All sums unpaid on any first mortgage recorded prior to the date the sums assessed by the Board of Directors became a lien. The purchaser at foreclosure sale of a first mortgage of record and the successors in interest of such purchaser shall, upon the expiration of the period of redemption, hold title to the lot free and clear of any existing lien for assessments subsequent to the recordation of the first mortgage and prior to the expiration of the period of redemption, and such purchaser and the purchaser's successors in interest, shall not be personally liable for such assessments. Any such unpaid assessments shall thereupon, with no further action, become a lien on all other lots in equal shares.

Section 11.

The lien of the unpaid sums assessed by the Association may be foreclosed by action in like manner as a foreclosure of mortgage or such other action as is permitted by the Laws of the State of North Dakota. The Association shall have the power to bid in at such foreclosure sale, and recover a money judgment for unpaid sums assessed by the Association may be brought against the owner and/or members of any lot against which said unpaid sums are assessed.

ARTICLE VII

COVENANTS FOR INSURANCE

Section 1. MAINTENANCE OF INSURANCE

The Association shall secure a master policy of fire, extended coverage, vandalism, and malicious mischief with all risk endorsement insurance, in an amount at the minimum to cover the entire replacement cost of the improvements that may be placed in the common areas plus any liability for personal injury that the Association might have as a result of the common areas.

ARTICLE VIII

ARCHITECTURAL CONTROL COMMITTEE

From and after the completion of construction and sale of lot within the Addition covered by this Declaration, no building, fence, wall, or other structure shall be commenced, erected or maintained upon any such lot, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing as to harmony of external design, location in relation to the surrounding structures, and topography by the Board of Directors or by an architectural control committee composed of three or more members appointed by the Board of Directors of the Association.

In the event the Association fails to approve or disapprove such plans and specifications within thirty (30) days after said plans and specifications have been submitted to it or in any event if no suit to enjoin the addition, change or alteration has been commenced prior to the completion thereof, approval will not be required and this Article shall be deemed to have been fully complied with.

The prevailing party in an action brought by the Association pursuant to this Article shall be deemed entitled to recover costs and disbursements in connection therewith.

All such plans and specifications shall be submitted to the Secretary of the Association, and any time limit herein contained shall commence from the date of such submission.

ARTICLE IX

EASEMENTS

Section 1. EXTENT OF MUTUAL EASEMENTS

The title of a lot shall include the various utility easements as dedicated on the plat and the right of ingress and egress along the roads as dedicated on the plat.

ARTICLE X

ADDITIONAL RESTRICTIONS

Section 1.

No lot shall be used except for residential purposes, and then in strict compliance with the zoning requirements as set out by the County of Mercer, State of North Dakota, except that Lot 39 may be used for other than residential purposes if properly zoned therefore.

Section 2,

No animals, livestock, or poultry of any kind shall be raised, bred or kept on any lot, excepting that dogs, cats and other household pets may be kept, provided that they are not kept, bred, or maintained for any commercial purpose, and are controlled at all times so as not to be an annoyance to any other owner and/or member. The Association shall have the power to order the removal of any animal if either the Board of Directors or a majority of the members of the Association deem the animal to be a nuisance to the subdivision.

Section 3.

No sign of any kind shall be displayed to public view on any lot or any improvement on any lot, except that a "For Sale" sign may be displayed, provided that it is in such form as the Association may require, except that the Developer shall be permitted to erect and maintain upon any lot such signs as it deems appropriate to advertise the Development until the Developer conveys the fee title to said lot.

Section 4.

No garbage, rubbish or trash shall be kept on any lot, except in sanitary containers. All incinerators or other equipment used or kept for the storage or disposal of any such material shall be kept in a clean and sanitary condition.

Section 5.

No noxious or offensive activities shall be carried on upon any lot nor within any improvement upon any lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood, or any other lot owner and/or member.

Section 6.

No structure of a temporary nature or character, or a basement, trailer, shack, garage, barn or other building shall be used on any lot as a residence, either temporarily or permanently, except that a mobile home or recreational vehicle may be temporarily located on a lot not otherwise zoned therefore, so long as the locating of said mobile home or recreational vehicle on said lot meets county zoning requirements and has county approval, but in no case will it be allowed for more than two years after the purchase of the lot (except in those instances where the lot is specifically zoned for mobile homes and then only in compliance with county zoning requirements).

.Section 7

No lot (except Lot 39 if properly zoned for other uses) or improvement thereon shall be used for the storage of materials not customary, necessary, or convenient for lake residential living.

Section 8.

All property shall be required to use the central water system as owned, operated and maintained by the Association. Each property shall have a suitable field septic system which shall be constructed in compliance with the laws of the State of North Dakota and County of Mercer and shall be approved by the appropriate state official or County Sanitarian of Mercer County prior to construction.

Section 9.

No oil drilling, oil development operations, oil refining, quarrying or mining operations, of any kind, shall be permitted upon or in any lots, nor shall oil wells, tanks, tunnels, mineral excavations, or shafts be permitted upon or in any lot. No derrick or other structure designed for the use in boring for oil or other natural gas shall be erected, maintained or permitted upon any lot. It being understood that the Developer shall reserve unto itself all mineral rights owned by it on the date of this Declaration, and it being further understood that prior record title holders have previously withheld mineral rights to this property and that this Declaration is made subject to those reservations and the rights and privileges granted to them by law.

Section 10,

The Association shall have the responsibility for snow removal, repair and maintenance upon all roads serving the lots de-scribed herein, unless said maintenance has been assumed by the County of Mercer.

Section 11,

No building shall be erected, altered, placed, or permitted on any lot unless the design, location, materials and workmanship are in harmony with existing-structures and locations. The dwelling shall have a ground floor square foot area of not less than 700 square feet (excluding garage and exterior porches, etc.), except in those areas zoned mobile home, which may have a ground floor square foot area of not less than 600 square feet (excluding garage and exterior porches, etc.).

Section 12,

No mobile home shall be permitted unless anchored securely and installed with insulation, vertical skirting, and on concrete blocks or an acceptable equivalent spaced no more than 8 feet apart, and in all corners. Further, mobile homes shall be permitted only on those lots specifically zoned therefore in accordance with the zoning requirements in the County of Mercer, State of North Dakota, except for temporary mobile homes as set out herein, and in accordance with the County and State zoning requirements.

Section 13.

Any architectural finds uncovered during excavation shall be reported to the North Dakota State Historical Society. Erosion control will be accomplished by removing topsoil before the construction of improvements (i.e. roads or cabins) and replacing and seeding the topsoil after construction is completed. Natural drainage shall be preserved.

Section 14.

All driveways and approaches will be constructed in accordance with specifications as set out by the architectural committee. Above ground utility distribution and service lines shall be prohibited except during emergencies or repairs.

Section 15.

No lots shall be occupied until the lot line which is common and adjacent to the Army Corps of Engineer property has been properly fenced. Occupancy shall be defined as follows: Beginning construction on any improvement. The fence shall be a rail fence and have two rails between posts. Posts shall be limited to a maximum span of 10' and shall have a exposed height of 42" and have a minimum exposed height of 36", and shall be constructed of materials as approved by the architectural committee and be in conformity with other fences in this location. An opening (unfenced area) of 6' in width is allowed for each lot.

Section 16 .

Each lot shall have a 40' front yard (side facing the Lake) setback to be measured from the lot line inward. No building or other structures may be constructed within this 40' setback area, except that trees may be planted, a ground level swimming pool may be installed, and a patio (which may be screened in) may extend no further than ten (10) feet into this area beginning from the rear of the setback (area farthest away from lake). No fence, except for the type as specified in Section 15 above will be allowed within the 40' setback. Fences of other types shall be allowed on the remainder of the lot, except that no perimeter fence shall exceed a height of 60". A patio privacy fence, which may not exceed 72" in height, may be installed and is restricted to the area being within the lot setbacks as set out herein.

Section 17.

A side yard setback measured from the lot line shall be 10' for cabins, homes, and other R-1 uses 15' from mobiles.

Section 18.

No building or structure shall be placed within 60' of the center line of Lake Shore Drive.

Section 19,

These covenants are intended to be minimum restrictions and additional restrictions may be placed on the property by the Board of Directors or the architectural committee if appointed.

Section 20,

These covenants as well as all conditions and restrictions set out in this document are intended to run with the land and any transfer of title is subject to them and shall be binding upon all owners, their heirs and assigns.

ARTICLE XI

ASSUMPTION OF CORPS OF ENGINEERS AREA

Section 1.

It is the intention of the Developer to enter into a Third Party Concession Agreement, which said Third Party Concession Agreement shall allow the Developer to sub-lease the use of the following property from the Park District of the City of Beulah, which said Park District has leased said property from the United States Army Corps of Engineers. Said property is more particularly described as follows, to-wit:

Those U.S. Government lands lying above elevation line 1854 m.s.l. located within that portion of the N 1/2 of Section 8, Twp. 146 N, R. 87 W, and West 700 foot portion of the N 1/2 of Section 9, Twp. 146 N, R. 87 W, that lie adjacent to the North shoreline of a large bay located in Sections 8 and 9 of Twp. 146 N, R. 87 W, Mercer County, North Dakota. These two tracts contain 25.51 acres, more or less.

Section 2.

The Developer will assume certain responsibilities for improvement and maintenance of that area pursuant to its Third Party Concession Agreement with the Beulah Park District. As a part of its agreement, the Developer will agree to maintain and operate the area for the benefit of the public as well as the benefit of the members of the Association for a period of ten (10) years (provided that the Beulah Park District will allow operation under the terms of the Third Party Concession Agreement for that period), or until such time as the Developer and the Association shall mutually agree on the Association's assumption of the Developer's responsibility under the Third Party Concession Agreement. At the end of the ten (10) year period of operation by the Developer, the Association

shall take over the Developer's responsibility and negotiate a Third Party Concession Agreement with the Beulah Park District and maintain the area for the benefit of the public and the members of the Association pursuant to said Third Party Concession Agreement. If either the Association or the Developer are able to find a third party acceptable to the Beulah Park District, who can operate and maintain the Corps of Engineer property under the terms of the Third Party Concession Agreement, then either party may enter into an agreement with said third party.

Section 3.

The Developer shall maintain insurance in accordance with the Third Party Concession Agreement during the period of time that the Developer shall be responsible for the Corps of Engineer premises and thereafter, the Association shall maintain said insurance.

ARTICLE XII

GENERAL PROVISIONS

Section 1. DURATION

The easements created hereby shall be permanent and the covenants and restrictions contained in this Declaration shall run with and bind the land and shall inure to the benefit of and be enforceable by the Association or the owner and/or owners of any lot subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a term of ten (10) years from the date this Declaration is recorded in the Office of the Register of Deeds, County of Mercer, State of North Dakota, after which time said covenants and restrictions shall be automatically renewed for successive periods of ten (10) years.

Section 2. AMENDMENT

This Declaration may not be revoked or any of the provisions hereof revoked or amended unless 75% of the owners entitled to vote and their mortgagees agree to such revocation or amendment, in writing, duly executed and recorded in the same manner as this Declaration is executed and recorded.

Section 3. NOTICES

Any notices required to be sent to any owner and/or member under the provisions of this Declaration shall be deemed to have been properly sent when mailed prepaid to the last known address of the person and/or persons who appear as a member and/or owner on the records of the Association at the time of such mailing.

Section 4. ENFORCEMENT OF COVENANTS

Enforcement of these covenants and restrictions shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or restriction, either to restrain the violation or to recover damages, or against the land to enforce any lien created under the provisions of this Declaration. Failure of the Association or any owner and/or member to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter, unless otherwise specifically provided in this Declaration.

Section 5. INTERPRETATION

The singular shall be deemed to include the plural, wherever appropriate, and unless the context clearly indicates to the contrary, any obligations of the owners and/or members shall be joint and several.

Section 6. SEVERABILITY

Invalidation of any one of the covenants or restrictions by judgment or Court Order shall in no wise affect any other provision which shall remain in full force and effect.

Section 7. BY-LAWS

Attached hereto as Schedule B, and incorporated by reference, are the By-Laws of the Association.

Section 8. SERVICE OF PROCESS

The Developer is hereby designated to receive notice of process in any action which may be brought against the Association, until such time as the Board of Directors shall be selected, whereupon any member of the Board of Directors of the Association may be served.

IN TESTIMONY WHEREOF, the undersigned, being the Developer herein, has executed this Declaration the day and year first above written.

LAKE SHORE ESTATES, INC.
DEVELOPER

BY: _____
ITS PRESIDENT

ATTEST: _____
ITS SECRETARY

STATE OF NORTH DAKOTA

COUNTY OF MERCER

On this _____ day of _____ 1986, before me personally appeared _____

and _____ known
to me to be the

President and Secretary, respectively, that are described herein, and that executed the within instrument,

and acknowledged to me that they executed the same on behalf of said Corporation.

NOTARY PUBLIC

MERCER COUNTY, NORTH DAKOTA.

My commission expires: