

BY-LAWS
OF
ASPEN HEIGHTS MEADOWS
HOMEOWNERS ASSOCIATION, INC.

ARTICLE 1. MEETINGS OF MEMBERSHIP.

Section 1. Every lotowner of the Aspen Heights Meadows Subdivision, Lawrence County, South Dakota, shall be a member and shall have one (1) vote per lot and shall be entitled to vote, in person or by proxy, on each matter submitted to a vote of the membership. A "member" as referred to herein shall mean the record owner(s), whether one or more persons or entities, of the fee simple title of any lot within Aspen Heights Meadows Subdivision, Lawrence County, South Dakota, except contract sellers, in which event the contract purchaser shall be deemed to be the member, and excluding those having such interest solely as security for the performance of an obligation. The rights of the member may be exercised by any other party or entity upon such party or entity having the express written consent of the member.

Section 2. An annual meeting of the membership shall be held each year on the _____, for the purpose of electing officers and for the transaction of such other business as may come before the meeting and shall be held at the principal office of the Corporation located at _____, South Dakota, or at any place or building in Lawrence County, South Dakota.

Section 3. A special meeting of the membership to be held at a location as prescribed for as the annual meeting, may be called

at any time by the President, and in his absence by the Vice President, or by a majority of the directors. It shall be the duty of the directors, President, or Vice President to call a meeting upon written request of the membership who are entitled to cast sixty percent (60%) of the total votes of all classes of common stock.

Section 4. Written notice of each meeting of the members shall be given by or at the direction of the Secretary, or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of Aspen Heights Meadows Homeowners Association, Inc. or supplied by such member to Aspen Heights Meadows Homeowners Association, Inc. for the purpose of notice. Such notice shall specify the place, day and hour of the meeting and in the case of a special meeting, the purpose of the meeting.

Section 5. The President, or in his or her absence, the Vice President, shall preside at all such meetings.

Section 6. The presence at the meeting of membership entitled to cast, or proxies entitled to cast, twenty percent (20%) of the votes of the total of all classes of stock shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the membership entitled to vote thereat shall have power to adjourn the meeting

from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 7. At all meetings of the membership, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot.

Section 8. Each member shall be entitled to one vote on each matter submitted to a vote at a meeting of membership which stock may be voted in person or by proxy, and the membership shall possess the right to cumulative voting for election of directors.

Section 9. A member's right to vote on matters brought before a meeting of the membership shall be suspended upon that member's failure to pay any general or special assessment as provided by Article VI hereof, fee, judgment, penalty, dues or other charge when due, as determined by the Board of Directors. If suspended, a member's voting rights may be reinstated upon full payment of any general or special assessment, fee, judgment, penalty, dues or other charge, plus interest and costs of collection, including but not limited to, reasonable attorney's fees, if any, to the Corporation, as determined by the Board of Directors.

A member's voting rights may also be suspended by the Board of Directors in the event of a material violation of any rules, regulations, covenants, laws, conditions or restrictions applicable to Aspen Heights Meadows Subdivision, Lawrence County, South Dakota. In the event a member's voting rights have been suspended

by the Board of Directors because of said violation, that member's voting rights may be reinstated by the Board of Directors with or without a hearing, or by a majority vote of the members of the Corporation.

Section 10. Membership shall continue until the lotowner no longer holds property or until the lotowner assigns his interest therein subject to such restrictions or limitations as may be imposed. Status as a member shall automatically terminate without notice upon termination of ownership, and any assigned or transferred interest shall automatically terminate upon termination of the assignor's or transferor's ownership interest.

ARTICLE II. BOARD OF DIRECTORS.

Section 1. The affairs of Aspen Heights Meadows Homeowners Association, Inc. shall be managed by a Board of Directors of not less than one (1) nor more than five (5) directors. Directors must be members.

Section 2. The term of office of directors shall be three years and shall be staggered.

Section 3. Any director may be removed from the board, with or without cause, by a majority vote of the membership of Aspen Heights Meadows Homeowners Association, Inc. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the board and shall serve for the unexpired term of his predecessor.

Section 4. No director shall receive compensation for any service he may render to Aspen Heights Meadows Homeowners Association, Inc. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

Section 6. Nomination for election to the Board of Directors shall be made by a nominating committee. Nominations may also be made from the floor at the annual meeting. The nominating committee shall consist of a chairman, who shall be a member of the Board of Directors, and two or more members. The nominating committee shall be appointed by the Board of Directors prior to each annual meeting of the membership to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The nominating committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

Section 7. Election to the Board of Directors shall be by secret written ballot. At such election the membership or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of Article I hereof. The persons receiving the largest number of votes shall be elected.

Section 8. A regular meeting of the Board of Directors shall be held after the annual meeting.

Section 9. Special meetings of the Board of Directors shall be held when called by the President of Aspen Heights Meadows Homeowners Association, Inc., or by one-third of the directors, after not less than three (3) days notice to each director.

Section 10. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the board.

Section 11. The Board of Directors shall have the power to:

- (a) Adopt, publish, and enforce rules and regulations and restrictions or requirements governing the use of the roads within the Property, and the personal conduct of the membership and their families and guests thereon, and to establish penalties for the infraction thereof;
- (b) Suspend the voting rights of a member during any period in which such stockholder shall be in default in the payment of any assessment levied by Aspen Heights Meadows Homeowners Association, Inc. Such rights may also be suspended after notice of hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;
- (c) Exercise for Aspen Heights Meadows Homeowners Association, Inc. all powers, duties and authority vested in or delegated to Aspen Heights Meadows Homeowners Association, Inc. and not reserved to membership by other provisions of these By-Laws or Declaration of Covenants, Conditions and Restrictions for Aspen Heights Meadows Subdivision;
- (d) Declare the office of member of the Board of Directors to be vacant in the event such director shall be absent from three consecutive regular meetings of the Board of Directors; and

- (e) Contract with or employ a management agent at a rate of compensation to be established by the Board of Directors, to perform such duties and services as the Board of Directors shall authorize, including without limitation:
- (1) Collection of the assessments provided for in the Declaration of Covenants, Conditions and Restrictions for Aspen Heights Meadows Subdivision and enforcement of liens therefor in a manner consistent with law and the provisions of the Declaration of Covenants, Conditions and Restrictions for Aspen Heights Meadows Subdivision.
 - (2) Care, upkeep, maintenance and surveillance of the roads, water system and common areas within the Property;
 - (3) Employment of such personnel as may be required for the maintenance and efficient operation of the corporation in the discharge of its duties;
 - (4) Provision of such other services, including accounting services, as may be consistent with law and the provisions of the Declaration of Covenants, Conditions and Restrictions for Aspen Heights Meadows Subdivision.

Section 12. It shall be the duty of the Board of Directors to:

- (a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the membership at the annual meeting of the membership, or at any special meeting when such statement is requested in writing by one-fourth of membership entitled to vote;
- (b) Supervise all officers, agents and employees of Aspen Heights Meadows Homeowners Association, Inc. and to see that their duties are properly performed;
- (c) As more fully provided in the Declaration of Covenants, Conditions and Restrictions for Aspen Heights Meadows Subdivision, to:
 - (1) Fix the amount of the annual assessments against each Lot at least thirty (30) days in advance of each annual assessment period.
 - (2) Send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

- (3) Foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same, as the Board of Directors may determine.
- (d) Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessments has been paid. A reasonable charge may be made by the board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.
- (e) Procure and maintain adequate liability and hazard insurance;
- (f) Cause the roads and fences to be maintained or improved as may be deemed appropriate.
- (g) Take any action as necessary and deemed appropriate to enforce these By-Laws or Declaration of Covenants, Conditions and Restrictions for Aspen Heights Meadows Subdivision.

ARTICLE III. OFFICERS.

Section 1. The officers of Aspen Heights Meadows Homeowners Association, Inc. shall be a President and Vice President, who shall at all times be members of the Board of Directors, a Secretary, a Treasurer, and such other officers as the Board of Directors may from time to time by resolution create.

Section 2. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the membership.

Section 3. The officers of Aspen Heights Meadows Homeowners Association, Inc. shall be elected annually by the board and shall hold office for one year unless the officer shall sooner resign, shall be removed, or otherwise be disqualified to serve.

Section 4. The board may elect such other officers as the affairs of Aspen Heights Meadows Homeowners Association, Inc. may require, each of whom shall hold office for such period, have such authority, and perform such duties as the board may from time to time determine.

Section 5. Any officer may be removed from office with or without cause by the board. Any officer may resign at any time giving written notice to the board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. A vacancy in any office may be filled by appointment by the board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer replaced.

Section 7. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. The duties of the officers are as follows:

- (a) The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.
- (b) The Vice President shall act in the place and stead of the President in the event of his absence, inability, or refusal to act, and shall exercise and discharge such other duties as may be required of the Vice President by the board.

- (c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the board and membership; keep the corporate seal of Aspen Heights Meadows Homeowners Association, Inc. and affix it on all papers requiring said seal; serve notice of meetings of the board and membership; keep appropriate current records showing the names of the membership together with their addresses, and shall perform such other duties as required by the Board.
- (d) The Treasurer shall receive and deposit in appropriate bank accounts all monies of Aspen Heights Meadows Homeowners Association, Inc., and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes; keep proper books of account; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each member.

ARTICLE IV. COMMITTEES.

The Board of Directors shall appoint special committees, including an Architectural Committee, and such other committees as deemed appropriate in carrying out its purposes.

ARTICLE V. BOOKS AND RECORDS.

The books, records and papers of Aspen Heights Meadows Homeowners Association, Inc. shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration of Covenants, Conditions and Restrictions for Aspen Heights Meadows Subdivision, Articles of Incorporation, and By-Laws shall be available for inspection by any member at the principal office of the Corporation, where copies may be purchased at reasonable cost.

ARTICLE VI. ASSESSMENTS.

As more fully provided in the Declaration of Covenants, Conditions and Restrictions for Aspen Heights Meadows Subdivision, each member is obligated to pay to Aspen Heights Meadows Homeowners Association, Inc., general and special assessments which are secured by a continuing lien upon the lot against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the judgment rate, and Aspen Heights Meadows Homeowners Association, Inc. may bring an action at law against the owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessments provided for herein by abandonment of his lot.

ARTICLE VII. FISCAL YEAR.

The fiscal year of Aspen Heights Meadows Homeowners Association, Inc. shall begin on the 1st day of January and shall end on the 31st day of December of every year except that the first fiscal year shall begin on the date of incorporation of Aspen Heights Meadows Homeowners Association, Inc.

ARTICLE VIII. DECLARATION OF COVENANTS.

The Declaration of Covenants, Conditions and Restrictions for Aspen Heights Meadows Subdivision recorded in the Office of the Lawrence County Register of Deeds as Document #96-_____, together with any amendments thereto, are incorporated herein by reference.

In case of any conflict between the Declaration of Covenants, Conditions and Restrictions for Aspen Heights Meadows Subdivision and Improvements and these By-Laws, the Declaration of Covenants, Conditions and Restrictions for Aspen Heights Meadows Subdivision shall control.

ARTICLE IX. AMENDMENT OF BY-LAWS.

These By-Laws may be repealed or amended, or new By-Laws may be adopted at any annual or special meeting of the membership called for that purpose, by a vote representing a majority of a quorum of the membership present in person or by proxy.

IN TESTIMONY WHEREOF, we, being all of the directors of Aspen Heights Meadows Homeowners Association, Inc., have hereunto set our hands this _____ day of _____, 1996.

Brad J. Jones

Clariss E. Jones

(CORPORATE SEAL)

ARTICLES OF INCORPORATION
OF
ASPEN HEIGHTS MEADOWS HOMEOWNERS ASSOCIATION, INC.

KNOW ALL MEN BY THESE PRESENTS:

Executed by the undersigned for the purpose of forming a South Dakota Corporation under SDCL 47-22; and known as the South Dakota Nonprofit Corporation Act.

ARTICLE ONE

The name of this corporation shall be **ASPEN HEIGHTS MEADOWS HOMEOWNERS ASSOCIATION, INC.**, hereinafter referred to as "Corporation".

ARTICLE TWO

The Corporation is organized exclusively to provide a non-profit entity within the meaning of §§ 501(c)(4), 528 or any other applicable section of the Internal Revenue Code of 1954 (or the corresponding provisions of any future United States Internal Revenue law) to implement the provisions and to perform the functions as set forth in the Declaration of Covenants, Conditions and Restrictions for Aspen Heights Meadows Subdivision, Lawrence County, South Dakota, and to carry out such purposes as may be adopted by the Board of Directors.

The Corporation shall have the power to do any lawful act for which nonprofit corporations may be organized under the South Dakota Nonprofit Corporation Act.

The Corporation shall have the power of indemnification and defense of actions as set forth in SDCL 47-22-65.1 through 47-22-65.8, inclusive.

ARTICLE THREE

The duration of the Corporation shall be perpetual.

ARTICLE FOUR

There shall be one class of membership. Every lotowner of the Aspen Heights Meadows Subdivision, Lawrence County, South Dakota, shall be a member of the Corporation and shall have one (1) vote per lot. A "member" as referred to herein shall mean the record owner(s), whether one or more persons or entities, of the fee

simple title of any lot within Aspen Heights Meadows Subdivision, Lawrence County, South Dakota, except contract sellers, in which event the contract purchaser shall be deemed for purposes of this Corporation to be the member and excluding those having such interest solely as security for the performance of an obligation. The rights of the member may be exercised by any other party or entity upon such party or entity having the express written consent of the member. Each member of the Corporation, signified by ownership of a lot in Aspen Heights Meadows Subdivision, Lawrence County, South Dakota, shall be entitled to one vote for each lot owned and shall be entitled to vote, in person or by proxy, on each matter submitted to a vote of the members.

A member's right to vote on matters brought before a meeting of the Corporation's membership shall be suspended upon that member's failure to pay any general or special assessment, fee, judgment, penalty, dues or other charge when due, as determined by the Corporation's Board of Directors. If suspended, a member's voting rights may be reinstated upon full payment of any general or special assessment, fee, judgment, penalty, dues or other charge, plus interest and costs of collection, including but not limited to, reasonable attorney's fees, if any, to the Corporation, as determined by the Corporation's Board of Directors.

A member's voting rights may also be suspended by the Board of Directors in the event of a material violation of any rules, regulations, covenants, laws, conditions or restrictions applicable to Aspen Heights Meadows Subdivision, Lawrence County, South Dakota. In the event a member's voting rights have been suspended by the Board of Directors because of said violation, that member's voting rights may be reinstated by the Board of Directors with or without a hearing, or by a majority vote of the members of the Corporation.

ARTICLE FIVE

The number of directors of this Corporation shall be one or more. The number of directors may be increased or decreased by amendment to the By-Laws. The names and addresses of the directors

constituting the initial Board of Directors who shall serve until their successors are elected and shall qualify are as follows:

Brad J. Jones
P. O. Box 870
Lead, SD 57754

Claris E. Jones
P. O. Box 870
Lead, SD 57754

ARTICLE SIX

No part of the net earnings of the Corporation shall inure to the benefit of or be distributable to its trustees, members, directors, officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article Two hereof. No substantial part of the activities of the Corporation shall be the carrying on or propaganda or otherwise attempting to influence legislation, and the Corporation shall not participate in or intervene in (including the publishing or distribution of statements) of any political campaign on behalf of any candidate for public office.

ARTICLE SEVEN

The address of the Corporation's registered office is P. O. Box 726, 129 West Illinois Street, Spearfish, SD 57783, and the name of its registered agent at such address is Thomas E. Brady.

ARTICLE EIGHT

No provision is made for the regulation of the internal affairs of the Corporation. All other necessary provisions shall be addressed by the By-Laws of the Corporation.

ARTICLE NINE

The names and addresses of the incorporators are as follows:

Brad J. Jones
P. O. Box 870
Lead, SD 57754

Thomas E. Brady
129 West Illinois St.
P. O. Box 726
Spearfish, SD 57783

Claris E. Jones
P. O. Box 870
Lead, SD 57754

