

MEMBER CONTROL AGREEMENT
of
PRAIRIE WOOD DEVELOPMENT ASSOCIATION, LLC,
a North Dakota Limited Liability Company
organized under NDCC 10-32

ARTICLE 1
INITIAL DATE, PARTIES, AUTHORIZATION
AND PURPOSE OF THIS AGREEMENT

1.1 Initial Date; Initial Parties. This Agreement is first made on August 20, 2011 and is initially agreed to by all persons who on that date are, or who will become after formation is complete, members of Prairie Wood Development Association, LLC, ("the Company"), by all persons who on or before that date have signed Contribution Agreements with the Company and by the Company itself.

1.2 Subsequent Parties; Assent as a Precondition to Becoming a Member or Obtaining Rights Under a Contribution Agreement and Purpose.

(a) No person may become a member of the Company without first assenting to and signing this Agreement at formation. Thereafter, ownership of a lot within the Association area brings membership therewith. In addition, a membership requirement is the ownership of a lot or lots in Prairie Wood Development in Benson County, ND. Any act by the Company to offer, provide or reflect in its Required Records a membership interest includes the condition that the person becoming a member first assent to and sign this Agreement. The Company may not accept a contribution from any person who has not first assented to and signed this Agreement unless title to their property is acquired after the enactment of this entity, or who does not own property in the association area.

(b) Any act by the Company to offer, make or sign a Contribution Agreement includes automatically and by implication the condition that the person obtaining rights under the Contribution Agreement first assent to and sign this Agreement. No Contribution Agreement is valid unless the person whom the Contribution Agreement authorizes and requires to make a contribution first assents to and signs this Agreement. A Contribution Agreement will not be required after the formation of this entity and signature by all current landowners as the common area will then be owned by the Company. However property ownership in the association will always be required for membership.

(c) The purpose of this Company and this Agreement is to provide for the management of Prairie Wood Development Association and the common areas therein as set forth in the recorded Declarations and Amendments thereto as are of record or as may be placed of record hereafter. This includes, but is not limited to, the collection of assessments as set forth therein, management of common areas for the benefit of all members or the best interests of the majority of the members as is determined by the board. It is the intention that each lot owner shall receive one membership interest per lot, which interest and rights and responsibilities associated therewith shall transfer with the ownership of said lot – subject to the terms and conditions set forth herein and in the recorded Declarations.

1.3 Authorization of this Agreement. This Agreement is made under NDCC 10-32-50.

ARTICLE II DEFINITIONS

2.1 Scope. For purposes of this Agreement, unless the language or context clearly indicates that a different meaning is intended, the words, terms and phrases defined in this section have the following meanings.

2.2 Agreement. "Agreement" means this Member Control Agreement, as amended from time to time under Article 3.3.

2.3 Board. "Board" means the board of governors of the Company.

2.4 Capital Account. "Capital Account" Means the account of any Member which is maintained in accordance with Section 7.2 of this Agreement.

2.5 Code. "Code" means the Internal Revenue Code of 1986, as amended, and any successor to that Code.

2.6 Company. "Company" means, Prairie Wood Development Association, LLC, a North Dakota Limited Liability Company, organized under NDCC 10-32.

2.7 Contribution Agreement. "Contribution Agreement" means an agreement between a person and the Company, under which:

- (a) the person agrees to make a contribution of the common area to the Company; and
- (b) the Company agrees that, at the time specified for the contribution in the future, the Company will accept the contribution and reflect the contribution in the Required Records. This applies to the initial ownership parties at the time of the agreement and is not necessary for future owners as the common area will have transferred to the company prior to their ownership.

2.8 Core Business. "Core business" means the Company's management of the association and matters related thereto including enforcing the covenants, collecting dues or assessments and arranging and paying for services as necessary. It is the intent that this will be a not for profit entity.

2.9 Default Rule. "Default rule" means a rule stated in the Act:

- (a) which structures, defines or regulates the finances, governance, operations or other aspects of a limited liability company organized under the Act,

and

- (b) which applies except to the extent negated or modified, as provided in the Act, through the provisions of the limited liability company's articles of organization, operating agreement or member control agreement.

2.10 Dissociation of a Member/Dissociation. "Dissociation of a Member" or "Dissociation" occurs when the Company has notice or knowledge of an event which has terminated a Member's continued membership in the Company (including an event which leaves a Member without any governance rights). For the purposes of this section, a Member who grants a proxy effective under NDCC 10-32-48 is not left without governance rights, even if the proxy covers all the Member's governance rights.

2.11 Financial Rights. "Financial Rights" means a Member's rights to share in profits and losses and a Member's rights to receive distributions, interim distributions and termination distributions. It is not anticipated that there will be distributions of funds to members, however members are responsible for their assessments to ensure the viability of the association and the Company.

2.12 Fiscal Year. "Fiscal Year" means the annual period upon which the Company files its federal tax return.

2.13 Governance Rights. "Governance Rights" means all a Member's rights as a Member in the Company.

2.14 L.L.C. Act. "L.L.C. Act" or "Act" means the North Dakota Limited Liability Company Act, NDCC 10-32, as amended.

2.15 Member. "Member" means a person who owns some Governance Rights and whole ownership of those rights is reflected in the Required Records.

2.16 Membership Interest. "Membership Interest" means a Member's interest in the Company consisting of a Member's financial rights, a Member's right to assign financial rights, a Member's governance rights, and a Member's right to assign governance rights.

2.17 Membership Unit. "Membership Unit" has the meaning stated in 5.1.

2.18 Person. "Person" includes a natural person, a domestic or foreign limited liability company, corporation, partnership, limited partnership, joint venture, association, business trust, estate, trust, enterprise, and any other legal or commercial entity.

2.19 Required Records. "Required Records" means those records that NDCC 10-32-51 requires the Company to maintain.

2.20 Successor L.L.C.. "Successor L.L.C." means a limited liability company organized under Section 10.2 to participate as the surviving organization in a merger with the

Company after the Company is dissolved.

2.21 Termination of the Company. "Termination of the Company" means the end of the Company's legal existence.

ARTICLE III

BACKGROUND OF THIS AGREEMENT

3.1 History and Nature of the Company. The Company was organized in North Dakota and is engaged in the business of real property management and association business related thereto. As the initial date of this Agreement, the Company's principal place of business is 1917 Prairiewood Lane, Warwick, D 58381.

3.2 Intent of this Agreement. (a) The parties to this Agreement have reached an understanding concerning various aspects of their business relationship with each other and the organization and operation of the Company and its business. They wish to use rights created by statute to record and bind themselves to that understanding.

(b) The parties intend this Agreement to control, to the extent stated or fairly implied, the business and affairs of the Company, including the Company's governance structure and the Company's dissolution, winding up and termination, as well as the relations among the Company's members and persons who have signed Contribution Agreements.

3.3 Amendment of This Agreement. This Agreement may be amended when circumstances occur requiring amendment of this Agreement by law, or at any time two Managers, or Members holding at least ½ of all membership units, propose an amendment to this agreement. If an amendment to this agreement is proposed and is to be considered, the Managers shall call a special meeting of the Members for the purpose of considering such amendment. At least thirty (30) days prior to such meeting, the Managers shall deliver to each Member written notice of the meeting and a statement of the purposes of the amendment and such other matters as the Managers deem material to the consideration of the amendment. The amendment considered at such special meeting shall be adopted if approved by a majority of the Members of the Company entitled to vote and present in person or by proxy at such meeting.

3.4 Advice of Counsel. Each person signing this Agreement:

- (a) understands that this Agreement contains legally binding provisions,
- (b) has had the opportunity to consult with a lawyer, and
- (c) has either consulted with a lawyer or consciously decided not to consult with a lawyer.

ARTICLE IV
RELATIONSHIP OF THIS AGREEMENT TO THE DEFAULT
RULES PROVIDED BY THE L.L.C. ACT, THE ARTICLES OF
ORGANIZATION AND THE OPERATING AGREEMENT

4.1 Relationship of this Agreement to the Default Rules Provided by the L.L.C. Act. The L.L.C. Act provides numerous default rules structuring the finances, governance, operations and other aspects of a limited liability company organized under the Act, and those rules apply except to the extent that a proper document negates or modifies them. Under NDCC 10-32-50, a member control agreement has the power to negate or modify those default rules. Regardless of whether this Agreement specifically refers to particular default rules:

- (a) if any provision of this Agreement conflicts with a default rule, the provision of this Agreement controls and the default rule is modified or negated accordingly, and
- (b) if it is necessary to construe a default rule as modified or negated in order to effectuate any provision of this Agreement, the default rule is modified or negated accordingly.

4.2 Relationship Between this Agreement and the Operating Agreement and the Articles of Organization. (a) If this Agreement conflicts, either expressly or impliedly, with the operating agreement, this Agreement controls. Except as stated in paragraph (b) of this section, if this Agreement conflicts, either expressly or impliedly, with the articles of organization, this Agreement controls.

(b) If this Agreement conflicts, either expressly or impliedly, with a provision of the articles of organization referred to in NDCC 10-32-07(1), the provision of the articles controls.

ARTICLE V
CAPITAL STRUCTURE: CONTRIBUTIONS

5.1 Membership Interest and Membership Units. (a) Each Member's Membership interest in the Company is reflected as a number of Membership Units, as specified in the Required Records. On matters requiring a member vote, each Unit has one vote. Except as stated in Section 5.6, each Unit has equal rights with every other Unit with respect to sharing of profits and losses and with respect to distributions.

(b) Each member's Membership Interest consists of Financial Rights and Governance Rights, and both the L.L.C. Act and this Agreement apply different restrictions regarding the transferability of those different types of rights. The use of Membership Units is a convenience to reflect Membership Interests and does not change those restrictions in any way.

5.2 Contributions Received From Members in Return for Membership Units. For each Membership Interest, the Required Records state the lot number of the owner and, as to

the initial members, the contribution of the common area received by the Company in return for the Membership Interest.

5.3 No Right of Company to Require Additional Contributions other than Assessments as are levied. Except as provided in a Contribution Agreement, the Company has no right to require any Member to make additional contributions other than assessments as approved by the board. This section does not release any Member from any obligation or promise of future performance which the Company accepted as a contribution or the requirement to pay annual assessments and such other assessment made to all member for the activities of the association as determined by the board.

5.4 No Right Of Members to Make Additional Contributions or Obtain Additional Units; Preemptive Rights Waived. No member has the right to make additional contributions or obtain additional Membership units. Each Member specifically waives the preemptive rights stated in NDCC 10-32-37.

5.5 Right of Company to Accept Additional Contributions Limited. (a) The Company may not accept additional contributions, make Contribution Agreements or Contribution Allowance agreements, or create or allocate additional Membership Units except as approved by a vote of the members. Approval requires a majority of all outstanding votes.

(b) To be effective, the approval required by this section must specify the number of Units authorized. The approval may, but need not, specify the amount, nature and value of the consideration to be received, the identity of the contributor or would-be contributor, a deadline by which the authorized contribution must be received, or any other condition on the approval.

(c) Approval under this section is not effective to authorize the creation of a separate class or series of Membership Interests.

5.6 Loans from and Other Transactions With Members. (a) With the approval of the Board, the Company may borrow money from and enter into other transactions with a Member who is not a governor.

(b) With the approval of the Board, the Company may borrow money from and enter into other transactions with a Member who is a governor. All such transactions are subject to NDCC 10-32-87.

(c) On account of loans made by or transactions performed by a Member under sections 5.6 (a) and (b), the Board may increase, temporarily or permanently, a Member's right to share in profits and distributions or other property of the Company or Association as voted thereon by the board.

(d) Borrowing from or engaging in other transactions with one or more Members (whether or not the Member or Members is a governor) does not obligate the Company to provide comparable opportunities to other Members.

5.7 No Rights of Redemption or Return of Contribution. Subject to Section 9.3, no Member has a right to have its membership interest redeemed or its contribution returned prior to the termination of the company, even if the Member dissociated prior to termination of the Company. The membership interest may be assigned to a purchaser of a lot with the signature of the new owner to this agreement. Even at termination, the right to return of contribution or redemption is subject to Article XI.

ARTICLE VI

CAPITAL STRUCTURE: PROFITS, LOSSES AND DISTRIBUTIONS

6.1 Allocation of Profits and Losses. Except as stated in Section 5.6(c), Members share in profits and losses according to the number of Membership Units owned, as reflected in the Required Records.

6.2 No Right to Interim Distributions. (a) Subject to paragraph (b), no Member has a right to any distribution prior to the termination of the Company.

(b) Within 30 days of receiving the K-1 form and other information, if any, referred to in Section 7.1, a Member may apply to the Board for a distribution equal to the amount of federal and state income tax liability the Member will incur on account of the Member's interest in the Company during the preceding Fiscal Year. A Member who applies under this Paragraph must provide the Board with an explanation of the liability amount and any other documentation or information the Board reasonably and promptly requires. Within three weeks of receiving the application and any required documentation and information, the Board must:

- (i) cause the Company to make a distribution to the applying Member in the requested amount.
- (ii) cause the Company to make a distribution to the applying Member in an amount less than the requested amount, or
- (iii) determine that no distribution will be made.

In determining whether to act under clause (ii) or (iii), the Board must consider the financial state of the Company, the completeness, accuracy and validity of the explanation, documentation and other information provided by the requesting Member, the balance in the requesting Member's capital account and any obligations the Member may owe the Company (whether or not past due). If the Board acts under clause (ii) or (iii), within the same three week period the Board has for taking action, the Board will provide the Member with a brief written explanation of its action.

6.4 Allocation of Interim Distributions. Except as stated in Section 5.6(c), interim distributions if made will be allocated according to the number of Membership Units owned, as reflected in the Required Records.

6.5 Rights to Terminating Distributions Limited. (a) At the Termination of the Company, a Member's right to distributions will be as stated in Article XI.

(b) Section 10.2 states a member's right to distribution upon dissociation.

6.6 Distributions in Kind. (a) No Member has a right to any distribution in any form other than money.

(b) The Company may not make a distribution in kind unless:

(i) the Member receiving the in-kind distribution consents,

(ii) all Members receive undivided interests in the same property, or

(iii) all Members receive, in proportion to their rights to distribution, interests in substantially equivalent property, or

(iv) **by majority vote.**

ARTICLE VII TAX MATTERS

7.1 Tax Characterization and Returns. (a) The Members acknowledge that the Company will be treated as a "partnership" for federal and North Dakota state tax purposes. All provisions of this Agreement, the Company's articles of organization and the Company's operating agreement are to be construed so as to preserve that tax status.

(b) Within 90 days after the end of each Fiscal Year, the chief manager will cause to be delivered to each person who was a Member at any time during such Fiscal Year a Form K-1 and such other information, if any, with respect to the Company as may be necessary for the preparation of each Member's federal or state income tax (or information) returns, including a statement showing each Member's share of income, gain or loss, and credits for the Fiscal Year.

7.2 Assessment Accounts. The Company will establish an Assessment Account for each Member and will maintain each Account according to the following rules:

(a) Maintenance: The Company will maintain the Assessment Accounts in accordance with Treasury and accounting regulations as required.

(b) Liquidation Payments: If the Company liquidates itself or a Member's membership interest, subject to Article Ten, the Company will make liquidating distributions in accordance with the positive Capital Account balances of the Members.

(c) Negative Assessment Account: A Member is liable to fund any deficit in

the Member's Assessment Account at any time. Notwithstanding any other provision in this Agreement, if a Member unexpectedly receives an adjustment, allocation or distribution, and the unexpected adjustment, allocation or distribution results in a deficit balance in the Assessment Account for the Member, the Member will be allocated items of income and gain in an amount and manner sufficient to eliminate the deficit balance or the increase in the deficit balance as quickly as possible. The board will determine annually the assessment amount to be contributed by each member. Payment shall be made by the members and, if not made, the board may file a lien for the same against the member's lot and proceed to collect the same in any manner the choose and as allowed by law.

7.3 Accounting Decisions. In its sole discretion, but subject to NDCC 10-32-86 and Section 8.3, the Board:

- (a) will make all decisions as to accounting matters, and
- (b) may cause the Company to make whatever elections the Company may make under the Code, including the election referred to in Section 754 of the Code to adjust the basis of Company assets.

7.4 "Tax Matters Partner". The Board will designate a Member to act on behalf of the Company as the "tax matters partner" within the meaning of Section 6231(a)(7) of the Code.

ARTICLE VIII **GOVERNANCE**

8.1 Selection of Governors. (a) Members have no right to cumulate their votes.

- (b) Each year at the annual meeting of the Members, each Member will vote so that:
 - (i) One member from each phase is elected a governor for the next year
 - (ii) Three additional members are elected as governors for the next year

8.2 Limitations on the Powers of the Board. (a) So long as each is willing and able to serve, the Board will retain:

- (i) A chief manager and President of the Company, and
- (ii) A financial manager, or Secretary and Treasurer of the Company.
- (iii) Such other governors as required herein or in the operating agreement with their roles to be determined by the board.

The duties of the chief manager and financial manager are as described in the Operating Agreement.

- (b) If for any reason either of the individuals identified and voted into the positions in paragraph (a) cease to serve, the board will promptly nominate a successor. The Board may not, however, engage the nominated individual unless the Members approve the selection by a vote of a simple majority of the Membership Units.
- (c) The Board has the authority and power to take any of the following actions without further approval or vote of the Members:
 - (i) to assess dues, hire services, pay bills and expend funds not in excess of \$2,000.00;
 - (ii) to enforce the Covenants and/or Declarations of record

8.3 Governors Not Liable to Company or Members for Monetary Damages. (a) All governors are released from liability for monetary damages to the full extent permitted by NDCC 10-32-86. This release does protect a governor who is a Member from being required under NDCC 10-32-119 to purchase the Membership Interest of a Member who successfully contends that the governor-member has committed actionable oppressive acts.

- (b) To the extent this Agreement:
 - (i) takes away from any governor any of the authority and responsibility which that governor would otherwise have, and
 - (ii) under NDCC 10-32-50, that liability is imposed on another person or persons not a governor,

then with respect to the imposed liability the protections of Paragraph (a) apply to that other person or persons.

8.4 Delineation of Members' Reasonable Expectations. (a) This Agreement, together with the articles of organization, expresses the complete agreement among the Members as to their expectations of the Company and of each other and constitutes the best and only accurate reflection of those expectations.

- (b) The Members fear the uncertainty and the potential for discord that would exist if:
 - (i) the unstated expectation of one or more Members can be used to gain advantage through litigation, or

- (ii) expectations stated or expressed outside the confines of this Agreement can become actionable even though not all Members agree with those expectations or have assented to them and even though some Members have expressed or may harbor conflicting expectations.
- (c) The Members therefore agree that:
 - (i) it is unreasonable for any Member to have or rely on an expectation that is not reflected in this Agreement,
 - (ii) any Member who has or develops an expectation contrary to or in addition to the contents of this Agreement has a duty to:
 - (A) immediately inform the Board and all other Members, and
 - (B) promptly seek to have this Agreement amended to reflect the expectation
 - (iii) the failure of a Member who has or develops an expectation contrary to or in addition to the contents of this Agreement to obtain an amendment of this Agreement as provided in clause (ii) estops that Member from asserting that expectation as a basis for relief under NDCC 10-32-119.
 - (iv) no Member has a duty to agree to an amendment proposed under clause (ii) if the Member is good faith:
 - (A) holds an inconsistent expectation, or
 - (B) believes that the amendment is not in the best interests of the Company or is contrary to the legitimate self-interests of the Member.
 - (v) since by law the Board has the power to change any provision of the operating agreement at any time, it is unreasonable for any Member to rely on any provision of the operating agreement as a basis for expectations, unless that provision of the operating agreement is also part of this Agreement.

8.5 Waiver of Dissenters' Rights. (a) Each Member acknowledges that NDCC 10-32-54 provides each Member with certain dissenters' rights, and that NDCC 10-32-50 and 10-32-54(1) expressly authorize the waiver of those rights.

- (b) Subject only to Paragraph (c) each Member agrees to waive irrevocably all

dissenters' rights under NDCC 10-32-54. Each member also agrees to waive:

- (i) any other rights that might exist at law or in equity to contest, set aside, rescind or seek payment on account of any of the events or actions described in NDCC 10-32-55,
- (ii) except when the event or action is fraudulent with regard to the complaining Member or the limited liability company.
- (c) Each Member expressly agrees to not dissent from the implementation of a business continuation agreement as described in Article XI. If a Member nonetheless dissents from the implementation of the business continuation agreement, that dissent will be honored but limited as stated in Article XI.

ARTICLE IX TRANSFER RESTRICTIONS

9.1 Financial Rights. A Member may NOT assign its financial rights or responsibilities in whole or in part without the approval of the board. Assignment of any membership interest or rights therein goes with the property. As to the Company, an assignment of financial rights is effective only as stated in NDCC 10-32-31. If the assignor owes any amount to the Company for any reason, the Company may set off that amount against any payment due an assignee of financial rights. Assessments due may become a lien on the lot associated with the membership interest if not paid.

9.2 Governance Rights and Complete Membership Interests. (a) No member may assign governance rights or a complete membership interest to another member without consent of the governors or upon transfer of the member's lot to a new member who executed this agreement. This restriction is in addition to the restrictions imposed by NDCC 10-32-32. This restriction does not limit the right or power of a member to grant a revocable proxy to a governor under NDCC 10-32-48. Assignment and transfer of a membership interest shall be deemed complete upon the recording of a Warranty Deed to the lot associated with that membership interest.

ARTICLE X DISSOCIATION OF A MEMBER

10.1 Agreement to Give Dissolution Avoidance Consent. (a) Subject to Paragraph (b), within 90 days after the Dissociation of a Member, the board of governors will consent to the continuation of the existence and business of the Company. At the request of the Board or the chief manager, a Member will promptly tender consent in writing.

(b) The consent required by this Section may be given through the holder of a revocable proxy authorized under NDCC 10-32-48. By this Agreement, each Member appoints the Chief Manager/President as the holder of the Member's proxy for this purpose.

10.2 Status of Dissociated Member. If a Member dissociates and the Company avoids dissolution:

- (i) the dissociated Member loses all Governance Rights but remains liable for assessments due until property transfer to another responsible party,
- (ii) if the dissociation occurs before the end of the duration of the Company as stated in the articles of organization, and the dissociation results from volitional conduct of the Member that could reasonably be characterized as resignation or retirement, then the dissociated Member is liable to the Company for damages resulting from the wrongful resignation or retirement,
 - (iii) the Company may set off any amounts or obligations owed by the dissociated Member to the Company against any amounts due the dissociated Member as an assignee of Financial Rights, and
- (iv) neither the Company nor the remaining Members are obligated to purchase the interest of the dissociated Member.

ARTICLE XI

BUSINESS CONTINUATION IN THE EVENT OF DISSOLUTION

11.1 Triggering Events. (a) Subject only to Paragraph (b), if the Company dissolves for any reason at any time, the affairs of the Company will be wound up and its legal existence terminated by merging the Company into a successor limited liability company, as stated in Section 10.2.

(b) Section 10.2 will not apply and the Company will be liquidated under NDCC 10-32-131, if:

- (i) Members holding more than 50% of all Membership Units vote not to proceed under Section 10.2.

11.2 Business Continuity. (a) Subject only to Section 10.1(b), as soon as dissolution occurs the Board shall resolve to implement the business continuation agreement stated in this section.

(b) Promptly after adopting that resolution, the Board shall:

- (i) organize a new limited liability company ("the Successor L.L.C."),

- (ii) develop a plan of merger that complies with Paragraph (d) for the Company and the Successor L.L.C.,
 - (iii) approve the plan of merger on behalf of the Company and submit the plan to the Company's Members for approval,
 - (iv) cause the board of governors of the Successor L.L.C. to approve the plan of merger and submit the plan the members of the Successor L.L.C. for approval, and
 - (v) Cause the members of the Successor L.L.C. to approve the plan of merger.
- (c) When the plan of merger is presented to the Members (of old L.L.C.) for approval, the Members will vote to approve the plan.
- (d) The plan of merger must provide that:
- (i) The Successor L.L.C. will be the surviving organization in the merger,
 - (ii) all the assets and liabilities of the Company will be transferred to the Successor L.L.C. and the Successor L.L.C. will continue the business of the Company.
 - (iii) the Membership Interests of the Members, including all Financial Rights (whether or not assigned) and all Governance Rights, will be converted into membership interests in the Successor L.L.C. having substantially identical terms, and
 - (iv) the rights of any dissociated Members as described in Section 10.02 will apply against the Successor L.L.C.

11.3 Dissenters' Rights. (a) Despite the waiver of dissenters' rights stated in section 8.5, any person who is a Member at the time of dissolution can dissent from the implementation of the business continuation agreement stated in this Section.

(b) If a Member who dissents complies with the requirements of NDCC 10-32-55, either the Company or the Successor L.L.C. will likewise comply with NDCC 10-32-55. However:

- (i) the payment to the dissenting Member will be subject to the limitations and offsets specified in NDCC 10-32-131, and
- (ii) the Company or the Successor L.L.C. (as the case may be) may elect, in its sole discretion, to make the payments required by NDCC 10-32-55 in

installments.

The installments must be paid at least monthly, may not extend for longer than two years from the first date of payment, and will pay interest at a rate equal to the rate at which the company can currently borrow money.

ARTICLES XII **REMEDIES FOR BREACH**

12.1 Specific Enforcement. Except for the provisions of Section 10.1, all breaches of this Agreement are subject to specific enforcement.

12.2 Concurrent or Consecutive Causation of Damages. (a) If two or more Members breach this Agreement and those breaches combine in any way, concurrently or consecutively, to produce harm to the L.L.C., then those Members are jointly and severally liable to the L.L.C. for the entirety of the harm. This Section precludes a Member who has breached this Agreement from asserting that another Member's subsequent breach constitutes a superseding, intervening or independent cause or in any way releases the first breaching Member from liability. Likewise, this Section precludes a Member who has breached this Agreement from asserting that another Member's prior breach constitutes a superseding, intervening or independent cause or in any way releases the second breaching Member from liability.

(b) This section does not preclude breaching Members from seeking contribution or indemnity from each other, or otherwise seeking to allocate among themselves the responsibility and liability for the harm caused to the Company.

12.3 Arbitration. Any dispute or controversy arising out of or in connection with the Operating Agreement, this Member Control Agreement or the management of the Company thereof, shall be determined and settled by arbitration in Grand Forks, North Dakota in accordance with the rules of the American Arbitration Association for Commercial Business Disputes. Any award rendered therein shall be final and binding on the parties and judgment may be entered thereon in any court of competent jurisdiction. Each member shall be required to pay his or her own costs and expenses incurred in said arbitration including those costs and expenses for attorney's fees, accountants and the fees and expenses for his or her arbitrator.

IN WITNESS WHEREOF, the undersigned have executed this Member Control Agreement on the day and year first above written.

SEE ATTACHED MEMBER'S SIGNATURE PAGES INCORPORATED HEREIN

I hereby acknowledge and consent to the terms of the Member Control Agreement.

Dated this _____ day of _____, 2011.

The undersigned is the Owner of Lot _____, Block _____ Phase _____

BY:

BY:

BY:

(Please print name under signature – all owners in title must sign and if the owner is an entity indicate the entity you are signing for and the capacity in which you are signing)