

BY-LAWS
OF
WYNSTONE HOMEOWNERS ASSOCIATION

ARTICLE I
DEFINITIONS

Section 1. "Association" shall mean and refer to Wynstone Homeowners Association, a non-profit corporation organized and existing under the laws of the State of South Dakota.

Section 2. "Board" shall mean the Board of Directors of the Association.

Section 3. "Common Area(s)" shall mean the roads, ponds, bridges, walkways, parks, trails, signs, and gates, as shown upon the plats for the Property (including, but not limited to, the roads currently known as Brookside Drive, Willowbrook Court, Birchwood Court, Fieldstone Court, and Red Cedar Court), and shall include any real estate which may hereafter be owned by the Association and designated by the Association for the common use and enjoyment of the Owners. Said Common Areas shall also include Tract 1 of Wynstone Phase 1 in Union County, South Dakota and commonly known as Wynstone Drive.

Section 4. "Declaration" shall mean the Declaration of Covenants, Conditions, and Restrictions for the Property dated June 18 , 2001, and recorded with the Union County, South Dakota, Register of Deeds in Book 38 of Miscellaneous Records, commencing on Page 156 , at 10:00 o'clock A .M. on June 19 , 2001, as such Declaration may from time to time be amended or modified according to its terms and shall also mean the Declaration of Covenants, Conditions, and Restrictions dated May 15, 1997, and recorded with the Union County, South Dakota, Register of Deeds in Book 34 of Miscellaneous Records, commencing on Page 126, at 1:00 o'clock P.M. on May 15, 1997, as such Declaration may from time to time be amended or modified according to its terms

Section 5. "Lot" or "lot" shall mean any plot of land shown upon any recorded subdivision plat of the Property, with the exception of Common Areas.

Section 6. "Member" shall mean an Owner in his or her capacity as a member of the Association as provided in Article II of the Declaration and shall also include Owners of Lots in Wynstone Phase 1.

Section 7. "Owner" shall mean the record owner, whether one or more persons or entities, of fee simple title to any Lot except that, where a Lot is being sold on a contract for deed and the contract vendee is in possession, then the vendee and not the vendor shall be deemed to be the "Owner". Under no circumstances shall Owner refer to any mortgagee unless and until the mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

Section 8. "Property" shall mean the real property described as follows:

Wynstone Phase 2 of Tract 14, Wynstone Phase 1, and
Dailey Tract 5 in Section 36, Township 30 North, Range
7 East of the 6th P.M., and accretion thereto; all in Union County,
South Dakota.

ARTICLE II LOCATION

Section 1. The principal office of the Association shall be located at such address as the Board shall, from time to time, designate.

ARTICLE III MEMBERSHIP

Section 1. Membership in the Association shall be governed by the provisions of the Declaration.

Section 2. The rights of membership are subject to the payment of quarterly and special assessments levied by the Association, the obligation of which assessments is imposed against each Owner of and becomes a lien against the Lot on which such assessments are made, as provided by Article IV of the Declaration, which Article is hereby incorporated herein by reference, the same as if set forth in full and in detail herein.

Section 3. The membership rights of any person whose interest in the Property is subject to assessment under Article III, Section 2 hereof, whether or not he or she is personally obligated to pay such assessments, may be suspended by action of the Board during the period when the assessments remain unpaid, but upon payment of such assessments, his or her rights and privileges shall be automatically restored. If the Board has adopted and published rules and regulations governing the use of the Common Areas and the personal conduct of any person thereon, the Board may, in its discretion, suspend the rights of any person violating such rules and regulations for a period not to exceed thirty (30) days or such other period as may be provided by the Declaration and impose a fine of \$500.00 per violation for each continuing infraction of its published rules and regulations. Nothing herein shall be construed to deprive Owner of the right of access to his or her Lot.

ARTICLE IV
VOTING RIGHTS

Section 1. Each Owner of a Lot, as a member of the Association, shall have such voting rights as are provided for in Article II of the Declaration.

ARTICLE V
PROPERTY RIGHTS AND RIGHTS OF
ENJOYMENT OF COMMON AREAS

Section 1. Each Member shall be entitled to the use and enjoyment of the Common Areas as provided by the Declaration.

Section 2. Any Member may delegate his or her rights of enjoyment in the Common Areas to the members of his or her family who reside at his or her Lot or to any of his or her tenants who reside therein under a written lease complying with the Declaration and filed with the Association. The rights and privileges of such persons are subject to suspension under Article III, Section 3, to the same extent as those of the Member.

ARTICLE VI
ASSOCIATION PURPOSES AND POWERS

Section 1. The Association has been organized for, and is hereby vested with, the powers listed and enumerated in the Articles of Incorporation of the Association.

ARTICLE VII
BOARD OF DIRECTORS

Section 1. The management and affairs of this Association shall be managed by a Board of Directors with an initial number of three (3). Directors need not be Members of the Association. The Declarant shall have the right to appoint the Directors of the

Association until May 15, 2003. Thereafter, an election shall be held among all Owners in fee of the Lots for the purpose of electing five (5) Directors to serve on the Association's Board of Directors for a term of one (1) year. The number of Directors may be changed by amendment of these By-Laws.

Section 2. Vacancies in the Board of Directors shall be filled by the majority of the remaining Directors, any such appointed Director to hold office for the same period of time for which his or her predecessor was appointed to serve.

Section 3. The Board of Directors shall have the power:

- a. To call special meetings of the Members whenever it deems necessary, and it shall call a meeting at any time upon written request of one-fourth (1/4) of the voting Membership, as provided in Article XII, Section 2 hereof.
- b. To appoint and remove at its pleasure all officers, agents and employees of the Association, prescribe their duties, fix their compensation, and require of them such security or fidelity bond as it may deem expedient. Nothing contained in these By-Laws shall be construed to prohibit the employment of any Member, officer or director of the Association in any capacity whatsoever.
- c. To establish, levy, and assess and collect the assessments or charges referred to in Article III, Section 2 hereof.
- d. To adopt and publish rules and regulations governing the use of Common Areas and the personal conduct of the Members and their guests thereon.
- e. To exercise for the Association all powers, duties and authority vested in or delegated to this Association in its Articles of Incorporation and the Declaration except those reserved to the Members.
- f. To exercise all other powers necessary or appropriate for the discharge of its other powers authorized hereunder or its obligations provided for herein.

Section 4. It shall be the duty of the Board of Directors:

- a. To 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 of the Members when such is requested in writing by one-fourth (1/4) of the voting Membership, as provided in Article XII, Section 2.
- b. To supervise all officers, agents and employees of this Association and to see that their duties are properly performed.
- c. As more fully provided in Article IV of the Declaration:
 - (1) To fix the amount of the applicable assessment against each Lot for each assessment period at least thirty (30) days in advance of such date or period;
 - (2) To prepare a roster of the properties and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Member;
 - (3) To send written notice of each assessment to every Owner subject thereto.
- d. To issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether any assessment has been paid. Such certificate shall be conclusive evidence of any assessment therein stated to have been paid.

ARTICLE VIII ELECTION OF DIRECTORS

Section 1. At any election for Directors the Members or their proxies may cast, in respect of each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The names receiving the largest number of votes shall be elected. Nominations for election to the Board of Directors may be made in writing by any Member, which writing shall be delivered to the Board prior to the scheduled

meeting. Moreover, Members may make nominations from the floor at the time of the election of Directors at the annual meeting of Members.

ARTICLE IX DIRECTORS' MEETINGS

Section 1. A regular meeting of the Board of Directors shall be held quarterly on a day, time, and place agreed upon by a majority of the Directors.

Section 2. Notice of such regular meeting is hereby dispensed with.

Section 3. Special meetings of the Board of Directors shall be held when called by any officer of the Association or by any two Directors, upon not less than three(3) days' notice to each Director.

Section 4. The transaction of any business at any meeting of the Board of Directors, however called and noticed, or wherever held, shall be as valid as though made at a meeting duly held after regular call and notice if a quorum is present and, if either before or after the meeting, each of the Directors not present signs a written waiver of notice, or a consent to the holding of such meeting or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records and made part of the business of the meeting.

Section 5. The majority of the Board of Directors shall constitute a quorum thereof.

ARTICLE X OFFICERS

Section 1. The officers of the Association shall be a president, a vice president, a secretary and a treasurer. The president and the vice president shall be members of the Board of Directors. One individual may jointly serve as secretary/ treasurer.

Section 2. All officers shall be chosen by a majority vote of the Directors. All officers shall hold office at the pleasure of the Board of Directors.

Section 3. The President shall preside at all meetings of the Board of Directors, shall see that orders and resolutions of the Board of Directors are carried out and shall sign all notes, checks, mortgages, deeds and all other written instruments on behalf of the Association.

Section 4. The Vice President shall perform all the duties of the president in his or her absence.

Section 5. The Secretary shall be ex officio the secretary of the Board of Directors, shall record the votes and keep the minutes of all proceedings in a book to be kept for that purpose, shall sign all certificates of Membership, shall keep the records of the Association, and shall record in a book kept for that purpose the names and addresses of all Members of the Association.

Section 6. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors, provided however, that a resolution of the Board of Directors shall not be necessary for disbursements made in the ordinary course of business

conducted within the limits of a budget adopted by the Board. The Treasurer shall sign all checks and notes of the Association, provided that such checks and notes shall also be signed by the President or the Vice President. The Treasurer shall keep proper books of account. The Treasurer shall prepare an annual budget and an annual balance sheet statement, and the budget and balance sheet statement shall be presented to the Membership at its regular annual meeting.

ARTICLE XI COMMITTEES

Section 1. The Standing Committees of the Association shall be:

The Maintenance Committee; and

The Architectural Review Committee.

Unless otherwise provided herein or in the Declaration, each committee shall consist of a Chairman and two or three Members and shall include a member of the Board of Directors. The committees shall be appointed by the Board prior to each annual meeting 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 such annual meeting. The Board may designate that its members constitute one or more of such standing committees. The Board may appoint such other committees as it deems desirable.

Section 2. The Maintenance Committee shall advise the Board of Directors on all matters pertaining to the maintenance, repair or improvement of the Common Areas

of the Association, including but not limited to the roads, and shall perform such other functions as the Board, in its discretion , determines.

Section 3. The Architectural Review Committee shall have the duties and functions described for said committee in the Declaration. It shall watch for any proposals, programs or activities which may adversely affect the value of the Property and shall advise the Board of Directors regarding Association action on such matters.

ARTICLE XII ANNUAL AND SPECIAL MEETINGS OF MEMBERS

Section 1. The annual meeting of the Members shall be held on the second Monday in the month of March in each year, beginning with the year 1998 at the hour of 7:00 o'clock P.M., for the purpose of electing directors and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday in the State of South Dakota, such meeting shall be held on the next succeeding business day. If the election of directors shall not be held on the day designated herein for any annual meeting of the Members, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the Members as soon thereafter as conveniently may be.

Section 2. Special meetings of the Members, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the President or by the Board of Directors, and shall be called by the President at the request of the holders of not less than one-fourth of all of the outstanding eligible votes entitled to be cast at a meeting of the Members.

Section 3. The Board of Directors may designate any place as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors. A waiver of notice signed by all Members entitled to vote at a meeting may designate any place as the place

for the holding of such meeting. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be the registered office of the Association in the State of South Dakota.

Section 4. Written or printed 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 be delivered not less than ten nor more than fifty days before the date of the meeting, either personally or by mail, by or at the direction of the President, or the Secretary, or the officer or persons calling the meeting 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 or her address as it appears on the books of the Association, with postage prepaid.

Section 5. 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 Association may provide that the record books shall be closed for a stated period, not to exceed fifty (50) days. If the record books of the Association 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 (10) days immediately preceding

such meeting. In lieu of closing the record books, the Board of Directors may fix in advance a date as the record date for any such determination of Members, such date in a case to be not more than fifty (50) days and, in case of a meeting of Members, no less than ten (10) days prior to the date on which the particular action requiring determination of Members is to be taken. If the record books of the Association are not closed and no record date is fixed for the determination of Members entitled to notice of or to vote at a 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 a meeting of Members has been made as provided in this section such determination shall apply to any adjournment thereof.

Section 6. The President of the Association or any person designated by the President for that purpose shall complete and maintain a list of Members of the Association entitled to vote at any meeting of Members, arranged in alphabetical order with the address of and the number of votes or the fractional amount thereof which the Member may cast. Such list shall at all times be subject to inspection by any Member of the Association.

Section 7. A majority of the outstanding votes entitled to be cast at a meeting of Members of the Association, with a representative in person or by proxy, shall constitute a quorum at a meeting of Members. If less than a majority of the outstanding votes are represented at the meeting, a majority of the votes so represented may adjourn the meeting to a future time without further notice. At such adjourned meeting held at the appointed future time, at which a quorum shall be present or represented,

any business may be transacted which might have been transacted at the meeting as originally notified. The Members present at a duly organized meeting which initially had a quorum may continue to transact business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum.

Section 8. At all meetings of Members, a Member may vote by proxy executed in writing by the Member or by his or her duly authorized attorney in fact. Such proxy shall be filed with the secretary of the Association 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. Memberships standing in the name of another corporation may be voted by such officer, agent or proxy as the By-Laws of such corporation may prescribe, or, in the absence of such provision, as the Board of Directors of such corporation may determine.

Memberships held by an administrator, executor, guardian or conservator may be voted by him or her, either in person or by proxy, without a transfer of such membership into his or her name. A membership standing in the name of a trustee may be voted by him or her, either in person or by proxy, but no trustee shall be entitled to vote membership held by him or her without a transfer of such membership into his or her name.

Section 10. At each election for directors every Member entitled to vote at such election shall have the right to vote, in person or by proxy, the number of votes which

he or she is entitled to cast for as many persons as there are directors to be elected and for whose election he or she has a right to vote.

ARTICLE XIII
BOOKS AND PAPERS

Section 1. The books, records and papers of the Association shall at all times, during reasonable hours, be subject to the inspection of any Members.

ARTICLE XIV
CORPORATE SEAL

Section 1. The Association shall not have a corporate seal unless required by applicable law, or adopted by the Board.

ARTICLE XV
AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the Members, by a vote of a two-thirds majority of a quorum of Members present in person or by proxy, provided that the voting and quorum requirements specified for any action under any provisions of these By-Laws shall apply also to any amendment of such provision and provided further that those provisions of these By-Laws which are governed by the Articles of Incorporation of the Association may not be amended except as provided in the Articles of Incorporation or applicable law; and provided further that any matter stated herein to be or which is in fact governed by the Declaration may not be amended except as provided in the Declaration.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles of Incorporation shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XVI DISSOLUTION

Section 1. The Association may be dissolved only with the assent given in writing and signed by the Members entitled to cast two-thirds (2/3) of the votes of the Members. Written notice of a proposal to dissolve, setting forth the reasons therefore and the disposition to be made of the assets shall be mailed to every Member at least ninety (90) days in advance on any action taken.

Section 2. Upon dissolution of the Association the assets, both real and personal, of the Association shall be dedicated to an appropriate public agency or utility to be devoted to purposes as nearly as possible the same as those to which they were required to be devoted by the Association. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit association, association, trust or other organization to be devoted to purposes as nearly as possible the same as those to which they were required to be devoted by the Association. No such disposition of Association properties shall be effective to divest or diminish any right or title to any Member vested in him or her under the Declaration.