

BY-LAWS OF THE
EVERGREEN ESTATES ROAD DISTRICT

Section 1. Form of Government.

Evergreen Estates Road District, a road district incorporated under SDCL 31-12A, is a governmental subdivision of the State of South Dakota and a public body, corporate and politic. However, it is not a municipal corporation.

Section 2. Governing Board.

The governing body of the Evergreen Estates Road District shall be entitled the Board of Trustees and shall consist of three Trustees elected at large from among the landowners of the district.

Section 3. Composition of Board.

The Trustees shall organize by electing one of their number President, whose duty it shall be to preside over all meetings of the Board and to call all special meetings of the Board when the President or a majority of the Board deems such meeting or meetings necessary. In case the President should fail or refuse to call such meeting or meetings, then a majority of the Board may call for such a meeting or meetings. Should a vacancy occur on the Board of Trustees more than 180 days prior to an Annual Election, any landowner in the District may call for a Special Election following the procedure as outlined in Section 5 below. If a vacancy occurs 180 days or less prior to the Annual Election, no Special Election will be held and the vacancy shall be filled at the next Annual Election. Any individual elected at a Special Election will serve the remainder of the term left vacant by the outgoing Trustee.

Section 4. Initial Election and Officers.

The Trustees to be elected at the initial election shall be nominated by the voters in attendance at the meeting in which the organizational election is held. There shall be elected from among the landowners of the district at the first election three trustees at large who shall respectively hold their offices, one for a term of one year, one for a term of two years and one for a term of three years. The person having the highest number of votes shall serve for a term of three years; the person receiving the second highest number of votes shall serve for a term of two years; and the person receiving the third highest number of votes shall serve for a term of one year and such person shall be declared elected to the office of trustee.

Section 5. Annual Election.

An annual election of officers shall be held on the first Saturday after the anniversary date of the first election (Jan 2 08), at such place in the district as the Board of Trustees shall designate, for the purpose of electing a Trustee for a term of three years to replace the outgoing Trustee. The outgoing Trustee is entitled to run for re-election.

Section 6. Powers of the Board of Trustees.

The Board of Trustees is empowered to:

1. Appoint a treasurer and clerk, an engineer, attorney and other employees for the Road District and fix their compensation. These officers shall hold their respective offices at the pleasure of the Board, and be bonded for the faithful performance of their duties as may be required by the Board;
2. Sue and be sued and contract in the name of the District;
3. Adopt a Corporate Seal;
4. Construct roadways and maintain them;
5. Borrow money, levy taxes and special assessments, and issue bonds pursuant to SDCL 31-12A-23;
6. Establish speed and weight limits and other restrictions on road districts under the Road District's jurisdiction in accordance with the provisions of SDCL 32-14-3 to 32-14-7, inclusive, and 32-22-47 and 32-25-9.1;
7. Pass all necessary ordinances, resolutions, orders, rules and regulations for the proper management and conduct of the business of said Road District, and to carry into effect the ordinances, orders, resolutions, rules and regulations of said Road District for the business for which such district is formed;
8. Adopt a resolution, pursuant to SDCL 31-12A-28, providing for the dissolution of the District and the disposition of all unencumbered assets of said Road District. Prior to adopting such resolution, the Board shall give notice and conduct hearings as it deems necessary. Any party feeling aggrieved by the decision

of the Board may appeal to the circuit court.

9. Cause the amount of any charges, and interest and penalties thereon, for Road District service rendered or made available to any land within and part of the District, which are due and unpaid on the first day of October in each year to be certified by the Secretary to the County Auditor in a manner provided in SDCL 10-12-7.

The Board of Trustees shall have all the powers authorized by law. The enumeration of power set forth above is by way of illustration and not by way of limitation.

Section 7. Limitation on Assessment for Unimproved Lots.

The Board of Trustees shall not levy an assessment for road maintenance or improvement purposes against unimproved Lots for Evergreen Estates which exceeds the sum of \$ 100 annually. In the year that an Owner builds a home upon a heretofore unimproved Lot, the amount of the annual assessment otherwise payable by an improved Lot Owner shall be prorated to the end of the calendar year.

Section 8. Enforcement of Vehicle and Traffic Regulations.

Any road constructed or maintained by this Road District is a public highway, and any speed limits, vehicle weight limits, and any other vehicle or traffic regulations on such roads may be enforced by any law enforcement officer.

Section 9. Roadwork Projects Outside District's Area.

The Road District may contract for and expend District funds for roadwork projects to be constructed outside the geographical area of the Road District, if the Board of Trustees approves that action by a two-thirds vote of the membership. If persons outside the District area would also benefit from such a project, the Board may negotiate with and accept funds or any other assistance from any person, government entity or private party on the basis and terms negotiated.

Section 10. Compensation of Trustees.

The members of the Board of Trustees shall serve without compensation.

Section 11. Regular Meetings of the Board.

The regular meetings of the Board shall be held on the last Sat of OCT and the last Sat of April. A majority of the Board of Trustees shall constitute a quorum, but a smaller number may adjourn from day to day. A majority vote shall be required for any action of the Board.

Section 12. Special Meetings.

Special meetings of the Board shall be called when the President or a majority of the Board deems such meetings necessary. Special meetings may be held at any time upon oral or written notice to the Board members. Notice of such special meetings shall be given either personally or by notice left at his or her residence, to each Trustee at least seventy-two (72) hours before such special meeting is held unless a waiver of such notice is obtained before or at such special meeting. If a Trustee does not reside within the Road District boundaries, the notice shall be mailed to his or her last known address, no less than five (5) days prior to the meeting. The notice required shall state the date and hour of the meeting and the purpose for which such meetings are called, and no business shall be transacted at such meeting, except as stated in the notice.

Section 13. Record of Proceedings.

The Board of Trustees shall keep a full, complete, accurate and itemized account of all of its proceedings, ordinances, resolutions, rules, regulations and orders.

Section 14. Oath of Office.

Every Trustee will be required to take the following oath prior to entering upon his or her duties as Trustee:

I, _____, do solemnly swear or affirm that I will well and faithfully discharge the duties of the office of Trustee, and that I will support and defend the Constitution and laws of the United States of America and of the State of South Dakota, and faithfully discharge the duties of the Office of Trustee, and by giving a bond, if required, conditioned on the fact that I will faithfully and impartially discharge the duties of the Office of Trustee, and render a true account of all money, credits, accounts and public personal property requiring inventory that shall come into my hands as such officer, and to pay over and deliver the same according to law, that I am not directly or indirectly pecuniarily interested in any contract, work or business in the District, or the sale of any article, the expenses, price or cost of which is paid by the District, nor in the purchase of any real, personal or other property belonging to the District, or which shall be sold for taxes or assessments or

by virtue of legal process at the suit of said District, so help me God.

Section 15. Adjourned Meetings.

The Board may adjourn a meeting to a later date, in which event the adjourned meeting shall be considered as a part of the first meeting.

Section 16. Meetings Open to Public.

The meetings of the Board shall be open to the public. It shall be unlawful for any person not a member of the Board to make any disturbance or interfere in any way with deliberations of the Board at such meetings, and no person, not a member of the Board, shall address or deliver any remarks to the Board at such meetings without first asking for the privilege of so doing.

Section 17. Agenda.

All reports, communication, ordinances, resolutions, contracts, documents, or other matters to be submitted to the Board shall, at least five (5) hours prior to each Board meeting, be delivered to the Secretary, who shall immediately arrange a list of such matters according to the order of business and furnish each member of the Board and the Board's attorney, if any, with a copy of the same prior to the Board meeting, as far in advance of the meeting as time for preparation will permit.

Section 18. Executive Sessions.

From time to time, the Board may, by motion, close for executive session for purposes permitted by law. Thereafter the Board shall reconvene an open meeting to take such actions as may be appropriate.

Section 19. Order of Business.

The business of the Board shall be taken up for consideration and disposition at the regular meeting in the following order:

1. Roll Call.
2. Approval of Minutes of the Previous Meeting.
3. Introduction and Adoption of Resolutions, Ordinances, Rules and Regulations.
4. Report of Officers, Boards and Committees.
5. Unfinished Business.
6. New Business.
7. Miscellaneous.

8. Adjournment.

Section 20. Reading of the Minutes.

The minutes may be approved without reading if the Secretary has previously furnished each member with a copy of the minutes, unless a reading is requested by a member of the Board.

Section 21. Duties of Officers.

1. The President shall preside at all meetings of the Board, shall vote on all questions, shall preserve order and shall decide all questions of order.
2. The Vice President shall conduct the meeting and assume the President's duties in the absence of the President.
3. The Secretary shall keep the minutes of the meeting, arrange the agenda of the Board, and act as Clerk of the District unless the Board should appoint a Clerk.

Section 22. Voting.

Each member of the Board has a vote unless a member of the Board states that he is not voting, his or her silence shall be recorded as an affirmative vote if he or she is present.

Section 23. Committees.

The President shall appoint from time to time such committees as may be necessary for the transaction of business and the administration of the affairs of the District.

Section 24. Rules of Order.

The most recent edition of Roberts Rules of Order shall govern the Board in its deliberations in cases not otherwise provided for herein or by rule, regulation, ordinance or resolution.

Section 25. Appointive Officers.

The appointed officers of the District may be a treasurer, clerk, engineer, attorney, and any other officers or employees as may be required by the Board. These officers shall hold their respective offices at the pleasure of the Board and be bonded for faithful performance of their duties as may be required by the Board. These officers can be removed by a vote of the majority of the Trustees. A majority vote of the Board is required for any such appointment. All appointed officers of the District

shall be required to take an oath of office as follows:

I, _____, do solemnly swear or affirm that I will well and faithfully discharge the duties of _____ (name of office), and that I will support and defend the Constitution and laws of the United States of America and of the State of South Dakota, and faithfully discharge the duties of the office entrusted to me and by giving a bond, if required, conditioned on the fact that I will faithfully and impartially discharge the duties of my office, and render a true account of all money, credits, accounts and public personal property requiring inventory that shall come into my hands as such officer, and to pay over and deliver the same according to law, that I am not directly or indirectly pecuniarily interested in any contract, work or business in the District, or sale of any article, the expenses, price or cost of which is paid by the District, nor in the purchase in any real, personal or other property belonging to the District, or which shall be sold for taxes or assessments or by virtue of legal process at the suit of said District, so help me God.

Section 26. Bonds.

Bonds of the District officials and employees, unless otherwise provided for by state law, shall be fixed annually at the August meeting of the Board. The costs of said required bonds, when necessary, will be financed by the District.

Section 27. District Seal.

The Seal of the District shall have engraved thereon the words, "Evergreen Estates Road District, South Dakota". The Seal shall remain in the custody of the Secretary, shall be affixed by the Secretary to all ordinances passed by the Board, warrants ordered drawn for the payment of money from the Secretary, bonds and all other instruments to which the Seal is to be attached as required by statute. The Secretary shall pay no warrant or order for money unless the Seal is affixed thereto. In the event the Board should appoint a Clerk, the Clerk will assume the Secretary's duties under this paragraph.

Section 28. Police Powers.

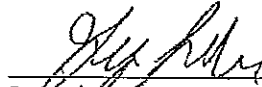
The Board shall be authorized to pass ordinances and resolutions for the protection of the public health and welfare as it deems necessary and proper, including, without limitation, the regulation of health and sanitation, traffic, public disturbances and offenses against property.

Section 29. Dissolution of Road District by Petition of the

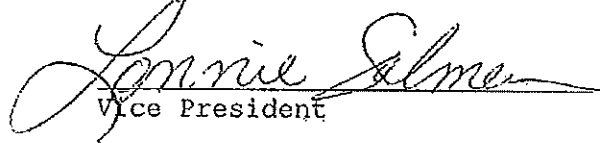
Voters.

A majority of the qualified voters of the Road District may petition a court of competent jurisdiction for the dissolution of the Road District, pursuant to SDCL 31-12A-27.

Dated this 17th day of March, 2006.



President



Vice President

Secretary

Prepared by:
John R. Frederickson
Attorney at Law
P.O. Box 583
Deadwood, SD 57732
(605) 578-1903

EVERGREEN ESTATES ROAD AGREEMENT

This Agreement is made and entered into this ____ day of _____,
200_, by and between EVERGREEN ESTATES, INC., of _____,
hereinafter referred to as "SELLER", and _____ and
_____, of _____,
hereinafter referred to as "OWNER."

W I T N E S S E T H

The parties acknowledge that SELLER is the owner of the following described property which OWNER is purchasing within the Evergreen Estates Road District and that the purpose of this Agreement is to set forth the terms and conditions under which the OWNER agrees to participate and contribute to the road district costs and expenses of the continuing road maintenance and repair.

The Evergreen Estates Road District has been formed by Order of the Lawrence County Commission, dated February 14, 2006, and shall have the responsibility for road maintenance and repairs. OWNER acknowledges the existence of the road district and agrees to pay for and be responsible for his or her proportionate share of road maintenance as determined by the road district. In addition, OWNER acknowledges and agrees that Evergreen

Estates may grant similar easements giving the right of use of the roads within the road district to access and service other lots adjoining or within the Evergreen Estates Road District provided the owners of such property share in the Evergreen Estates Road District cost and assessments.

This Agreement is binding upon all of the heirs, executors, administrators, assigns, and transferees of the parties. OWNER agrees that any sale of owner's Evergreen Estates lot shall be subject to acceptance of this agreement by the transferee or buyers who shall execute a new similar agreement.

OWNER acknowledges and agrees that there is a Right-of-Way Grant/Temporary Use Permit, Serial No. SD M-9, from the Bureau of Land Management to Evergreen Estates, located in Section 19, Lots 9 and 10, and Section 30, Lots 2-6, all located in T5N, R3E, B.H.M. OWNER agrees to share in his or her proportionate share to the continuing cost and maintenance as determined by the road district of the annual rental fee to the BLM.

Dated this ____ day of _____, 200_.

SELLER:

Gary Salmen

Lonnie Salmen

OWNER:
