

Subdivision: Aspen Hills County: Lawrence

DRAFT

7-14-98

COPY

ARTICLES OF INCORPORATION
OF
ASPEN HILLS DEVELOPMENT
HOMEOWNERS ASSOCIATION, INC.

KNOW ALL MEN BY THESE PRESENTS:

That I, the undersigned, being a resident of Hughes County, South Dakota, of full legal age, for myself, associates and successors, for the purpose of forming a South Dakota non-profit corporation under Chapter 47-22 of the South Dakota Codified Laws, do hereby certify and declare as follows:

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ARTICLE I.

The name of this corporation shall be Aspen Hills Development Homeowners Association, Inc..

ARTICLE II.

The period of duration shall be perpetual.

ARTICLE III.

The purposes of the corporation shall be:

- A. To maintain the beauty, serenity and attractiveness of the Aspen Hills Development located on the outskirts of Spearfish, South Dakota and to monitor and enforce the covenants and restrictions that shall be recorded from time to time for the Aspen Hills Development.
- B. To administer, collect, levy and assess any general or special assessment authorized pursuant to the Declaration of Covenants and Restrictions applicable to the Aspen Hills Development.
- C. To act as the governing board of any road district incorporated pursuant to the laws of South Dakota governing the area encompassed by the Aspen Hills Development.
- D. To enter into any kind of activity, and to make, execute and carry out contracts of any kind necessary or incidental to the furtherance of its

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business;

- E. To promote the interests of the Corporation, and carry on its business for the purposes of attaining or furthering any of its business, to do any and all acts and things and to exercise any and all other powers which now or hereafter may be authorized by law.

ARTICLE IV.

The corporation shall have one class of member. A member must own, lease or possess a building site in the Aspen Hills Development as the same is defined by the Declaration of Covenants, Conditions, Restrictions and Reservations for the Aspen Hills Development as filed with the Lawrence County Register of Deeds. The annual dues for membership shall be set by the Board of Directors at its meeting immediately following the annual membership meeting. Only members whose dues are current may vote.

ARTICLE V.

The registered agent and office of the corporation is Mark Reed, PO Box 7073, Pierre, South Dakota.

ARTICLE VI.

The Board of Directors shall consist of three people, two to be elected by the members and the third to be appointed by the Declarant as identified in the Declaration of Covenants, Conditions, Restrictions and Reservations for the Aspen Hills Development on file with the Lawrence County Register of Deeds.

ARTICLE VII.

The initial Board of Directors of the Corporation shall be: Mark Reed, PO Box 7073, Pierre, South Dakota 57501.

ARTICLE VIII.

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Every Director and Officer shall be indemnified against all liabilities, civil and criminal, occurring in relation to his duties, including all reasonable expenses of defense except in the event any Director shall have been finally adjudged to be personally liable for negligence or misconduct in the matter out of which the liability arose.

ARTICLE IX.

The indemnification provisions set forth in SDCL 47-22-65.1 through 65.5 are hereby incorporated by reference and made a part of these Articles of Incorporation.

ARTICLE X.

It is the specific intention of the incorporators that Aspen Hills Development Homeowners Association, Inc. be exempt from taxation pursuant to 26 USC Section 501(a) Internal Revenue Code or 26 USC Section 501(c) Internal Revenue Code.

IN WITNESS WHEREOF, the undersigned, being the incorporator of this corporation, including the person hereinbefore mentioned as the first director, has executed these Articles of Incorporation this _____ day of _____, 1998.

Mark Reed

STATE OF SOUTH DAKOTA)
)SS
COUNTY OF _____)

On this, the _____ day of _____, 1998, before me, a Notary Public, duly commissioned to take acknowledgements in the State of South Dakota, personally appeared Mark Reed, to me known to be the incorporator referred to in Article VIII of the foregoing Articles of Incorporation, and to be the persons who executed the same, and acknowledged that he executed such Articles of Incorporation as his own free act and

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deed.

In witness whereof, I have hereunto set my hand and seal.

Notary Public

My Commission Expires: _____

(Seal)

CONSENT OF REGISTERED AGENT

The undersigned, Mark Reed, hereby consents to be the Registered Agent of Aspen Hills Development Homeowners Association, Inc. this _____ day of _____, 1998.

Mark Reed

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BY-LAWS OF THE
ASPEN HILLS DEVELOPMENT
HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

OFFICES

The principal office of the corporation shall be located
at _____

The Board of Directors shall have the power and authority to
establish and maintain a branch or subordinate office at any other
location within or without the State of South Dakota.

ARTICLE II

MEMBERS

SECTION 1. ANNUAL MEMBERS.

The annual meeting of the members shall be held at a
place specified by a the Board of Directors, on the
_____ day of _____ each year,
beginning with the year _____ at _____ o'clock __.m..

SECTION 2. SPECIAL MEETINGS.

Special meetings of the members, for any purpose or
purposes, unless otherwise prescribed by statute, may be called by
the Board of Directors.

SECTIONS 3. PLACE OF MEETING.

The Board of Directors may designate any place within the

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State of South Dakota, as the place of meeting for any annual meetings or for any special meeting called by the Board of Directors.

SECTION 4. NOTICE OF MEETING.

Written notice stating the place, day and hour of the meeting, and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall, unless otherwise prescribed by statute, be delivered not less than ten or more than thirty (30) days before the date of the meeting, either personally or by mail, by or at the direction of the President to each member of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the member at his address as it appears on the books of the corporation, with postage thereon prepaid.

SECTION 5. CLOSING OF BOOKS OR FIXING OF RECORD DATE.

For the purpose of determining members entitled to notice of or to vote at any meeting of members or any adjournment thereof, or in order to make a determination of members for any other proper purpose, the Board of Directors of the corporation may provide that the books shall be closed for a stated period but not to exceed, in any case, thirty (30) days. If the books shall be closed for the purpose of determining members entitled to notice of or to vote at a meeting of members, such books shall be closed for at least ten days immediately preceding such meeting. In lieu of closing the books, the Board of Directors may fix in advance a date as the record date for any such determination of members, such date in any case to be not more than thirty (30) days, and, in case of a

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meeting of members, not less than ten days prior to the date on which the particular action, requiring such determination of members, is to be taken. If the books are not closed and no record date is fixed for the determination of members entitled to notice of or to vote at the meeting of members the date on which notice of the meeting is mailed shall be the record date for such determination of members. When a determination of members entitled to vote at any meeting of members has been made as provided in this section, such determination shall apply to any adjournment thereof.

SECTION 6. VOTING RECORD.

The officer or agent having charge of the books for members of the corporation shall make a complete record of the members entitled to vote at each meeting of members or any adjournment thereof, arranged in alphabetical order, with the address of each. Such record shall be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any member during the whole time of the meeting for the purposes thereof.

SECTION 7. QUORUM.

A majority of the members of the corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of members. If less than a majority of the members are represented at a meeting, a majority of the members so represented may adjourn the meeting from time to time without further notice. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed,

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The members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

SECTION 8. PROXIES.

At all meetings of members, a member may vote in person or by proxy executed in writing by the member or by the duly authorized attorney-in-fact. Such proxy shall be filed with the secretary of the corporation before or at the time of the meeting. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy.

SECTION 9. VOTING.

Each member entitled to vote shall be entitled to one vote upon each matter submitted to a vote at a meeting of members. One vote may be cast per building site. If multiple owners, such owners will designate in writing who is authorized to vote.

ARTICLE III

BOARD OF DIRECTORS

SECTION 1. GENERAL POWERS.

The affairs of the corporation shall be managed by its Board of Directors.

SECTION 2. NUMBER, TENURE AND QUALIFICATIONS.

A. The number of Directors shall be not more than three (3), with two (2) to be elected from the membership and one (1) appointed by Nine C's Partnership, a South Dakota partnership.

B. Board members elected by the membership may serve two (2) consecutive terms of three (3) years and may be eligible for election again after one (1) year. However, in the event there

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are not sufficient members to serve as Board members without violating the two (2) consecutive term limitation, the same may be waived until there are sufficient members available to serve as members of the Board of Directors. The appointment by Nine C's Partnership shall not be subject to the two (2) consecutive term limitation.

SECTION 3. REGULAR MEETING.

Regular meetings of the Board of Directors shall be at least three (3) per calendar year with notice to be given.

SECTION 4. SPECIAL MEETINGS.

Special meetings of the Board of Directors may be called by any five (5) Directors. The persons authorized to call special meetings of the Board of Directors may fix any place within Lawrence County, South Dakota for holding any special meeting of the Board Of Directors called by them.

SECTION 5. NOTICE.

Notice of any special meeting shall be given at least ten (10) days previously thereto by written notice delivered personally or mailed to each Director at his business address, or by telegram.

If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, so addressed, with postage thereon prepaid. If notice be given by FAX, such notice shall be deemed to be delivered when the FAX is delivered. Any Director may waive notice of any meeting. The attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the

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meeting is not lawfully called or convened. Business to be transacted at and the purpose of any regular or special meeting must be specified in the notice and only those items may be acted upon.

SECTION 6. QUORUM.

Two (2) Directors, provided at least one (1) of them shall be the appointed Director by Nine C's Partnership, shall constitute a quorum for the transaction of business at Directors meetings.

SECTION 7. MANNER OF ACTING.

The act of majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. No individual Board member may make any public statement(s) without specific authorization from the Board.

SECTION 8. ACTION WITHOUT A MEETING.

Any action required or permitted to be taken by the Board of Directors at a meeting may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by two-thirds (2/3) of the Directors.

SECTION 9. VACANCIES.

Any vacancy occurring at the Board of Directors may be filled by an affirmative vote of remaining Directors though less than a quorum of the Board of Directors. Such appointee will hold office until the next membership meeting at which time an election will be held.

SECTION 10. PRESUMPTION OF ASSENT.

A Director of the corporation who is present at a meeting of the Board of Directors at which action on any corporate matter

is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

ARTICLE IV

OFFICERS

SECTION 1. NUMBERS.

The officers of the corporation shall be a President, a Vice President, a Secretary/Treasurer, each of whom shall be elected by the Board of Directors. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board of Directors.

SECTION 2. ELECTION AND TERM OF OFFICE.

The officers of the corporation to be elected by the Board of Directors shall be elected annually by the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently possible. Each officer shall hold office until his successor shall have been duly elected and shall have qualified or until his death or until he shall resign or shall have been removed in the manner hereinafter provided.

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SECTION 3. REMOVAL.

Any officer or agent may be removed by the Board of Directors whenever in its judgment for the best interests of the corporation will be served thereby. Election or appointment of an officer or agent shall not of itself create contract rights.

SECTION 4. VACANCIES.

A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

SECTION 5. THE PRESIDENT.

The President shall be the principal executive officer of the corporation and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the corporation. He shall, when present, preside at all meetings of the members and of the Board of Directors. He may sign, with the Secretary or any other proper officer of the corporation thereunto authorized by the Board of Directors, deeds, mortgages, bonds, contracts or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these By-Laws to some other officer or agent of the corporation, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

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SECTION 6. THE VICE PRESIDENT.

In the absence of the President or in the event of his death, inability or refusal to act, the Vice President shall perform the duties of the President and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President shall perform such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

SECTION 7. THE SECRETARY/TREASURER.

The Secretary/Treasurer shall:

- A. Keep the minutes of the proceedings of the members and of the Board of Directors in one or more books provided for that purpose;
- B. See that all of the notices are duly given in accordance with the provisions of these By-Laws or as required by law;
- C. Be custodian of the corporate records and of the seal of the corporation and see that the seal of the corporation is affixed to all documents, the execution of which on behalf of the corporation under its seal is duly authorized;
- D. Keep a register of the post office address of each member which shall be furnished by such member;
- E. Have general charge of the books of the corporation; and
- F. In general, perform all duties incident to the office and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

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- G. Have charge and custody of and be responsible for all funds and securities of the corporation;
- H. Receive and give receipts for moneys due and payable to the corporation from any source whatsoever, and deposit all such moneys in the name of the corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article IV of these Bylaws.

SECTION 8. SALARIES.

No salaries shall be paid to the officers.

SECTION 9. COMMITTEES.

These Bylaws will create the Executive Committee composed of the President, Vice-President and Secretary-Treasurer and two (2) directors. One of said directors shall be a director appointed by Nine C's Partnership. The Executive Committee shall serve as the Operating Committee.

Other committees shall be appointed by the Board of Directors, and shall be appointed for one (1) year terms. Committee members shall be eligible for reappointment.

Other committees may be formed based upon special needs identified by the membership or Directors. Committees will operate under policies established by the Board of Directors, and will make no public statements representing the Aspen Hills Development Homeowners Association, Inc, without specific authorization from the Board of Directors or the membership.

ARTICLE V

CONTRACTS, DEPOSITS AND BOOKS AND RECORDS

SECTION 1. CONTRACTS.

The Board of Directors may authorize any Director, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

SECTION 2. DEPOSITS.

All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the Board of Directors may select.

SECTION 3. BOOKS AND RECORDS.

The Board of Directors shall direct a designated Director to report to the State of South Dakota.

Reports shall be on forms prescribed and furnished by the Secretary of State of the State of South Dakota and the information contained therein shall be given as of the date of the execution of the report. Reports shall be executed for the corporation by the Chairman of the Board of Directors.

This corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its Board of Directors and committees having any of the authority of the Board of Directors and shall keep at its registered office or principle office a record of the names and addresses of its members.

Any Director of this corporation shall not be liable for

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any unauthorized distribution of assets if he relied and acted in good faith upon the financial statement of the corporation represented to him to be correct by a written report by a certified public accountant failing to reflect the financial condition of the corporation, nor shall a Director be liable if in good faith in determining the amount available for.

ARTICLE VI

CERTIFICATES FOR MEMBERS

SECTION 1. CERTIFICATES.

Certificates representing membership of the corporation shall be determined by the Board of Directors.

ARTICLE VII

DIVIDENDS

The Board of Directors may not declare and the corporation may not pay dividends.

Article VII

CORPORATE SEAL

The Board of Directors shall provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the corporation and the state of incorporation and the words "Corporate Seal". The seal shall be stamped or affixed to such documents as may be prescribed by law or custom or by the Board of Directors.

ARTICLE IX.

WAIVER OF NOTICE

Whenever any notice is required to be given to any member or Director of the corporation under the provisions of these Bylaws

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or under the provisions of the Articles of Incorporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE X

AMENDMENTS

These Bylaws may be altered, amended or repealed and new Bylaws may be adopted by the Board of Directors or by the members at any regular or special meeting.

ARTICLE XI.

DISSOLUTION

Upon dissolution of this corporation for any reason whatsoever the Board of Directors shall, by appropriate instruments, transfer all of the assets and liabilities to another South Dakota non-profit Corporation.

Dated this _____ day of _____, 1998.

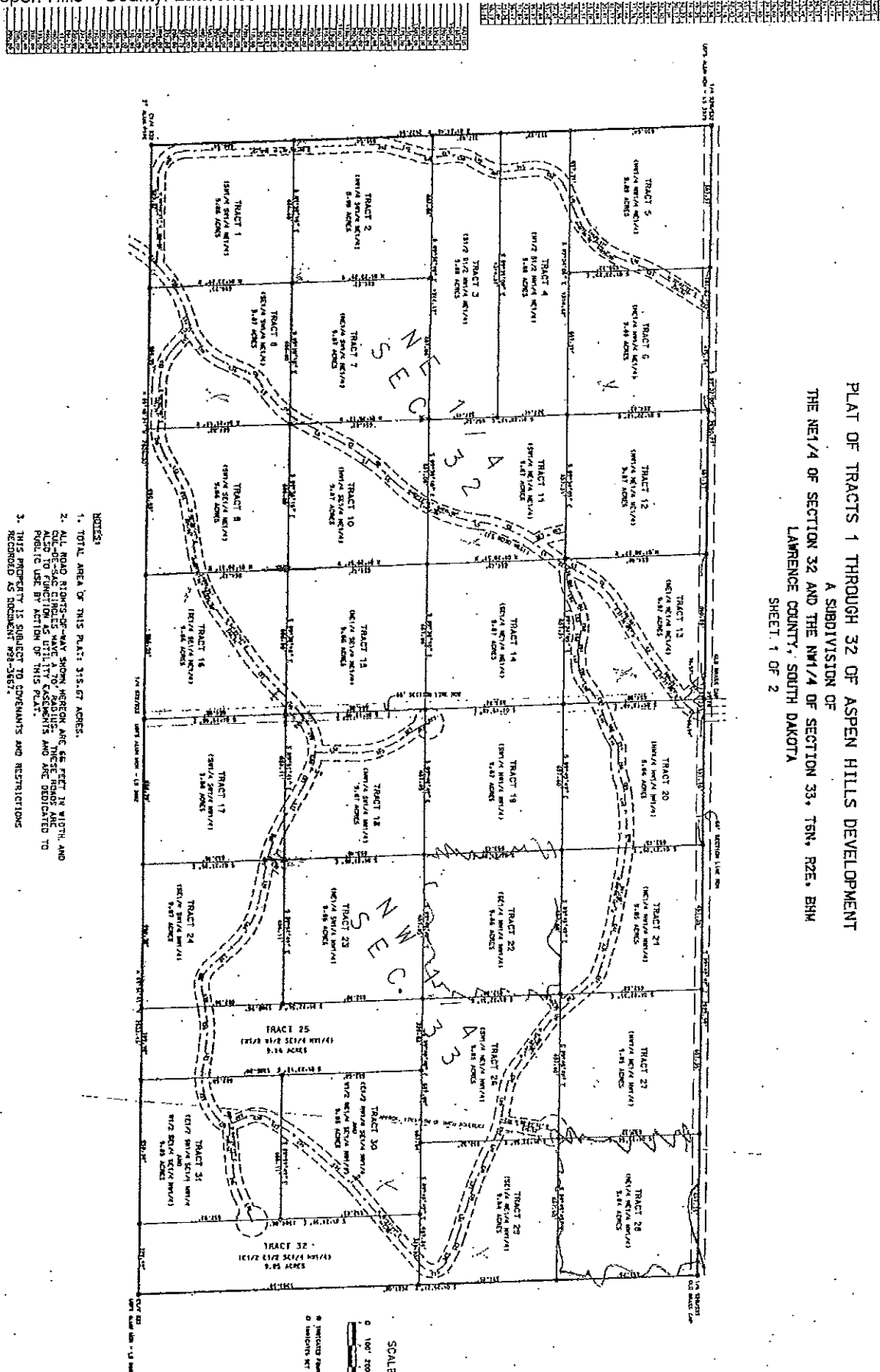
PRESIDENT

ATTEST:

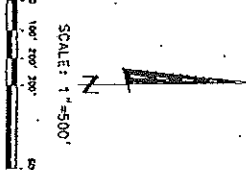
SECRETARY

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PLAT OF TRACTS 1 THROUGH 32 OF ASPEN HILLS DEVELOPMENT
 A SUBDIVISION OF
 THE NE 1/4 OF SECTION 32 AND THE NW 1/4 OF SECTION 33, T8N, R2E, B1M
 LAWRENCE COUNTY, SOUTH DAKOTA
 SHEET 1 OF 2



- NOTES
1. TOTAL AREA OF THIS PLAT: 315.67 ACRES.
 2. ALL ROAD RIGHTS-OF-WAY SHOWN HEREON ARE 20 FEET IN WIDTH, AND ALL UTILITY RIGHTS-OF-WAY SHOWN HEREON ARE 10 FEET IN WIDTH. ALSO TO FUNCTION AS UTILITY EASEMENTS AND ARE DEDICATED TO PUBLIC USE BY ACTION OF THIS PLAT.
 3. THIS PROPERTY IS SUBJECT TO COVENANTS AND RESTRICTIONS RECORDED AS DOCUMENT 938-2457.



ASPIEN HILLS DEVELOPMENT
 PLAT OF TRACTS 1 THROUGH 32
 A SUBDIVISION OF
 THE NE 1/4 OF SECTION 32 AND THE NW 1/4 OF SECTION 33,
 T8N, R2E, B1M
 LAWRENCE COUNTY, SOUTH DAKOTA
 SHEET 1 OF 2

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