

**BY-LAWS OF
OF SANDSTONE HILLS HOMEOWNERS ASSOCIATION**

ARTICLE I. MEMBERS.

1. Membership. Membership in the Corporation runs with and is appurtenant to a lot subject to the Corporation. Subsequent owners of the property will acquire the seller's rights in the Corporation, subject to payment of Corporation assessments. Where more than one person holds an interest in a lot, all such persons shall be members but the vote for such lot shall be exercised as they may among themselves determine and in no event shall more than one vote be cast with respect to any one lot. No member may be expelled from the Corporation or be denied voting rights, but voting rights may be temporarily suspended during any period the member is delinquent in payment of assessments.

2. Place of Meeting. Annual meetings of members shall be held at any place in Lawrence County, South Dakota, reasonably selected by the Board of Directors.

3. Annual Meetings. Annual meetings of the members shall be held on a day in April selected by the Board of Directors and, at such meeting, the members shall elect Directors and shall transact other business.

4. Special Meetings. Special meetings of the members may be held upon the call of a majority of the members of the Board of Directors or upon a petition signed by members representing at least **fifty** separate lots, subject to the Corporation presented to the Secretary, with such a special meeting called by the members to be held no earlier than 30 days and not later than 60 days after the petition is presented to the Secretary. Only such business as specified in the notice of any special meeting may be transacted at the special meeting.

5. Notice of Meetings. Notice of each members' meeting, stating the place, day and hour of the meeting, and in case of a special meeting the purpose or purposes of the meeting, shall be given by the Secretary of the corporation or by the person authorized to call the meeting, to each member entitled to vote at the meeting not less than ten (10) days nor more than fifty (50) days before the date named for the meeting. Notices may be given by mail, hand delivery, or by electronic means.

6. Voting. At any meeting of the members, each lot whose assessments and service charges have been paid in full shall be entitled to one vote per lot subject to the Corporation. Voting rights may be exercised by proxies. Proxies are valid only for voting, are only void for eleven months after the effective date, and are not binding on subsequent owners of the grantor's lot.

7. Quorum. At any meeting of the members, the presence of the members representing **twenty** separate lots, shall constitute a quorum. In the absence of a quorum, the meeting shall be adjourned and a subsequent meeting shall be called one week later and the required quorum at the subsequent meeting shall be the members representing **ten** separate lots. At a duly organized meeting, members present can continue to do business until adjournment even though enough members withdraw to leave less than a

quorum.

8. Conduct of Meetings. Meetings of the members shall be conducted in accordance with Robert's Rules of Order.

ARTICLE II. BOARD OF DIRECTORS.

1. Number, Qualification and Election; Term. The board of Directors of the corporation shall consist of not less than **five (5)** nor more than **nine (9)** members. These members shall be elected by the members of the corporation at their annual meeting from among the members of the corporation whose assessment(s) have been paid. The initial Board of Directors shall be those members indicated on the Articles of Organization; such initial Board of Directors shall elect among themselves at least one Director to serve a one (1) year term, at least one Director to serve a two (2) year term, and at least one Director to serve a three (3) year term. Thereafter, all Directors shall be elected to serve three year terms.

2. Vacancies. Vacancies or newly created positions on the Board of Directors shall be filled by the Board of Directors with a current member or may be left vacant until the next annual meeting of members. Each Director selected by the Board of Directors to fill a vacancy shall serve until their successor is elected at the next annual meeting of members or at a special meeting of members called for that purpose, as the Board of Directors may determine.

3. Powers and Duties. It shall be the duty of the Board of Directors to direct to make and enforce assessments, annual and special, to exercise all corporate powers, and to appoint from its own membership, the officers of the corporation. The Board shall have power to enter into written contracts with employees and for long-term financing of corporate obligations for terms extending beyond the terms of office of any or all of the individual Directors. Generally, and without limitation, the Board shall have the power and shall operate the business of the corporation in a prudent and careful manner consistent with the limitations and restrictions imposed by the Articles of Incorporation of the corporation and under the powers granted to it by the laws of the State of South Dakota.

4. Resignation and Removal. Any Director may resign at any time by giving written notice of such resignation to the board of Directors. Such resignation shall take effect at the time specified therein and, unless otherwise specified, the acceptance of such resignation shall not be necessary to make it effective. Any Director who is absent from three consecutive regular meetings of the board of Directors unless excused by the Board of Directors for good and sufficient reason, shall be removed automatically as a Director of the corporation and such Director's position on the Board of Directors shall be declared vacant. Any Director may be removed as a Director of the corporation by the vote of two-thirds of the Directors for two or more un-excused absences, violating these By-laws, neglect of duty of office, or behavior injurious to the corporation. No such action shall be taken until the Director has been advised of specific charges, given a reasonable time to prepare a response, and afforded a full hearing before the board of Directors.

5. First Meeting. The first meeting of the Directors after the filing of the Articles of Incorporation shall be an organizational meeting held at the call of a majority of the Incorporators for the purpose of adopting By-laws, electing officers, and for normal business activity. The Incorporator(s) calling the meeting shall give three (3) days notice of such meeting.

6. Annual Meeting. The annual meeting of the Board of Directors shall be held immediately following the annual meeting of the members and no notice of such annual meeting shall be required.

7. Special Meetings. Special meetings of the board of Directors may be held at any time and at any place upon no less than 48 hours' notice by the President, Secretary or by one-third of the members of the board.

8. Quorum. A majority of the current membership of the Board of Directors shall constitute a quorum. The concurrence of a majority of the Board of Directors present at a meeting at which a quorum is present shall be necessary to conduct the business of the board. In lieu of personal attendance, any Director may participate in the meeting through means of internet "messenger" or "email," video conferencing, teleconference call, cellular telephone, or any other medium of electronic communication which is agreed upon by the board of Directors from time to time.

9. Voting. At any meeting of the Board of Directors, each Director shall be entitled to one vote. Voting rights may not be exercised by proxies.

ARTICLE III. OFFICERS.

1. Designation of Titles. The titles of officers of the corporation shall include a President, Vice President, Secretary, Treasurer, and any other officers as may be necessary or expedient for the proper conduct of business of the corporation as may from time to time be determined by the board of Directors.

2. Selection, Term, and Removal. The Directors shall choose, from among the members of the board of Directors, the officers of the corporation, who shall serve at the pleasure of the board for a one year term and who may be removed from office at any time with assigned cause by the board. All officers must be members of the board of Directors at all times during their terms of office. A Director may only serve in the same officer role for three (3) successive one year terms.

3. Resignation and Vacancies. Any officer may resign at any time by giving written notice of such resignation to the Board of Directors. Such resignation shall take effect at the time specified therein and, unless otherwise specified, the acceptance of such resignation shall not be necessary to make it effective. A vacancy in any office because of death, resignation, removal, disqualification or otherwise may be filled by the Board of Directors.

4. President. The President shall preside at all meetings of members and of the Board of Directors. The President shall sign all contracts and agreements and any other instruments requiring execution on behalf of the corporation, and shall be the chief executive officer of the corporation, subject to policies established by the Board of Directors. The President shall preside at annual or special membership meetings as well as Directors' meetings.

5. Vice President. The Vice President shall have all the powers and perform all the duties of the President in case of the temporary absence of the President, Secretary, or Treasurer or in case of his temporary inability to act unless otherwise restricted by the board. In case of the permanent absence or inability of the President, Secretary, or Treasurer to act, the office of the President shall be declared vacant by the Board of Directors and a successor chosen by the board.

6. Secretary. The Secretary shall see that the minutes of all meetings of members and of the Board of Directors are kept. The Secretary shall give or cause to be given required notice of all meetings of the members and of the Board of Directors; shall have charge of all books and records of the corporation except the books of account; shall have possession of and shall affix the corporate seal when appropriate to documents; and in general shall perform all the duties incident to the office of Secretary of a corporation and such other duties as may be assigned to him by the board.

7. Treasurer. The Treasurer shall have general custody of all of the funds and securities of the corporation and shall see to the deposit of the funds of the corporation in such bank or banks as the Board of Directors may designate. Regular books of account shall be kept and the Treasurer shall render financial reports to the President, Directors and members at proper times. The Treasurer shall have charge of the preparation and filing of such reports, financial statements, and returns as may be required by law, and the annual report designated in Article V below.

7. Delegation of Duties. Whenever an officer is absent or whenever for any reason the Board of Directors may deem desirable, the board may delegate the powers and duties of such officer to any other officer or officers or to any Director or Directors.

ARTICLE IV. COMMITTEES.

1. Committees. The Board of Directors may at any time designate such special committees not having or exercising the authority of the Board of Directors in the management of the association as it may deem advisable, may fix the terms and duties of such committees, and at least one board member will be appointed by the board to serve on each committee.

2. Nominating Committee. The nominating committee shall be composed of three members appointed by the Board of Directors to serve for staggered 3-year terms, at least one of whom is a board member. The board member shall serve as the chairperson of the nominating committee. This committee shall be responsible for presenting at least one nominee for each position on the Board of Directors and committees. This committee shall interview all potential nominees and before presenting names in nomination shall have the

consent of the nominee. A prepared ballot, with space for nominations from the floor by any member entitled to vote, shall be presented to the annual meeting of members of the corporation. No person's name shall be placed in nomination without that person's prior consent.

3. Minutes and Records of Committees. A written record shall be kept of the proceedings and determinations of all special committees submitted to the board at regular intervals.

4. Notice of Committee Meetings. Notice of all committee meetings shall be given by the chairperson of the committee. Such notice shall be given by mail, hand delivery, or by electronic means at least 24 hours' before the meeting.

5. Committee Chairpersons. The board member on each committee shall act as chairperson and is responsible to report committee actions to the Board of Directors.

6. Additional Members. The chairman of any committee may invite additional individuals, including non-board members, to meet with and assist such committee. Such individuals shall not be allowed to vote on committee decisions.

7. Resignation and Vacancies. Any member of any committee may resign at any time by giving written notice of such resignation to the Board of Directors. A vacancy on any committee may be filled for the unexpired portion of the term by action of the Board of Directors.

8. Quorum. A majority of the committee shall constitute a quorum for the transaction of business at any meeting of that committee.

ARTICLE V. LIABILITY AND INDEMNIFICATION.

1. Exoneration from Personal Liability. To the extent permitted by law, and pursuant to SDCL § 47-23-2, the Directors, officers, employees, and members of the corporation shall not, as such, be liable on its obligations.

2. Liability of Directors, Trustees, or Officers. To the extent permitted by law, and pursuant to SDCL § 47-23-2.1, no Director, trustee, or officer serving without compensation, other than reimbursement for actual expenses, of the corporation, shall be liable, and no cause of action may be brought, for damages resulting from the exercise of judgment or discretion in connection the duties or responsibilities of such Director, trustee, or officer while acting in his official capacity as such Director, trustee, or officer, unless the act or omission involves willful or wanton misconduct.

3. Indemnification.

3.1 To the extent permitted by law, the corporation shall provide indemnity to the maximum extent permitted by the provisions of SDCL 47-22-65.1(1) and (2), as from time to time amended.

3.2 The Corporation shall not be liable for any failure of utilities or services of any nature to be obtained by the Corporation or paid for as an Assessment, or for injury or damage to any person or property caused by natural elements or by any Lot Owner(s) or other person, or resulting from electricity, water, snow or ice. No diminution or abatement of any Assessments shall be claimed or allowed for any reason whatsoever, including (without limitation) inconvenience or discomfort arising from any action taken by the Corporation, any Officer(s), or any Lot Owner(s) to comply with any law, ordinance or other governmental regulation or order.

4. Liability Insurance. The corporation also has the power and authority to purchase and maintain such liability insurance as is provided under SDCL 47-22-65.6, as from time to time amended.

ARTICLE VI. GENERAL PROVISIONS.

1. Criteria for Action by the Board of Directors and Officers. In the conduct of their activities on behalf of the corporation, no member of the Board of Directors or any officer of the corporation shall act so as to deny any person an appointment to the Board of Directors or any committee, any benefit, privilege or treatment on the basis of sex, race, creed, color or national origin, or on any other arbitrary, capricious or discriminatory basis. Words used in these by-laws shall be read as the masculine or feminine gender, and as the singular or plural, as the context requires.

2. Annual Report. At the annual meeting, the Secretary and Treasurer shall prepare and the President shall submit to the membership.

3. Fiscal Year. The fiscal year of the corporation shall end on March 31st of each year.

4. Offices. The offices of the corporation shall be in Lawrence County, South Dakota.

5. Record of Members. The Secretary of the corporation shall maintain a list of the members of the corporation, which shall be available for public inspection. This shall be the voting list of the membership.

6. Repeal, Alteration or Amendment. These By-Laws may be amended from time to time by the Board and may be repealed or altered or substitute by-laws may be adopted by the majority vote of the members at a member meeting, provided that proper notice of the meeting stating the proposed changes to the By-Laws has been given.

ARTICLE VII. APPURTENANCES.

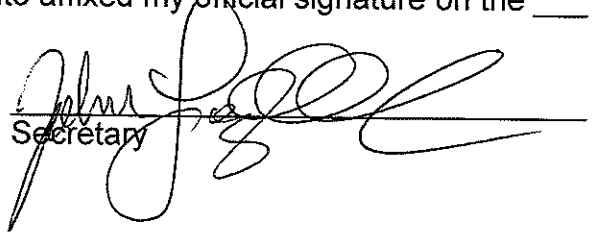
The above-described real property shall be held, sold and conveyed subject to the terms, conditions and obligations of these Articles of Incorporation and Bylaws, which shall run with the land and shall be binding on all parties having any right, title or interest in the property or any part hereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE VIII. ASSESSMENTS AND SERVICE CHARGES.

The Association has the right to charge assessments and service charges as is set forth in any applicable Covenants. In a voluntary conveyance of a Lot, the grantee of the Lot shall be jointly and severally liable with the grantor for all unpaid assessments against the same at the time of conveyance without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor.

I HEREBY CERTIFY that the foregoing are the By-Laws of **Sandstone Hills Homeowners Association** adopted by the incorporators thereof duly assembled on the ___ day of October, 2022, in the principal office of the corporation.

IN TESTIMONY WHEREOF, I have hereunto affixed my official signature on the ___ day of October, 2022.


Secretary