

**BYLAWS OF**  
**ROLLING HILLS HOMEOWNERS' ASSOCIATION**

(This document replaces document # 94-837)

ARTICLE I.

NAME AND LOCATION

The name of the association is Rolling Hills Homeowners' Association, hereinafter referred to as the "association". The principal office of the association shall be located at 501 Wildwood Drive, Spearfish, South Dakota, 57783, but meetings of members and directors shall be held at such places within the State of South Dakota, County of Lawrence, as may be designated by the Board of Directors.

ARTICLE II.

DEFINITIONS

Section 1. "Association" means the Rolling Hills Homeowners' Association.

Section 2. "Member" shall refer to the record owners, whether one or more persons or entities, of the fee simple title of any lot which is part of or located within the property, including contract sellers but excluding those having such interest solely as security for the performance of any obligation. The rights of the owners may be exercised by a contract purchaser or mortgagee upon owners' written consent.

Section 3. "Property" means all the land as described in the Constitution & Declaration.

Section 4. "Lot" means any plot of land shown upon any recorded subdivision map on the property.

Section 5. "Town House Unit" means any building or a portion of a building situated upon the property and designated and intended for use and occupancy as a residence by a single family.

Section 6. "Development" means the lots subject to this declaration.

ARTICLE III.

MEETINGS

Section 1. Annual Meetings. The annual meeting of the members shall be held in

February of each year for the purpose of electing officers and for the transaction of such other business as may come before the meeting.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the president, by the board of directors, or upon the written request of one-third (1/3) of the members of the association.

Section 3. Notice of Meetings. 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 or personally delivering a copy of such notice at least 15 days before such meeting to each member entitled to vote, with all mailed notices properly addressed to the member's address last appearing on the books of the association, or supplied by such member to the association 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 4. Quorum. The presence at the meeting of members or proxies entitled to cast one-tenth (1/10) of the votes shall constitute a quorum for any action except as otherwise provided in the articles of incorporation, the declaration, or these bylaws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 5. Proxies. At all meeting, 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 their lot.

#### ARTICLE IV.

##### BOARD OF DIRECTORS, SELECTION, TERM OF OFFICE

Section 1. Number. The affairs of this association shall be managed by a board of three (3) or more directors who are members of the association and shall serve after election until their successors are elected and qualify.

Section 2. Term of Office. The term of office of directors shall be staggered.

Section 3. Removal or Replacement. Any director may be removed from the board, with or without cause, by a majority vote of the members of the association. In the event of death, resignation, removal, or refusal to serve by a director, their successor shall be selected by the

remaining members of the board and shall serve for the unexpired term of their predecessor.

Section 4. Compensation. No director shall receive compensation for any service they may render to the association as director. This shall not prohibit a director from contracting to provide services to the association. However, any director may be reimbursed for their actual expenses incurred in the performance of their duties.

Section 5. Action Taken Without a Meeting. 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.

## ARTICLE V.

### NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. 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 of the association. The nominating committee shall be appointed by the board of directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next 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 2. Election. Election to the board of directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy as may votes as they are entitled to exercise under the provisions of the declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

## ARTICLE VI.

### MEETINGS OF DIRECTORS

Section 1. Regular Meetings. A regular annual meeting of the board of directors shall be held after the annual meeting.

Section 2. Special Meetings. Special meetings of the board of directors shall be held when called by the president of the association, or by any two directors, after not less than three (3) days notice to each director, or without notice by consent of all directors.

Section 3. Quorum. 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 shall be regarded as the act of the board.

## ARTICLE VII.

### POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The board of directors shall have the power to:

- (a) Adopt and publish rules and regulations governing the use of the common area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) Suspend the voting rights and right to use of the facilities of a member during any period in which such member shall be in default of payment on any assessment levied by the association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations;
- (c) Exercise for the association all powers, duties and authority vested in or delegated to this association and not reserved to membership by other provisions of these bylaws, the constitution or declaration;
- (d) Declare the office of a member of the board of directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the board of directors; and
- (e) Employ a manager, and independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties. 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 members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-third (1/3) of its members who are entitled to vote;
- (b) Supervise all officers, agents and employees of this association, and to see that their duties are properly performed;

- (c) As more full provided in the declaration:
1. Fix the amount of the annual assessment against each lot and/or town house at least 30 days in advance of each annual assessment period;
  2. Send written notice of each assessment to every member subject thereto at least 30 days in advance of each annual assessment period; and
  3. Foreclose a lien against any lot for which assessments are not paid within 30 days after due or to bring an action at law against the member personally obligated to pay the same.
- (d) Issue upon demand by any member, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the board for the issuance of these certificates;
- (e) Procure and maintain adequate liability and hazard insurance on property owned by the association;
- (f) Cause all officers or employees having fiscal responsibilities to be bonded, as it deems appropriate; and
- (g) Appoint standing or special committees as may from time to time be determined necessary to carry out the affairs of the association.

## ARTICLE VIII

### OFFICERS

Section 1. Enumeration of Officers. The officers of this association shall be a president, vice president, and secretary/treasurer, who shall at all times be members of the board of directors.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the board of directors following each annual meeting of the members.

Section 3. Term. The officers of this association shall be elected annually by the board

and each shall hold office for one (1) year unless they shall sooner resign, or shall be removed, or otherwise be disqualified to serve.

Section 4. Special Appointments. The board may elect such other officers as the affairs of the association 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. Resignation and Removal. 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/treasurer. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. 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 they replace.

Section 7. Multiple Offices. The office 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. Duties. The duties of the officers are as follows:

President: 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.

Vice President: The vice president shall act as the president in the event of their absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of them by the board.

Secretary/Treasurer: The secretary/treasurer shall record the votes and keep minutes of all meetings and proceedings of the board and of the members; serve notice of meetings of the board and of the members; keep appropriate current records showing the members of the association together with their addresses; shall receive and deposit in appropriate bank accounts all monies of the association and shall disburse such funds as directed by the board of directors; shall sign all checks and promissory notes of the association; keep proper books of account; and shall prepare an annual budget and a statement of income and expenditures to be presented to the members at its regular annual meeting, and deliver a copy of each to the members, and shall perform such other duties as required by the board.

ARTICLE IX.

BOOKS AND RECORDS

The books, records and papers of the association shall at all times, during reasonable business hours, be subject to inspection by any member. The declaration, constitution and bylaws of the association shall be available for inspection by any member at the principal office of the association, where copies may be purchased at a reasonable cost.

ARTICLE X.

ASSESSMENTS

As more fully provided in the declaration, such member is obligated to pay to the association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within 30 days after the due date, the assessment shall bear interest from the date of delinquency at the rate established for judgement under the laws of the State of South Dakota, and the association may bring an action at law against the member personally obligated to pay the same. Interest, costs and reasonable attorney fees of any such action shall be added to the amount of such assessment. No member may waiver or otherwise escape liability for the assessments provided for herein by non-use of the common area or abandonment of their lot.

ARTICLE XI.

AMENDMENT

These bylaws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy.

ARTICLE XII.

MISCELLANEOUS

Section 1. Prevailment. In the case of any conflict between the constitution and these bylaws, the constitution shall control; and in the case of any conflict between the declaration and these bylaws, the declaration shall control.

